

ANNEXURE A

Section 22 Accreditation of Auditors, Reporting Accountants and IFRS Advisers

Scope of section

The requirements relating to an accreditation mechanism for auditors and their advisers are an integral part of the regulation of the JSE. It is essential that auditors and their advisers assist the JSE in upholding the integrity of the markets it operates. This section sets out the requirements relating to auditors and reporting accountants and addresses the detailed requirements applicable to the audit firm, individual auditor, IFRS adviser, reporting accountant and reporting accountant specialist.

The audit firm, individual auditor, IFRS adviser, reporting accountant and reporting accountant specialist must undertake to the JSE that they accept certain responsibilities. These responsibilities, requirements and eligibility criteria are detailed in Sections 3, 8, 13, 15 and 22 [and the Appendix to Section 22](#) ~~and Schedule 8~~.

Only an audit firm, individual auditor, IFRS adviser, reporting accountant and reporting accountant specialist recorded on the JSE list of Auditors and their advisers may act as an auditor and/or reporting accountant for an applicant issuer.

The main headings of this section are:

- Section 22.1 Qualifications
- [Section 22.5 Eligibility criteria](#)
- [Section 22.12 Application process](#)
- Section 22.215 Roles and responsibilities
- Section 22.249 Status
- Section 22.2549 Termination of accreditation

Qualifications

- 22.1 In order to qualify to perform the statutory audit or review of an applicant issuer:
- (a) the audit firm must be accredited on the JSE list of Auditors and their advisers;
 - (b) at least three individual auditors within the audit firm must be accredited as such on the JSE list of Auditors and their advisers, in terms of the criteria set out [below](#); ~~in Schedule 8; and~~
 - ~~(c) in the instance of an audit firm and its individual auditors being registered with the IRBA, at least 3 individual auditors must have had an engagement inspection done by the IRBA and must only be subject to the next engagement inspection in the next inspection cycle, as set out in Schedule~~
-

~~8 paragraph 3(b)(ii); and~~

- (c) the audit firm must have at least one IFRS adviser, either internal or external to the firm, accredited on the JSE list of Auditors and their advisers.

22.2 In order to qualify to perform the function of reporting accountant:

- (a) the audit firm must be accredited as such on the JSE list of Auditors and their advisers and be registered with the IRBA;
- (b) at least three individual auditors within the audit firm must be accredited as such on the JSE list of Auditors and their advisers and must be registered with the IRBA;
- (c) the audit firm must have at least one IFRS adviser, either internal or external to the firm, accredited as such on the JSE list of Auditors and their advisers; and
- (d) the audit firm must have at least one internal reporting accountant specialist accredited as such on the JSE list of Auditors and their advisers and registered with the IRBA.

22.3 In order for an audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist to be accredited by the JSE, it must:

- (a) apply to the JSE on the prescribed form, set out ~~below in Schedule 8~~, with the necessary supporting documentation;
- (b) pay the prescribed fees;
- (c) meet the eligibility criteria set out ~~in below~~ ~~Schedule 8~~; and
- (d) satisfy the JSE that it is competent to discharge its responsibilities.

22.4 An audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist must agree to be bound by, and discharge its responsibilities, in terms of the Listings Requirements.

Eligibility Criteria

General eligibility criteria

~~22.58.2~~ The audit firm, individual auditor, IFRS adviser, reporting accountant and reporting accountant specialist must:

- (a) comply with the specific criteria set out below for the area in which it is applying to be accredited;
- (b) to the satisfaction of the JSE, be suitable to fulfil the responsibility that it wishes to undertake, which suitability shall be determined based on the information contained in its declaration and with a view to ensuring that the integrity of the markets operated by the JSE are upheld; and
- (c) where it has previously been denied accreditation on the JSE list of Auditors and their advisers or has been removed from the JSE list of Auditors and their advisers, demonstrate, to the satisfaction of the JSE, that it is now suitable to be entered on the JSE list of Auditors and their advisers, and that such accreditation will not damage the integrity of the

markets operated by the JSE.

