
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision**

For immediate release

December 17, 2002

**Agencies Propose Disciplinary Action Rules for Accountants and Accounting Firms
Performing Certain Audit Services**

The federal bank and thrift regulatory agencies today invited public comment on proposed rules governing their authority to take disciplinary actions against independent public accountants and accounting firms that perform audit and attestation services required by section 36 of the Federal Deposit Insurance Act.

The proposed rules would establish procedures under which the agencies could, for good cause, remove, suspend, or bar an accountant or firm from performing audit and attestation services for insured depository institutions with assets of \$500 million or more. They would permit immediate suspensions in limited circumstances.

Under the proposed rules, violations of law, certain negligent conduct, reckless violations of professional standards or lack of qualifications to perform auditing services would be considered good cause to remove, suspend or bar an accountant or firm from providing services for such an insured institution. Also, under the proposed rules an accountant or accounting firm may not perform audit services as prescribed under section 36 if the accountant or firm has been removed, suspended, or debarred by one of the agencies, or if the Public Company Accounting Oversight Board, the Securities and Exchange Commission, or a state licensing authority takes certain disciplinary actions against the accountant or firm.

The proposed rules are being issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision. While they would amend each agency's rules of practice separately, they would have uniform application for each agency.

Comments are due 60 days after publication in the Federal Register.

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Attachment 1

Attachment 2

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