May 5, 2021

BY E-MAIL

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: File No. S7-03-21 – Comments on Behalf of a Foreign Private Issuer Client to Holding Foreign Companies Accountable Act Disclosure Interim Final Rule

Dear Ms. Countryman:

The comment attached hereto is submitted on behalf of a client that is a foreign private issuer under the U.S. securities law, listed in the US.

Very truly yours,

Matthew J. Thomas
Partner
The following are our opinions regarding the interim final rule implementing the "Holding Foreign Companies Accountable Act" ("HFCA") on which the Securities Exchange Commission (SEC) is seeking public comments:

To properly resolve the issue that the Public Company Accounting Oversight Board ("PCAOB") is unable to examine the accounting firms engaged by certain public companies listed in the U.S. – while also avoiding triggering the delisting risk of public companies, maintaining the normal trading environment of the capital market, and creating a fair, just and open business environment – it is recommended to focus on strengthening the cooperation of the regulatory agencies between countries.

The reasons for this are as follows: The core content and regulatory focus of the HFCA and its interim final rule are to enhance the supervision and inspection of the accounting firms engaged by the issuers. The purpose is to ensure the truthfulness, accuracy, and completeness of the information disclosed by public companies listed in the United States. Ultimately, the goal is the protection of the U.S. investors and the public interest. An accounting firm is an agency that independently provides audit opinions on corporate financial reports in accordance with the law and is responsible for its authenticity, accuracy, and completeness. At present, some accounting firms engaged by some U.S.-listed public companies cannot be inspected by PCAOB due to the conflicts of relevant laws from different countries and jurisdictions.

If additional disclosure obligations and compliance costs are imposed on the U.S.-listed companies and extreme measures of delisting are taken simply because PCAOB is unable to inspect the accounting firms hired by U.S.-listed companies due to the conflict of laws between countries, it would be contrary to the logic of the market economy and violate applicable legal principles. Such an approach therefore will not protect the interest of U.S. investors. It also will increase the uncertainty of future foreign companies’ listing in the U.S., thereby affecting the international position and image of the U.S. capital market.

At present, the only feasible way to resolve conflicts of laws between countries is to strengthen the cooperation between cross-border law enforcement and regulatory agencies, in order to actively and steadily resolve the problem that PCAOB cannot conduct inspections of accounting firms engaged by U.S. listed companies.