

Stockbrokerage and Investment Banking Expert Panel

Applicable Audit, Attestation and Independence Standards

Revised December 2019



The Stockbrokerage and Investment Banking Expert Panel serves the needs of AICPA members on financial and business reporting and audit and attest matters. The expert panel protects the public interest by bringing together knowledgeable parties in the broker-dealer industry to deliberate and come to agreement on key issues.

The following table summarizes the **audit, attestation and independence standards** applicable to AICPA members performing audit and attestation engagements for certain SEC and/or CFTC-registered entities¹. This table is based upon current applicable rules and/or law, as well as the May 2004 [AICPA Council resolution](#).

¹ Dodd-Frank gave the PCAOB full oversight authority over audits of BDs registered with the SEC. However, per [AICPA Council Resolution](#), audit and attestation engagements of entities *other than issuers or SEC-registered BDs* continue to be subject to AICPA standards, even though regulators may require audits of such entities to be conducted under PCAOB standards.

	Applicable Audit/ Attest Standards	Applicable Independence Standards	Is the <u>audit engagement</u> subject to PCAOB inspection?
1. Audits of Pooled Investment Vehicle (PIV) when PIV's SEC-Registered Investment Adviser (RIA) relies on "audit provision"²	AICPA	AICPA and SEC	No.
2. Security-based swap data repository (SDR³)	AICPA and PCAOB ⁴	AICPA, PCAOB and SEC	No.
3. Clearing agencies⁵	AICPA and	AICPA, PCAOB and SEC	No.
4. SEC-registered Broker-Dealers (BDs)	PCAOB	PCAOB and SEC ⁶	Yes.
5. CFTC-registered Futures Commission Merchants (FCMs)⁷	AICPA and PCAOB	AICPA, CFTC, PCAOB and SEC ⁸	No.
6. SEC-registered BDs also registered as FCMs with CFTC	PCAOB	AICPA, CFTC, PCAOB and SEC ⁸	Yes.
7. CFTC-registered Introducing Brokers (IBs)⁹	AICPA	AICPA and CFTC	No.
8. SEC-registered BDs also registered as IBs with the CFTC	PCAOB	CFTC, PCAOB and SEC ⁶	Yes.
9. CFTC-registered commodity pools	AICPA	AICPA and CFTC	No.
10. CFTC-registered FX dealers (RFEDs)¹⁰	AICPA and PCAOB	AICPA, CFTC, SEC and PCAOB ⁸	No.
11. CFTC-registered RFED also registered as FCM	AICPA and PCAOB	AICPA, CFTC, SEC and PCAOB ⁸	No.

² SEC's [custody rule](#), applicable to SEC RIAs, contains an "audit provision" entitling advisers to PIVs to an exemption from a surprise examination requirement if the PIV has its financial statements audited by an independent public accountant registered with, and subject to regular inspection by, the PCAOB. The requirements in this table apply only when the RIA relies on this provision.

³ For non-issuer SDRs only (also see footnote 1).

⁴ The SEC [rule 13n-11 provides that each financial report filed with a compliance report shall:](#)
 (1) [Be a complete set of financial statements of the security-based swap data repository that are prepared in accordance with U.S. generally accepted accounting principles for the most recent two fiscal years of the security-based swap data repository;](#)
 (2) [Be audited in accordance with the standards of the Public Company Accounting Oversight Board by a registered public accounting firm that is qualified and independent in accordance with Rule 2-01 of Regulation S-X \(17 CFR 210.2-01\);](#)
 (3) [Include a report of the registered public accounting firm that complies with paragraphs \(a\) through \(d\) of Rule 2-02 of Regulation S-X \(17 CFR 210.2-02\).](#)
[As SDR's audited financial statements are not necessarily subject to the PCAOB inspection, AICPA standards will apply as well.](#)

⁵ For non-issuers only (also see footnote 1).

⁶ Refer to joint [AICPA/CAQ alert](#) "SEC/PCAOB Independence Rules for Non-Issuer Audit and Attestation Engagements" for more information.

⁷ Until further CFTC rulemaking, FCMs will file an internal control report per CFTC Regulation 1.16 with CFTC prepared under AICPA attestation standards as adopted by PCAOB. Also see CFTC [customer protections rule](#).

⁸ See March 28, 2014, CFTC's Division of Swap Dealer and Intermediary Oversight (DSIO) interpretive letter ([release PR6897-14](#)).

⁹ Until further CFTC rulemaking, IBs will file an internal control report per CFTC Reg 1.16 with CFTC prepared per AICPA audit standards (AU-C §265).

¹⁰ The CFTC Reg. 5.12 requirement for independent public accountant performing audit for RFEDs incorporates by reference the portion of CFTC Reg 1.16 applicable to FCMs. As a result, the audit requirements under CFTC Reg. 1.16 applicable for FCMs, by reference would be duplicated for RFEDs.