~~22.68.3~~ An audit firm and individual auditor must be registered with the IRBA or a similar regulatory or professional body for auditors in a jurisdiction other than the Republic of South Africa.

(a) Criteria applicable to an audit firm and individual auditor registered in a jurisdiction other than the Republic of South Africa

All of the following criteria must be met by the audit firm in order to satisfy the JSE that it is competent to fulfil the role of the auditor of an applicant issuer.

(i) The requirements of paragraphs 22.6(b)(i), (ii), (iii)(1), (iv) and (v) and paragraphs 22.6(c)(i), (ii) and (iv) below apply, where the words “The IRBA” should be replaced with the words ‘The regulatory or professional body for auditors in that jurisdiction’. ~~must have performed a firm wide independent quality control (ISQC1) review on the audit firm. The audit firm must make the decision letter on the review from the regulatory or professional body for auditors available to the JSE. The JSE will consider the recommendations made in the decision letter;~~ by the foreign regulatory or professional body for auditors in that jurisdiction and, in certain instances, consult with the foreign body or the IRBA in this regard.

~~(ii) The requirements of paragraph 22.6(c)(iv) below, regarding individual auditors, are applicable to individual auditors registered in a jurisdiction other than the Republic of South Africa. (iii) The requirements of paragraphs 22.6(b)(iii)(1) and 22.6(b)(iv)(1) and (2) below, regarding accreditation of an IFRS adviser and details of contact persons, are applicable to an audit firm registered in a jurisdiction other than the Republic of South Africa. (iv) —~~

~~(ii*)~~ When applying to be accredited and thereafter on an annual basis, the chief executive officer of the audit firm must provide the JSE with a signed declaration, as set out in Schedule 2 Form E5, stating that which deals with the relevant undertakings and information set out in the Appendix to Section 22.:

(b) Criteria applicable to the audit firm registered in the Republic of South Africa, in all instances other than (a) above

All of the following criteria must be met by the audit firm in order to satisfy the JSE that it is competent to fulfil the role of the auditor of an applicant issuer. These criteria are also applicable in instances where the audit firm wants to perform the work of a reporting accountant:

(i) The IRBA must have completed a firm-wide independent quality control (ISQC1) inspection on the audit firm. The audit firm must make the IRBA firm inspection decision letter and findings report available to the JSE. The JSE will consider the decision letter and findings report and, in certain instances, consult with the IRBA in this regard. The audit firm will only be accredited if the JSE is satisfied with the outcome of the ISQC 1 review. The JSE will apply the conclusion made in the IRBA decision letter in the following manner. If the decision letter states:

- ~~(1) that the audit firm will only be subject to an inspection in the next inspection cycle, then the firm has met this criterion until the next inspection cycle; or~~
- ~~(2) that the audit firm is to be scheduled for a re-inspection within 1 year from the date of the last inspection, then the firm has met this criterion until the re-inspection is performed within 1 year. Once the re-inspection is completed, the IRBA decision letter should state that the firm will only be subject to an inspection in the next inspection cycle. If not, the audit firm will not be accredited or its accreditation will be withdrawn until such time as the IRBA firm inspection decision letter states that the audit firm will only be subject to an inspection in the next inspection cycle.~~
- (ii) ~~At any point in time, the majority of individual auditors of the audit firm reviewed by IRBA must only be subject to an engagement inspection again in the next inspection cycle, as referred to in paragraph 8.3(c)(i)(1) below, and at least three individual auditors must be accredited in terms of paragraph 22.6(c)(i) and (ii) below have had an engagement inspection by the IRBA and hence not fit into 8.3(c)(ii) below.~~
- (iii) The audit firm must provide the JSE with adequate information to demonstrate that it has:
- (1) an internal JSE accredited IFRS adviser in its service or has contracted with an external JSE accredited IFRS adviser to advise the audit firm on IFRS compliance when required; and
 - (2) a reporting accountant specialist, where applicable, to fulfil the role as set out in paragraph 8.45 of Section 8.
- (iv) The audit firm must ensure that all accredited partners are subject to internal engagement monitoring at least once every three years.
- ~~(v) The audit firm must nominate the following individual/s to act as a contact between the JSE and the audit firm in the following communication areas and must inform the JSE of any changes to such individuals:~~
- (1) a senior person within the audit firm tasked with the responsibility of the accreditation of auditors with the JSE and to deal with general communication with the JSE on matters relating to the auditor or the Listings Requirements;
 - (2) a senior internal IFRS adviser or an external IFRS adviser, where such a person is contracted by the audit firm, to deal with any IFRS related communication; and
 - (3) if applicable, the senior JSE accredited reporting accountant specialist, to deal with any reporting accountant related Listings Requirements communication.
- (vi) When applying to be accredited and thereafter on an annual basis, the chief executive officer of the audit firm must provide the JSE with a signed declaration, as set out in Schedule 2 Form E1, which deals with the relevant undertakings and information set out in the Appendix to Section 22 ~~stating that:~~

