

CHAPTER 98—PUBLIC COMPANY ACCOUNTING REFORM AND CORPORATE RESPONSIBILITY

Sec.

7201. Definitions.
7202. Commission rules and enforcement.

SUBCHAPTER I—PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

7211. Establishment; administrative provisions.
7212. Registration with the Board.
7213. Auditing, quality control, and independence standards and rules.
7214. Inspections of registered public accounting firms.
7214a. Additional disclosure.
7215. Investigations and disciplinary proceedings.
7216. Foreign public accounting firms.
7217. Commission oversight of the Board.
7218. Accounting standards.
7219. Funding.
7220. Definitions.

SUBCHAPTER II—AUDITOR INDEPENDENCE

7231. Exemption authority.
7232. Study of mandatory rotation of registered public accounting firms.
7233. Commission authority.
7234. Considerations by appropriate State regulatory authorities.

SUBCHAPTER III—CORPORATE RESPONSIBILITY

7241. Corporate responsibility for financial reports.
7242. Improper influence on conduct of audits.
7243. Forfeiture of certain bonuses and profits.
7244. Insider trades during pension fund blackout periods.
7245. Rules of professional responsibility for attorneys.
7246. Fair funds for investors.

SUBCHAPTER IV—ENHANCED FINANCIAL DISCLOSURES

7261. Disclosures in periodic reports.
7262. Management assessment of internal controls.
7263. Exemption.
7264. Code of ethics for senior financial officers.
7265. Disclosure of audit committee financial expert.
7266. Enhanced review of periodic disclosures by issuers.

§ 7201. Definitions

Except as otherwise specifically provided in this Act, in this Act, the following definitions shall apply:

(1) Appropriate State regulatory authority

The term “appropriate State regulatory authority” means the State agency or other authority responsible for the licensure or other regulation of the practice of accounting in the State or States having jurisdiction over a registered public accounting firm or associated person thereof, with respect to the matter in question.

(2) Audit

The term “audit” means an examination of the financial statements of any issuer by an independent public accounting firm in accordance with the rules of the Board or the Commission (or, for the period preceding the adoption of applicable rules of the Board under section 7213 of this title, in accordance with then-applicable generally accepted auditing and re-

lated standards for such purposes), for the purpose of expressing an opinion on such statements.

(3) Audit committee

The term “audit committee” means—

- (A) a committee (or equivalent body) established by and amongst the board of directors of an issuer for the purpose of overseeing the accounting and financial reporting processes of the issuer and audits of the financial statements of the issuer; and
(B) if no such committee exists with respect to an issuer, the entire board of directors of the issuer.

(4) Audit report

The term “audit report” means a document or other record—

- (A) prepared following an audit performed for purposes of compliance by an issuer 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, or other document; or
(ii) asserts that no such opinion can be expressed.

(5) Board

The term “Board” means the Public Company Accounting Oversight Board established under section 7211 of this title.

(6) Commission

The term “Commission” means the Securities and Exchange Commission.

(7) Issuer

The term “issuer” means an issuer (as defined in section 78c of this title), the securities of which are registered under section 78l of this title, or that is required to file reports under section 78o(d) of this title, or that files or has filed a registration statement that has not yet become effective under the Securities Act of 1933 (15 U.S.C. 77a et seq.), and that it has not withdrawn.

(8) Non-audit services

The term “non-audit services” means any professional services provided to an issuer by a registered public accounting firm, other than those provided to an issuer in connection with an audit or a review of the financial statements of an issuer.

(9) Person associated with a public accounting firm

(A) In general

The terms “person associated with a public accounting firm” (or with a “registered public accounting firm”) and “associated person of a public accounting firm” (or of a “registered public accounting firm”) mean any individual proprietor, partner, shareholder, principal, accountant, or other professional employee of a public accounting firm, or any other independent contractor or entity that, in connection with the preparation or issuance of any audit report—

- (i) shares in the profits of, or receives compensation in any other form from, that firm; or