

SEC Approves PCAOB Rule Implementing Holding Foreign Companies Accountable Act

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The SEC [approved](#) a Public Company Accounting Oversight Board rule that establishes the framework by which the Board will determine whether it is able to inspect satisfactorily an issuer's registered public accounting firm located in a foreign jurisdiction. The rule implements the [Holding Foreign Companies Accountable Act](#).

Among other things, the rule establishes (i) the manner by which the PCAOB will make its determinations, (ii) the factors that the PCAOB will consider and (iii) how the PCAOB will revisit any determination.

As [previously covered](#), the PCAOB [adopted](#) a framework under [PCAOB Rule 6100](#) ("Board Determinations under the Act") which establishes the following factors that warrant a determination: whether PCAOB (i) can select any audit area to investigate, (ii) has timely access any relevant firm documents for the investigation and (iii) *is able to* carry out its mandate under the Sarbanes-Oxley Act and its own rules.

The rule went into effect upon its approval by the SEC on November 4, 2021.

1. [SEC Press Release: SEC Approves PCAOB Rule to Establish A Framework for Determinations Under the Holding Foreign Companies Accountable Act](#)
2. [SEC Order: Public Company Accounting Oversight Board; Order Granting Approval of Proposed Rule Governing Board Determinations Under the Holding Foreign Companies Accountable Act](#)
3. [SEC Statement, Gary Gensler: Statement on PCAOB Rule 6100 to Fulfill Obligations under the HFCAA](#)

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