(c) **Criteria applicable to the individual auditor**

(i) The individual auditor must ~~be registered with the IRBA as a registered auditor; have undergone an engagement inspection by the IRBA on an appropriate public interest engagement. The most recent IRBA engagement inspection decision letter must be supplied to the JSE. The JSE will apply the conclusion in the IRBA decision letter on the engagement inspection in the following manner:~~

~~(ii) At the time of initial application the individual auditor must have:~~

- ~~(1) within 12 months prior to the date of their application, have signed off in the capacity of engagement partner on a public interest entity (as defined in the IRBA Code of Professional Conduct), where that entity would have had a public interest score (as defined in the Act) of at least 1500 points, prepared its financial statements in terms of IFRS and is regarded as appropriate for the purposes of JSE accreditation;~~
- ~~(2) after the opinion was signed, have been subject to either an internal monitoring inspection or IRBA engagement inspection on the engagement referred to in (1), the outcome of which was satisfactory;~~
- ~~(3) within 30 months prior to the date of their application not have received an unsatisfactory IRBA engagement inspection on any engagement unless a subsequent IRBA re-inspection led to a satisfactory outcome;~~
- ~~(4) have been an audit engagement partner and responsible for signing assurance engagements for a minimum of 3 years. The JSE may, at its discretion, in exceptional circumstances, accept a lesser period;~~
- ~~(5) confirm that they have access to sufficient technical resources; and~~
- ~~(6) provide a letter from the CEO or Head of Risk to confirm that based on items (1) to (5) above and any other information that is considered appropriate, the auditor has the necessary experience, competency and capabilities to apply for JSE accreditation.~~

~~(1) For new applications made before 31 March 2015, if it states that the inspection was satisfactory and/or the individual auditor will only be subject to an engagement inspection in the next inspection cycle, then the individual auditor has successfully met this criterion until the next inspection cycle;~~

~~(2) For individual auditors who are already accredited by the JSE and who are submitting their IRBA engagement inspection decision letter as part of their continuing obligations, if it states that the individual auditor is to be scheduled for a re-inspection within 1 year from the date of the last inspection, then the individual auditor has successfully met the criterion until the performance of the re-inspection within 1 year. If,~~

~~after the re-inspection the IRBA decision letter does not state that the individual auditor will only be subject to an engagement inspection in the next inspection cycle, the individual auditor will not be regarded as meeting this criterion and will not be accredited or its accreditation will be withdrawn until such time as the IRBA decision letter states that it will only be subject to an engagement inspection in the next inspection cycle; or~~

~~(3) For new applications made on or after 31 March 2015, if it states that the inspection was on an appropriate public interest engagement for purposes of JSE accreditation and that the inspection was satisfactory and/or the individual auditor will only be subject to an engagement inspection in the next inspection cycle and, then the individual auditor has successfully met this criterion until the next review cycle.~~

(iii) Alternatively, if they are only applying to be accredited as a reporting accountant specialist and the IRBA has not completed a file review as set out in paragraph 22.68.3(c)(ii) above is not applicable, the individual auditor must provide a confirmation letter from the IRBA to the JSE, confirming that they are ~~were not subject to an engagement inspection by the IRBA because they are~~ registered as a “non attest assurance” auditor.

