

The Honorable Senator Tim Scott, Chairman  
Senate Committee on Banking, Housing, and Urban Affairs  
104 Hart Senate Office Building  
Washington, DC 20515

The Honorable Elizabeth Warren, Ranking Member  
Senate Committee on Banking, Housing, and Urban Affairs  
311 Hart Senate Office Building  
Washington, DC 20510

The Honorable Rep. Mike Johnson  
Speaker of the House  
The US Capital, H-232  
Washington, D.C. 20515

The Honorable Rep. Hakeem Jeffries  
Democratic Leader  
The US Capital, H-204  
Washington, D.C. 20515

9 May 2025

Dear Chairman, Ranking Member, Speaker and Democratic Leader,

**Subject: Section 50002 in the House budget reconciliation bill**

The International Corporate Governance Network (ICGN) would like to offer its perspective to the US House of Representatives and US Senate, regarding Section 50002 in the House budget reconciliation bill.

Led by investors responsible for assets under management of >US\$ 90 trillion, ICGN promotes high standards of corporate governance and investor stewardship globally. Our membership is based in more than 40 countries, and comprises asset owners, asset managers and advisers.

We are concerned by the proposals in Section 50002 in the House budget reconciliation bill, which “eliminates the Public Company Accounting Oversight Board’s (PCAOB) authority to independently collect and spend accounting support fees and instead directs that such fees be remitted to the U.S. Treasury. The Securities and Exchange Commission (SEC) would continue these responsibilities and further fee collection would be discontinued”.<sup>1</sup>

Financial reporting quality and reliability is critical; this material information is the foundation of investment analysis. As fiduciaries, it is important for investors to be able to rely on

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<sup>1</sup> As explained in a [memorandum](#) to the members of the Committee on Financial Services, from Committee Majority Staff, April 25, 2025

financial statement information based on clear and consistent standards, set under appropriate procedures and processes, for both reporting and assurance. These standards create consistency and clarity for companies, assurance providers and users of financial reporting.

We also need there to be appropriate, proportionate regulation to protect quality of financial reporting and audit. This regulation is a key element of the frameworks that support the building of trust in the capital markets. In our view, independent regulators and standard setters are the best way to achieve this.

We are confident that the value created by increased trust in the integrity of U.S. capital markets far outweighs the relatively modest accounting support fees currently collected by the PCAOB. The PCAOB's approximately \$400 million budget is minimal when considered against the trillions of dollars in retirement savings, pensions, and other long-term investments that depend on investor trust in reliable financial reporting and high-quality audits. Even a modest erosion of confidence in the American capital markets could lead to significant and lasting financial harm for investors. Preserving the PCAOB's independent funding structure is critical to ensuring its continued effectiveness and maintaining the credibility of U.S. capital markets in the eyes of global investors.

Since 2002, the PCAOB has been relied on by global investors, as it seeks to increase audit quality through inspections and necessary enforcement, and audit standard setting. The PCAOB is highly regarded internationally in its regulation of audits and reporting by auditors. Its cooperation with other countries on audit standards, inspections, and enforcement, has benefitted both US and global investors.

The Securities and Exchange Commission has its own mission to "protect investors from misconduct, promotes fairness & efficiency in the securities markets, and facilitates capital formation". We believe that the inclusion of Section 50002 may not be in the best interests of investors, including ordinary savers and 401k holders. Additional responsibilities to fold the work of the PCAOB into the SEC could place strain on the SEC's own workforce and diminish the ability of the SEC to address its own mission and issues that are vital for investors.

We would be pleased to discuss our perspective with you directly and include several of our global institutional investor members if that would be helpful. Please contact Carol Nolan Drake, Senior Advisor at [policy@icgn.org](mailto:policy@icgn.org).

Yours faithfully,



**Jen Sisson**

**Chief Executive Officer, ICGN**