

Furthermore, for several years auditing firms in the United Kingdom have published annual reports containing audited financial statements pursuant to limited liability partnership disclosure requirements as well as a discussion of those statements, a statement on corporate governance, performance metrics, and other useful information. In the United States, auditing firms typically do not prepare audited financial statements. Some witnesses have called for disclosure of audited financial statements,³² whereas one auditing firm representative questioned the usefulness of disclosing financial statements of the smaller auditing firms.³³

The Committee recommends that the PCAOB require that, beginning in 2010, larger auditing firms (those with 100 or more public company audit clients that the PCAOB inspects annually) produce a public annual report incorporating (a) information required by the Article 40 Transparency Report deemed appropriate by the PCAOB in consultation with investors, other financial statement users, auditing firms, public companies, academics, and other market participants, and (b) such key indicators of audit quality and effectiveness as determined by the PCAOB in accordance with Recommendation 3 in Chapter VII of this Report. These disclosure requirements should supplement any rules adopted as a result of the PCAOB's 2006 reporting proposal.

The Committee also recommends that the PCAOB determine which of the requirements included above should be imposed on smaller auditing firms (those with less than 100 public company audit clients), taking into account these firms' size and resources.

The Committee is also considering recommending one of the following two approaches to audited financial statements: The PCAOB should require that, beginning in 2011, the larger auditing firms file with the PCAOB on a confidential basis audited financial statements prepared in accordance with generally accepted accounting principles or international financial reporting standards and the PCAOB will then either:

“Alternative 1: Determine, based on broad consultation, whether these audited financial

statements should be made public in consideration of their utility to audit committee members and investors in assessing audit quality, impact on firm sustainability, firm comparability, and other considerations relevant to the public interest, or

Alternative 2: Make these audited financial statements publicly available.”

The Committee is seeking commentary on these potential alternatives.

Litigation

The Committee also has considered liability issues impacting the profession. The Committee received and considered testimony and commentary suggesting certain measures aimed at liability reform.³⁴ The Committee also has received testimony and commentary opposing liability reform.³⁵

The Committee takes note that the Sarbanes-Oxley Act established a new level of federal regulation over the public company auditing profession. In that context, some believe it would be appropriate to transfer to federal court jurisdiction some categories of claims against auditors, which presently may be brought in state courts. Others are unconvinced by this argument, expressing concerns that this approach might weaken plaintiffs' rights and remedies.

The Committee is considering whether it should recommend that Congress provide federal courts with exclusive jurisdiction over some categories of claims, which presently may be brought in state courts against auditors, when such claims are related to audits of public company financial statements. Should Congress take up this recommendation, it should develop a uniform standard of care with the appropriate and necessary levels of investor protection. While there are various differences among state and federal standards of care, the Committee contemplates a

standard fairly and adequately representing investors' interests.

The Committee is seeking commentary on (1) Whether it is appropriate to have exclusive federal jurisdiction for some categories of claims and a uniform standard of care; and, if so, (2) what types of claims should be subject to federal jurisdiction; and (3) what should be the uniform standard of care.

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DEPARTMENT OF THE TREASURY

Office of the Assistant Secretary for International Affairs; Survey of Foreign Ownership of U.S. Securities

AGENCY: Departmental Offices, Department of the Treasury.

ACTION: Notice of reporting requirements.

SUMMARY: By this Notice, the Department of the Treasury is informing the public that it is conducting a mandatory survey of foreign ownership of U.S. securities as of June 30, 2008. This Notice constitutes legal notification to all United States persons (defined below) who meet the reporting requirements set forth in this Notice that they must respond to, and comply with, this survey. Additional copies of the reporting forms SHLA (2008) and instructions may be printed from the Internet at: <http://www.treas.gov/tic/forms-sh.html>.

Definition: A U.S. person is any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a state, provincial, or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency), who resides in the United States or is subject to the jurisdiction of the United States.

Who Must Report: The panel for this survey is based upon the level of foreign holdings of U.S. securities reported on the June 2004 benchmark survey of foreign holdings of U.S. securities, and will consist mostly of the largest reporters on that survey. Entities required to report will be contacted individually by the Federal Reserve Bank of New York. Entities not contacted by the Federal Reserve Bank of New York have no reporting responsibilities.

What to Report: This report will collect information on foreign resident

³² See, e.g., Record of Proceedings (Feb. 4, 2008) (Written Submission of Paul G. Haaga, Jr., Vice Chairman, Capital Research and Management Company, 2), available at <http://www.treas.gov/offices/domestic-finance/acap/submissions/02042008/Haaga020408.pdf> (calling for auditing firm disclosure of audited financial statements).

³³ Record of Proceedings (Feb. 4, 2008) (Questions for the Record of Neal Spencer, Managing Partner, BKD LLP, 38-39), available at <http://www.treas.gov/offices/domestic-finance/acap/agendas/QFRs-2-4-08.pdf> (analogizing the auditing firm to a vendor and noting that the profitability or financial strength of vendors “has little, if any, relevance other than perhaps related to concerns about their ability to financially support their continued existence” and noting that the profitability or financial condition of an auditing firm is not directly related to audit quality; and noting that the “most relevant financial information for users” of smaller auditing firms is insurance-related information and noting that larger auditing firms with limited commercial insurance coverage may need to disclose different financial information).

³⁴ See, e.g., Record of Proceedings (Feb. 4, 2008) (Written Submission of Edward E. Nusbaum, Chief Executive Officer, Grant Thornton LLP, 7-8), available at <http://www.treas.gov/offices/domestic-finance/acap/submissions/02042008/Nusbaum020408.pdf> (suggesting general securities litigation reform); Record of Proceedings (Dec. 3, 2007) (Written Submission of James S. Turley, Chairman and Chief Executive Officer, Ernst & Young LLP, 16), available at <http://www.treas.gov/offices/domestic-finance/acap/submissions/12032007/Turley120307.pdf> (suggesting the ability to appeal motions to dismiss in securities class actions).