(iv) The individual auditor must confirm to the JSE that it is familiar with the specific auditing and financial reporting requirements applicable to applicant issuers as detailed in Sections 3, 8, 13, 15 and 21. In support of this, the individual auditor must demonstrate that it has successfully completed JSE recognised training on the Listings Requirements, or must undertake to successfully complete such training within 6 months from the date of its application. In addition, the individual auditor must undertake to successfully complete specific JSE recognised update courses as and when required and directed by the JSE.

(v) When applying to be accredited and thereafter on an annual basis, the individual auditor must provide the JSE with a signed declaration, as set out in Schedule 2 Form E2 or E6, which deals with the relevant undertakings and information set out in the Appendix to Section 22.

stating that he:

~~Eligibility Criteria applicable to~~ IFRS advisers

8.422.7 A person wishing to be accredited as an IFRS adviser must confirm and provide the JSE with adequate information to demonstrate that they:

(a) ~~he has~~have spent the following minimum required hours on performing practical and interpretive IFRS consulting over the past 12 months in order to have a comprehensive working knowledge of IFRS and those standards issued by the Accounting Practises Committee as the Financial Reporting Guidelines, and issued by the Financial Reporting Standards Council as the Financial Reporting Pronouncements:

(i) at least 800 hours at an individual level; or

- (ii) if the individual is one of two individuals who work as part of an IFRS advisory group, at least 500 hours per individual in the group. In such an instance every individual must indicate that ~~he~~they ~~have~~has specialised in different standards in such a manner that would satisfy the JSE that the group's combined 1 000 hours' knowledge is at least equivalent to that of a single individual with 800 hours; and
- (b) ~~he has~~have access to a network of other IFRS advisers to adequately assist and advise on IFRS matters; and
- (c) ~~he is~~are a member in good standing of a professional body, which body has a code of ethics and disciplinary rules, to which such member is subject, and which it regulates or that he registered with IRBA.

8.522.8 Time spent on any other financial reporting framework, including IFRS for SMEs, will not be considered in ascertaining whether this requirement has been met. The JSE may undertake an assessment of the applicant's IFRS work previously performed in order to satisfy itself as to the acceptability of the IFRS adviser. This assessment may be done in consultation with the FRIP. The IFRS consulting referred to in paragraph 8.4 above must include a combination of the following:

- (a) the review of financial statements before being issued to assess IFRS compliance;
- (b) advising internal or external clients on the interpretation and/or application of IFRS in so far as recognition, measurement and disclosure of transactions are concerned;
- (c) providing practical training to internal or external clients on the application and interpretation of existing, revised and new IFRS; and
- (d) other practical matters insofar as IFRS is concerned.

22.9 When applying to be accredited, the IFRS adviser must provide the JSE with a signed declaration, as set out in Schedule 2 Form E3, which deals with the relevant undertakings and information set out in the Appendix to Section 22 and must also state that he:

- (a) provide the information as set out in paragraph 22.7 above. This should be accompanied by a list of clients to whom IFRS consulting and training was provided and a summary of the relevant hours spent on each main category (as detailed in paragraph 8.522.8 above) and the specific accounting matters/IFRS standards covered;
- (b) not have been disqualified from registration by the IRBA or any other professional or regulatory body (alternatively full details must be provided);
- (c) notify the JSE, within 5 working days, where an agreement between itself and a JSE accredited auditor to act as external IFRS adviser has been entered into or terminated; and
- (d) agree to provide information to the JSE and act as technical link between the JSE and the audit firm, individual auditor, reporting accountant and/or reporting accountants specialist in instances where the JSE requires interaction in relation to the IFRS reporting by an applicant issuer, and confirm that their contract with the audit firm/individual auditor allows them to fulfil this role.

