

September 30, 2021

## **PCAOB ADOPTS FINAL RULE ON THE HOLDING FOREIGN COMPANIES ACCOUNTABLE ACT**

To Our Clients and Friends:

On September 22, 2021, the Public Company Accounting Oversight Board (the "PCAOB") adopted a final rule (the "Final Rule") implementing the Holding Foreign Companies Accountable Act (the "HFCAA"), which became law in December 2020 and prohibits foreign companies from listing their securities on U.S. exchanges if the company has been unavailable for PCAOB inspection or investigation for three consecutive years. The Final Rule (available *here*) requires U.S. Securities and Exchange Commission (the "SEC") approval before it goes into effect.

In May 2021, the SEC adopted interim final amendments (the "Amendments", *available here*) to certain forms, including Forms 20-F and 10-K, to implement the disclosure and submission requirements of the HFCAA. In June 2021, the Senate passed the Accelerating Holding Foreign Companies Accountable Act (the "AHFCAA"), which, if signed into law, would reduce the time period for the delisting of foreign companies under the HFCAA to two consecutive years, instead of three years.

Three aspects of the HFCAA and the PCAOB's Final Rule should be kept in mind.

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