³⁵ See, e.g., Record of Proceedings (Feb. 4, 2008) (Questions for the Record of John P. Coffey, Partner, Bernstein Litowitz Berger & Grossmann LLP, 1-7 (Mar. 31, 2008)), available at <http://www.treas.gov/offices/domestic-finance/acap/agendas/QFRs-2-4-08.pdf> (weighing against reforming the calculation of damages in securities fraud class actions and auditor liability protections, including a professional judgment framework and safe harbor, but supporting scheme liability); Record of Proceedings (Feb. 4, 2008) (Questions for the Record of Paul G. Haaga, Jr., Vice Chairman, Capital Research and Management Company, 1-3), available at <http://www.treas.gov/offices/domestic-finance/acap/agendas/QFRs-2-4-08.pdf> (opposing liability limits and safe harbors for auditing firms and viewing liability exposure as a “very effective incentive for the firms to conduct high quality audits”).

holdings of U.S. securities, including equities, short-term debt securities (including selected money market instruments), and long-term debt securities.

How to Report: Copies of the survey forms and instructions, which contain complete information on reporting procedures and definitions, can be obtained by contacting the survey staff of the Federal Reserve Bank of New York at (212) 720-6300, *e-mail:* SHLA.help@ny.frb.org. The mailing address is: Federal Reserve Bank of New York, Statistics Function, 4th Floor, 33 Liberty Street, New York, NY 10045-0001. Inquiries can also be made to Carol Bertaut, Federal Reserve Board of Governors, at (202) 452-3476, *e-mail:* carol.bertaut@frb.gov; or to Dwight Wolkow at (202) 622-1276, *e-mail:* dwright.wolkow@do.treas.gov.

When to Report: Data should be submitted to the Federal Reserve Bank of New York, acting as fiscal agent for the Department of the Treasury, by August 31, 2008.

Paperwork Reduction Act Notice: This data collection has been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act and assigned control number 1505-0123. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB. The estimated average annual burden associated with this collection of information is 486 hours per report for the largest custodians of securities, and 110 hours per report for the largest issuers of securities that have data to report and are not custodians. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Department of the Treasury, Office of International Affairs, Attention Administrator, International Portfolio Investment Data Reporting Systems, Room 5422, Washington, DC 20220, and to OMB, Attention Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503.

Dwight Wolkow,

Administrator, International Portfolio Investment Data Reporting Systems.

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BILLING CODE 4810-25-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Ad Hoc IRS Forms and Publications/Language Services Issue Committee of the Taxpayer Advocacy Panel

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of Meeting.

SUMMARY: An open meeting of the Ad Hoc IRS Forms and Publications/Language Services Issue Committee of the Taxpayer Advocacy Panel will be conducted (via teleconference). The Taxpayer Advocacy Panel is soliciting public comments, ideas and suggestions on improving customer service at the Internal Revenue Service.

DATES: The meeting will be held Tuesday, August 5, 2008.

FOR FURTHER INFORMATION CONTACT: Sallie Chavez at 1-888-912-1227 or 954-423-7979.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Ad Hoc IRS Forms and Publications/Language Services Issue Committee of the Taxpayer Advocacy Panel will be held Tuesday, August 5, 2008, at 2 p.m. Eastern Time via a telephone conference call. If you would like to have the TAP consider a written statement, please call 1-888-912-1227 or 954-423-7979, or write Sallie Chavez, TAP Office, 1000 South Pine Island Road, Suite 340, Plantation, FL 33324. Due to limited conference lines, notification of intent to participate in the telephone conference call meeting must be made with Sallie Chavez. Ms. Chavez can be reached at 1-888-912-1227 or 954-423-7977, or you can post comments to the Web site: <http://www.improveirs.org>.

The agenda will include: Various IRS issues.

Dated: June 4, 2008.

Richard Morris,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E8-13133 Filed 6-11-08; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Area 1 Taxpayer Advocacy Panel (Including the States of New York, Connecticut, Massachusetts, Rhode Island, New Hampshire, Vermont and Maine)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of meeting.

SUMMARY: An open meeting of the Area 1 Taxpayer Advocacy Panel will be conducted via telephone conference call. The Taxpayer Advocacy Panel is soliciting public comments, ideas and suggestions on improving customer service at the Internal Revenue Service.

DATES: The meeting will be held Tuesday, August 19, 2008.

FOR FURTHER INFORMATION CONTACT: Audrey Y. Jenkins at 1-888-912-1227 or 718-488-2085.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Area 1 Taxpayer Advocacy Panel will be held Tuesday, August 19, 2008, at 9 a.m. Eastern Time via a telephone conference call. For more information or to confirm attendance, notification if intent to attend the meeting must be made with Audrey Y. Jenkins at 1-888-912-1227 or 718-488-2085. If you would like to have the TAP consider a written statement, please write Audrey Y. Jenkins, TAP Office, 10 MetroTech Center, 625 Fulton Street, Brooklyn, NY 11201, or you can post comments to the Web site: <http://www.improveirs.org>.

The agenda will include various IRS issues.

Dated: June 4, 2008.

Richard Morris,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E8-13128 Filed 6-11-08; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Area 2 Taxpayer Advocacy Panel (Including the States of Delaware, North Carolina, South Carolina, New Jersey, Maryland, Pennsylvania, Virginia, West Virginia and the District of Columbia)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of meeting.