

Clarification of When Firms that Audit Broker-Dealers (BDs) Should Have Reviews Administered by the National Peer Review Committee (National PRC)

[Peer Review Alert 11-02](#) stated “Under current guidance, a firm is required to have its peer review administered by the National PRC if it is required to be registered and inspected by the PCAOB, and/or it performs audits of non-SEC issuers pursuant to the standards of the PCAOB. Until a permanent scope is identified for the PCAOB inspection program of BDs, firms that are only required to be inspected by the PCAOB due to the performance of audits of BDs, may have their peer reviews administered by a state CPA society, group of state CPA societies, or other entity approved by the PRB to administer peer reviews. They do NOT have to be administered by the National PRC but may choose to do so.”

We would like to clarify that Alert 11-02 was referencing non-SEC issuer BDs. If a firm audits any SEC issuers, including BD issuers, the firm’s peer review is required to be administered by the National PRC.