

113TH CONGRESS
1ST SESSION

H. R. 1564

AN ACT

To amend the Sarbanes-Oxley Act of 2002 to prohibit the Public Company Accounting Oversight Board from requiring public companies to use specific auditors or require the use of different auditors on a rotating basis.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Audit Integrity and
3 Job Protection Act”.

4 **SEC. 2. LIMITATION ON AUTHORITY RELATING TO AUDI-**
5 **TORS.**

6 Section 103 of the Sarbanes-Oxley Act of 2002 (15
7 U.S.C. 7213) is amended by adding at the end the fol-
8 lowing:

9 “(e) **LIMITATION ON AUTHORITY.**—The Board shall
10 have no authority under this title to require that audits
11 conducted for a particular issuer in accordance with the
12 standards set forth under this section be conducted by spe-
13 cific registered public accounting firms, or that such au-
14 dits be conducted for an issuer by different registered pub-
15 lic accounting firms on a rotating basis.”.

16 **SEC. 3. STUDY OF MANDATORY ROTATION OF REGISTERED**
17 **PUBLIC ACCOUNTING FIRMS.**

18 (a) **STUDY AND REVIEW REQUIRED.**—The Comp-
19 troller General of the United States shall update its No-
20 vember 2003 report entitled “Study on the Potential Ef-
21 fects of Mandatory Audit Firm Rotation”, and review the
22 potential effects, including the costs and benefits, of re-
23 quiring the mandatory rotation of registered public ac-
24 counting firms. In addition, the update shall include a
25 study of—

1 (1) whether mandatory rotation of registered
2 public accounting firms would mitigate against po-
3 tential conflicts of interest between registered public
4 accounting firms and issuers;

5 (2) whether mandatory rotation of registered
6 public accounting firms would impair audit quality
7 due to the loss of industry or company-specific
8 knowledge gained by a registered public accounting
9 firm through years of experience auditing the issuer;
10 and

11 (3) what affect the Sarbanes-Oxley Act of 2002
12 has had on registered public accounting firms' inde-
13 pendence and whether additional independence re-
14 forms are needed.

15 (b) REPORT REQUIRED.—Not later than 1 year after
16 the date of enactment of this Act, the Comptroller General
17 shall submit a report to the Committee on Banking, Hous-
18 ing, and Urban Affairs of the Senate and the Committee
19 on Financial Services of the House of Representatives on
20 the results of the study and review required by this sec-
21 tion.

22 (c) DEFINITION.—For purposes of this section, the
23 term “mandatory rotation” refers to the imposition of a
24 limit on the period of years in which a particular reg-

1 istered public accounting firm may be the auditor of
2 record for a particular issuer.

Passed the House of Representatives July 8, 2013.

Attest:

Clerk.

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