Eligibility eCriteria applicable to reporting accountant specialists

8.622.10 A person wishing to be accredited as a reporting accountant specialist must:

- (a) be a member or employee of an audit firm accredited on the JSE list of Auditors and their advisers as an audit firm and a reporting accountant specialist;
- (b) be registered with the IRBA as a registered auditor;
- (c) be accredited on the JSE list of Auditors and their advisers as an individual auditor;
- (d) on initial accreditation, confirm to and satisfy the JSE that they have either:
 - (i) been performing the work of a reporting accountant as envisaged in the Listings Requirements for the past 5 years and has signed off on at least 5 reporting accountant's reports in each of the last 5 years; or
 - (ii) successfully completed the JSE approved training for reporting accountant specialists within the last 12 months;
- (e) after their initial accreditation, confirm annually to and satisfy the JSE that they have:
 - (i) successfully completed specific JSE approved update courses for reporting accountant specialists, as and when required and directed by the JSE; and
 - (ii) performed the work of a reporting accountant specialist to the satisfaction of the JSE on at least 1 reporting accountant's report within the past 12 months, failing which that they have successfully completed the JSE approved training for reporting accountant specialists within the last 12 months.

~~8.4922.11~~ When applying to be accredited, and thereafter on an annual basis, the reporting accountant specialist must provide the JSE with a signed declaration, as set out in Schedule 2 Form E4, [which deals with the relevant undertakings and information set out in the Appendix to Section 22 and must also provide the undertakings and supporting information as set out in paragraphs 22.10 \(d\) or \(e\) above stating that he:](#)

The application process

~~8.722.12~~ ~~On initial~~—~~a~~Application [and thereafter annually](#), for an audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist to be accredited by the JSE ~~they~~ must ~~be made to the JSE~~ ~~by~~ submitting the following [to the JSE](#):

- (a) the relevant E form(s) as set out in Schedule 2 ~~Form E~~ [which deals with the relevant undertakings and information set out in the Appendix to Section 22](#);
- ~~(b)~~ ~~with~~ the required supporting documentation;
- (c) for the audit firm, a list of the individual auditors per applicant issuer;
- (d) details of any individual auditor for which the audit firm is not applying or renewing approval with the JSE and the reasons therefore and
- ~~(e)~~ proof of payment of the relevant application fee.

~~8.822.13~~ ~~8.14~~—The annual declarations are due for submission on 1 June. If annual

declarations are not submitted to the JSE by 1 July of any year, the audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist failing to submit the relevant annual declaration will forthwith be removed from the JSE list of Auditors and their advisers until the declaration has been submitted. If the declarations have not been submitted by 1 December of any year, reapplication will be required.

~~22.148.16~~ The JSE will advise the applicant of the result of the application in writing.

Fees

~~8.922.15~~ The relevant initial application and annual fees, as determined by the JSE from time to time, are published and available on the JSE website, www.jse.co.za, per Section 17.

~~8.1022.16~~ If the annual fees payable are not paid by 1 July of any year, the audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist will forthwith be removed from the JSE list of Auditors and their advisers until the fees have been paid in full. If the fees have not been paid by 1 December of any year, reapplication will be required.

~~8.1122.17~~ A public list of accredited audit firms, external IFRS advisers, reporting accountants and reporting accountant specialists will be published as the JSE list of Auditors and their advisers on the JSE website.

Designation

~~8.1222.18~~ An audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist accredited with the JSE and entered onto the JSE list of Auditors and their advisers will be entitled, but not required, to state on its business documentation that it is accredited with the JSE.

Roles and responsibilities

~~22.205~~ The roles and responsibilities of an audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist are contained in this paragraph ~~and~~ paragraphs 22.56 to 22.168 ~~(where applicable)~~ and [Appendix to Section 22](#). The audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist must:

- (a) accept all of their responsibilities in terms of the Listings Requirements, as detailed in Sections 3, 8, 13, 15, 21 and 22 (the applicability thereof being dependent on the role being fulfilled and the type of applicant issuer);
- (b) on initial application and thereafter annually, or more frequently where specified, submit all documentation required ~~in terms of Schedule 8~~ to the JSE, make the declarations and undertakings set out therein and ensure that such information and documentation are, both in principle and content, in compliance with the Listings Requirements;
- (c) fulfil the specific responsibilities set out in the Listings Requirements required of an audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist;
- (d) provide to the JSE any information or explanation known to it, in such form and within such time limit as the JSE may reasonably require, for the purpose of verifying whether the Listings Requirements are being and

