

Against Dismantling the PCAOB: A Call for Careful Consideration

NEW YORK, NY, UNITED STATES, June 26, 2025 /EINPresswire.com/ -- In Deminor's latest article, [Michael Watson](#) (Senior Legal Counsel) examines a group of professors known as the "Shadow SEC" and their issue of a persuasive warning against dismantling the PCAOB, urging careful review and consideration of its critical role in maintaining auditing standards and investor protection.

A group of professors who have formed an informal "Shadow SEC" in response to deregulatory efforts affecting the Securities and Exchange Commission have published a warning regarding the current administration's efforts to dismantle the Public Company Accounting Oversight Board (PCAOB) (Shadow SEC: The PCAOB Should Be Carefully Reviewed, Not Hastily Abolished | CLS Blue Sky Blog).

The PCAOB plays a critical role in maintaining the integrity of financial reporting and auditing standards. Established by the Sarbanes-Oxley Act of 2002, the PCAOB serves as a watchdog to ensure that public companies adhere to rigorous auditing practices, thereby protecting investors and the public interest.

The warning argues against the notion of hastily abolishing the PCAOB, highlighting the potential risks and negative consequences of such an action. Instead, it advocates for a thorough and careful review of the PCAOB's functions, effectiveness, and areas for improvement. While there may be valid criticisms and areas where the PCAOB can evolve, its foundational purpose remains crucial in the financial ecosystem.

The Shadow SEC recommends against combining the PCAOB with the SEC, arguing that such a merger would not result in cost savings to taxpayers. In fact, the professors point out that abolishing the PCAOB or merging it with the SEC would not yield savings for taxpayers because



Against Dismantling the PCAOB: A Call for Careful Consideration

the PCAOB is not funded by the U.S. Treasury. Instead, the PCAOB is financed through fees collected from public companies and broker-dealers, meaning its operations do not draw from taxpayer funds. Therefore, any claims that dismantling the PCAOB or merging it with the SEC would reduce government spending are unfounded.

Furthermore, the Shadow SEC emphasizes that:

"combining the PCAOB with the SEC could dilute the specialized focus and effectiveness of the PCAOB, which is dedicated solely to overseeing auditing practices. Dismantling the PCAOB or merging it with the SEC would undermine the robust framework established to protect investors and ensure the integrity of financial reporting. "

The published warning emphasizes the necessity of a balanced approach towards the PCAOB, advocating for careful consideration and review rather than abrupt abolition.

The PCAOB's role in upholding auditing standards and protecting investors is indispensable, and any changes to its structure or functions should be thoughtfully deliberated to preserve its positive impact on the financial industry. The Shadow SEC's arguments are persuasive, and their warning is worthy of review and consideration by interested parties.

Kevin Matthews

Deminor Recovery Services (UK) Ltd

[email us here](#)

Visit us on social media:

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/817563643>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.