

broker, or dealer with the requirements of the securities laws; and

(B) in which a public accounting firm either—

(i) sets forth the opinion of that firm regarding a financial statement, report, notice, or other document, procedures, or controls; or

(ii) asserts that no such opinion can be expressed.

(3) Broker

The term “broker” means a broker (as such term is defined in section 78c(a)(4) of this title) that is required to file a balance sheet, income statement, or other financial statement under section 78q(e)(1)(A) of this title, where such balance sheet, income statement, or financial statement is required to be certified by a registered public accounting firm.

(4) Dealer

The term “dealer” means a dealer (as such term is defined in section 78c(a)(5) of this title) that is required to file a balance sheet, income statement, or other financial statement under section 78q(e)(1)(A) of this title, where such balance sheet, income statement, or financial statement is required to be certified by a registered public accounting firm.

(5) Professional standards

The term “professional standards” means—

(A) accounting principles that are—

(i) established by the standard setting body described in section 77s(b) of this title, as amended by this Act, or prescribed by the Commission under section 77s(a) of this title or section 78m(b) of this title; and

(ii) relevant to audit reports for particular issuers, brokers, or dealers, or dealt with in the quality control system of a particular registered public accounting firm; and

(B) auditing standards, standards for attestation engagements, quality control policies and procedures, ethical and competency standards, and independence standards (including rules implementing title II) that the Board or the Commission determines—

(i) relate to the preparation or issuance of audit reports for issuers, brokers, or dealers; and

(ii) are established or adopted by the Board under section 7213(a) of this title, or are promulgated as rules of the Commission.

(6) Self-regulatory organization

The term “self-regulatory organization” has the same meaning as in section 78c(a) of this title.

(Pub. L. 107-204, title I, §110, as added Pub. L. 111-203, title IX, §982(a)(1), July 21, 2010, 124 Stat. 1927.)

REFERENCES IN TEXT

Section 77s(b) of this title, as amended by this Act, referred to in par. (5)(A)(i), means section 77s(b) of this title, as amended by Pub. L. 107-204.

Title II, referred to in par. (5)(B), means title II of Pub. L. 107-204, July 30, 2002, 116 Stat. 771, which en-

acted subchapter II of this chapter and amended sections 78c, 78j-1, 78l and 78q of this title. For complete classification of title II to the Code, see Tables.

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of Title 12, Banks and Banking.

SUBCHAPTER II—AUDITOR INDEPENDENCE

§ 7231. Exemption authority

The Board may, on a case by case basis, exempt any person, issuer, public accounting firm, or transaction from the prohibition on the provision of services under section 78j-1(g) of this title, to the extent that such exemption is necessary or appropriate in the public interest and is consistent with the protection of investors, and subject to review by the Commission in the same manner as for rules of the Board under section 7217 of this title.

(Pub. L. 107-204, title II, §201(b), July 30, 2002, 116 Stat. 772.)

§ 7232. Study of mandatory rotation of registered public accounting firms

(a) Study and review required

The Comptroller General of the United States shall conduct a study and review of the potential effects of requiring the mandatory rotation of registered public accounting firms.

(b) Report required

Not later than 1 year after July 30, 2002, the Comptroller General shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the results of the study and review required by this section.

(c) Definition

For purposes of this section, the term “mandatory rotation” refers to the imposition of a limit on the period of years in which a particular registered public accounting firm may be the auditor of record for a particular issuer.

(Pub. L. 107-204, title II, §207, July 30, 2002, 116 Stat. 775.)

§ 7233. Commission authority

(a) Commission regulations

Not later than 180 days after July 30, 2002, the Commission shall issue final regulations to carry out each of subsections (g) through (l) of section 78j-1 of this title.

(b) Auditor independence

It shall be unlawful for any registered public accounting firm (or an associated person thereof, as applicable) to prepare or issue any audit report with respect to any issuer, if the firm or associated person engages in any activity with respect to that issuer prohibited by any of subsections (g) through (l) of section 78j-1 of this title or any rule or regulation of the Commission or of the Board issued thereunder.

(Pub. L. 107-204, title II, §208, July 30, 2002, 116 Stat. 775.)