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October 10, 2016

Ms. Sherry Hazel  
Audit and Attest Standards  
American Institute of Certified Public Accountants  
1211 Avenue of the Americas  
New York, NY 10036-8775

**RE: Proposed Statement on Auditing Standards, *Auditor Involvement with Exempt Offering Documents***

Dear Ms. Hazel:

We appreciate the opportunity to provide comments on the Auditing Standards Board's (the Board) proposed Statement on Auditing Standards, *Auditor Involvement with Exempt Offering Documents* (Proposed Standard). We are supportive of the Board's efforts to promote consistency of auditor responsibilities, as a matter of public interest, when auditors are involved with offerings of securities exempt from registration under the Securities Act of 1933, as amended and franchise offerings regulated by the Federal Trade Commission (FTC). With regard to the specific issues in the Proposed Statement about which commenters are asked to provide feedback:

1. Are the types of offerings included in the scope of the proposed standard, specifically franchise offerings, appropriate?

We believe the types of offerings included in the scope of the Proposed Standard are appropriate.

2. Should the activities identified in the proposed standard trigger involvement and are there other activities that should also trigger involvement?

We believe the Board has identified a comprehensive list of appropriate triggers for auditor involvement with offerings in the scope of the Proposed Standard. Further, we believe the Board appropriately did not require involvement in all instances when exempt offerings may include an auditor's report in offering documents without obtaining the auditor's permission as no laws or rules prohibit such an inclusion.

3. Commenters are asked to provide their views regarding the proposed requirement for subsequent event procedures to be performed when the auditor is deemed involved with an exempt offering document.

We believe that, as a matter of public interest, the nature and extent of subsequent event procedures should be consistent with the requirements described in AU-C section 925, *Filings With the U.S. Securities and Exchange Commission Under the Securities Act of 1933*. These procedures are well understood and do not create an undue burden on the auditor. Therefore



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we are supportive of the requirements in the Proposed Standard and the proposed amendments to AU-C section 560, *Subsequent Events and Subsequently Discovered Facts*.

If you have questions about our response, please contact Ms. Ilene Kassman at 212-909-5667 or [ikassman@kpmg.com](mailto:ikassman@kpmg.com) or Mr. George Herrmann at 212-909-5779 or [gherrmann@kpmg.com](mailto:gherrmann@kpmg.com).

Very truly yours,

KPMG LLP