

AccountancyAge

China hits back over Big Four US audit ban

by Richard Crump

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CHINA has attacked a US decision to ban the Chinese affiliates of the Big Four accounting firms from conducting audits of US-listed companies, in an escalation of the long-running dispute between the two countries' securities regulators.

Last week, a Securities and Exchange Commission judge ruled that the Chinese units of PwC, KPMG, Deloitte and EY should be barred from working on behalf of any US-listed Chinese companies for six months.

The decision stems from a dispute between US and Chinese regulators over access to

auditing documents of Chinese companies listed on the US stock exchange.

At a press briefing on Friday, Deng Ge, a spokesman from the China Securities Regulatory Commission, said the ruling "disregards China's efforts and progress made in providing auditing documents and pushing China-U.S. cross-border law-enforcement cooperation ahead", the *Wall Street Journal* reported.

"We feel deep regret over the penalties levied on the accounting firms by the US against a backdrop of smooth cooperation between the two regulators," Deng said. He added that "the SEC should take full responsibility for the possible outcomes of the ruling."

The ruling will not come into immediate affect and the four firms have said they intend to appeal the decision.

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