



PCAOB Enters Into Cooperative Agreement for the Exchange of Confidential Information with the Israel Securities Authority

Washington, DC, Oct. 31, 2011

The Public Company Accounting Oversight Board announced today that it has entered into a cooperative agreement for the exchange of confidential information with the Israel Securities Authority (ISA) to enhance the supervisory oversight of auditors and accounting firms that practice in the two regulators' respective jurisdictions.

PCAOB Chairman James R. Doty noted that the arrangement is the first of its kind with a regulator from the Middle East.

"With the significant presence of Israeli companies on U.S. exchanges, this agreement with the Israel Securities Authority will better protect U.S. investors. It is an important achievement in expanding our cooperative agreements into the Middle East, and I hope that other regulators elsewhere will soon follow."

The agreement was made possible by the passage last year of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which permitted the PCAOB to share confidential information with its non-U.S. counterparts under certain circumstances.

While the ISA has permitted the PCAOB to conduct inspections of PCAOB-registered firms in Israel since 2005, the agreement permits the PCAOB and the ISA to share confidential information about the firms that operate in both jurisdictions.

Rhonda Schnare, PCAOB Director of International Affairs, added, "The cooperative agreement with the ISA shows the priority that regulators place on reaching cooperative arrangements for the oversight of auditors. This agreement demonstrates the progress we continue to make in reaching agreements that span the globe, and we are working hard to further these efforts."

Under the Sarbanes-Oxley Act, the PCAOB oversees and inspects all accounting firms that regularly audit public companies whose securities trade in U.S. markets. More than 900 audit firms currently registered with the PCAOB are located outside of the United States, in 85 countries. Currently, 18 registered firms are located in Israel.

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