

Information Notice

Certification of Annual Audits

Firm Auditors Must Complete PCAOB Registration to Certify Financial Statements

Executive Summary

FINRA is issuing this *Notice* to remind firms that their auditor must be registered with the Public Company Accounting Oversight Board (PCAOB). *Information Notice 1/8/09* stated that SEC registration relief expired December 31, 2008, and that firms must file financial statements certified by a PCAOB-registered auditor for their fiscal years ending after that date.

FINRA will treat financial statements certified by an auditor who is not PCAOB-registered as not having been filed under Schedule A of the FINRA By-Laws, Section 4(g)(2)&(3). Such firms are subject to suspension under the procedures set out in FINRA Rule 9552 (Failure to Provide Information or Keep Information Current).

Questions concerning this *Notice* should be directed to:

- Chip Jones, Senior Vice President, Member Relations, at (240) 386-4797; or
- Susan DeMando Scott, Associate Vice President, Financial Operations, at (202) 728-8411.

Background and Discussion

Once an accounting firm submits its registration application to the PCAOB, the PCAOB has up to 45 days to take action on that application. In light of the unusually large number of applications expected for auditors of firms with fiscal years ending December 31, firms and their auditors should not count on significantly faster action on an application. In addition, if the PCAOB requests additional information concerning the application, a new 45-day period will begin when the PCAOB receives it.

December 9, 2009

Suggested Routing

- Compliance
- Financial Reporting
- Legal
- Senior Management

Key Topics

- Annual Financial Audit

Referenced Rules & Notices

- FINRA Rule 9552
- Information Notice 1/8/09
- Schedule A of the FINRA By-Laws

FINRA recommends that firms verify the PCAOB registration status of the auditor they plan to use to audit their annual financial statements. If the accounting firm is not yet registered with the PCAOB, FINRA recommends that firms encourage the auditor to apply for registration as soon as possible.

Firms can find an up-to-date list of registered accounting firms on the PCAOB's Web site at www.pcaobus.org/Registration/index.aspx. Please note that a separate list on that Web page identifies accounting firms with registration applications pending—firms on that list are not registered with the PCAOB.

For more information, see the SEC's frequently asked questions on registration of auditors of non-public broker-dealers (www.sec.gov/divisions/marketreg/faq-pcaobregbdauditors.htm), and the PCAOB's statement on the registration process for auditors of non-public broker-dealers (www.pcaobus.org/News_and_Events/News/2009/01-07.aspx).