



Crowe LLP

Independent Member Crowe Global

701 13th Street N.W., Suite 852
Washington, D.C. 20005-3962

Tel +1 202 624 5555
Fax +1 202 624 8858

www.crowe.com

September 24, 2025

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: SECURITIES AND EXCHANGE COMMISSION [Release No. 34-103803; File No. PCAOB-2025-01]
Public Company Accounting Oversight Board; Notice of Filing and Immediate Effectiveness of
Proposed Rule Change Postponing the Effective Date of Amendments to Board Standards, Rules,
and Forms Adopted on May 13, 2024**

Dear Office of the Secretary:

Crowe LLP appreciates the opportunity to share our views on the proposed rule change to delay the effective date of the Public Company Accounting Oversight Board's (PCAOB) QC1000, *A Firm's System of Quality Control*, and other new and amended PCAOB standards, rules, and forms (collectively QC1000).

We strongly support deferring the effective date of QC 1000 from December 15, 2025, to December 15, 2026.

Implementing QC1000 is a significant and challenging process which involves thoughtful evaluation of how to implement the significant differences between QC1000 and ISQM 1. Providing a deferral allows firms more time to thoughtfully implement these changes, including performing pilot processes.

Two major provisions of the new standard – incorporating an external quality control function (EQCF) into the firm's governance structure and implementing an automated system for independence – require significant amounts of time, planning, and expense. The deferral provides more time to engage and plan for the EQCF and test the automated system.

We respectfully request the SEC and PCAOB continue to research and perform outreach to gather more information about the implementation challenges firms are facing. We encourage consideration as to whether certain provisions of QC1000 should be revisited to determine if they promote audit quality or whether the benefit outweighs the cost. For example, we believe that a prescriptive evaluation date of September 30th and a requirement to retain documentation for seven years does not improve audit quality. Yet, these requirements create unnecessary burdens on firms without a corresponding benefit. The burden of engaging an EQCF is especially high for firms with smaller issuer bases, like Crowe. Uncertainty around the EQCF role is limiting available and interested candidates due to unknown risks and consequences of serving in this role.

The design-only requirement is creating unintended consequences causing some registered firms, in particular foreign-registered firms, to withdraw their PCAOB registration due to the burden of implementing and designing a quality control system. The reduction in registered firms will limit the availability of auditors.

We continue to believe, as we stated in our comment letter to the PCAOB dated February 1, 2023, that alignment with ISQM 1¹ is critical for promoting consistency. ISQM 1 is a comprehensive, risk-based standard that incorporates many improvements to quality management since the PCAOB's original QC standards were adopted. Ultimately, we believe ISQM 1 provides a sufficient and reasonable framework for quality control and incremental requirements introduced by QC1000 do not provide meaningful improvements to audit quality that justify the cost associated with implementing and maintaining those requirements. Furthermore, operating a QC system under different frameworks creates unnecessary complexity and diversity of results and conclusions.

We would be pleased to discuss any questions related to our letter. Please contact Matthew Schell at Matthew.Schell@Crowe.com or Jennifer Kary at Jennifer.Kary@Crowe.com.

Sincerely,

Crowe LLP

cc:

Paul S. Atkins, Chairman of U.S. Securities and Exchange Commission

George Botic, Acting Chair of the Public Company Accounting Oversight Board

¹ International Auditing and Assurance Standards Board's (IAASB) International Standard on Quality Management 1 (ISQM 1)