

## SEC Approves PCAOB Rule Expanding Auditor's Report

October 25, 2017 | Client Update

On October 23, the SEC [approved](#) a new PCAOB [audit standard](#) that requires the auditor's report to identify and discuss critical audit matters (CAMs) encountered in the audit. The new standard also requires the auditor's report to include disclosure of auditor tenure, and revises the format and presentation of the report.

The new standard will require significant changes in practice for auditors, companies and their audit committees, and will likely impact the timetable that companies have previously employed to complete their audit and related disclosures.

Compliance with disclosure of auditor tenure and changes to format and presentation of audit reports is required for fiscal years ending on or after December 15, 2017 — meaning that calendar year companies will be impacted with the next Form 10-K. The new CAM disclosure requirements apply to large accelerated filers beginning with fiscal years ending on or after June 30, 2019, and to others beginning with fiscal years ending on or after December 15, 2020. CAM disclosure applies to audit reports filed by foreign private issuers, but not to audit reports filed by emerging growth companies.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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## Related materials

[2017-10-25\\_sec\\_approves\\_pcaob\\_rule\\_expanding\\_auditors\\_report.pdf](#)