- have been complied with by it or by an applicant issuer;
- (e) discharge its responsibilities with due care and skill; and
 - (f) within 5 working days of receiving notification of any of these matters, inform the JSE of the following:
 - (i) the outcome of a firm or partner engagement inspection performed by the IRBA or a similar regulatory or professional body for auditors in another jurisdiction, together with the decision letter and findings report from the IRBA or similar regulatory or professional body for auditors;
 - (ii) the fact that it was party to (either by advising or signing off on financial statements or other information) an investigation by the FRIP or similar body, that resulted in a conclusion that the applicant issuer's financial statements or other information were not in compliance with IFRS or the Listings Requirements;
 - (iii) any pending legal or disciplinary process instituted by any professional body of which it is a member or regulator to which it is accountable, irrespective of the nature of the process or action;
 - (iv) the outcome of any legal or disciplinary processes of any professional body of which it is a member or regulator to which it is accountable;
 - (v) any of the matters referred to in paragraph 22.25+0;
 - (vi) any other matter that may be of relevance to its ongoing obligations and responsibilities in terms of the Listings Requirements;
 - (vii) the outcome of any legal or disciplinary process instituted by the audit firm against its own individual auditor, IFRS adviser and/or reporting accountant specialist; and/or
 - (vii) confirmation that the notification referred to in paragraph 22.20+1(h) below, has been provided to the audit committee of the relevant issuer.
 - (g) notify the JSE of the following, within 48 hours from the date of:
 - (i) the termination or the appointment of the audit firm/ partner;
 - (ii) the resignation of the audit firm/ partner; and/or
 - (iii) the appointment of a new audit partner as a result of rotation of audits amongst audit partners.

The notification must include details of the reason for termination or resignation and confirmation that there is no reportable irregularity.

- (h) Provide to the audit committee of all applicant issuers who are their clients (within 5 working days of receiving notification) and to any prospective new clients when tendering for such work;
-

(i) The decision letter and findings report of the inspection performed by the IRBA (or the regulatory or professional body for auditors in the case of an auditor registered in a jurisdiction other than the Republic of South Africa) on both the audit firm and designated individual auditor. In the instance of a re-inspection both the original and re-inspection decision letters and findings reports must be provided;

(ii) the findings report of the internal engagement monitoring inspection performed by the audit firm on the designated individual auditor; and

(iii) the outcome and details of any legal or disciplinary proceedings instituted by any professional body of which they are a member or regulator to whom they are accountable.

unless it is unlawful in the jurisdiction in which the auditor is regulated to comply with the requests (i) or (iii) referred to above.

22.216 Further responsibilities of the audit firm and individual auditor include:

- (a) monitoring compliance with the disclosure requirements of the JSE as they relate to interim, preliminary, provisional, abridged and annual reports, as set out in Sections 3, 8, 13, 15 and 21 of the Listings Requirements (where applicable) in instances where an auditor's report has been issued on such financial reports and, in addition to any obligations in terms of paragraph 8.64, reporting matters of non-compliance directly to the JSE; and
- (b) advising the JSE of any instance where the applicant issuer misrepresents the content of the auditor's report as it relates to that applicant issuer (for example by indicating that the auditor's opinion is unqualified when there is a modification of the auditor's opinion or by indicating that there are no issues when in fact there is a modified auditor's report) or by indicating that the financial information has been audited or reviewed when this is not the case.

22.227 The role of the IFRS adviser includes the following:

- (a) when required to do so by the audit firm/individual auditor/reporting accountant and/or reporting accountant specialist, provide technical IFRS assistance and advice in support of the assurance opinion. This is a service to the audit firm, individual auditor, reporting accountant and/or reporting accountant specialist, not the applicant issuer, and the IFRS adviser is required to document its IFRS opinion;
- (b) to act as technical link between the JSE and the audit firm/individual auditor/reporting accountant and/or reporting accountant specialist in instances where the JSE requires interaction in relation to the IFRS reporting by the applicant issuer; and
- (c) it is suggested, but not required, that the audit firm/individual auditor/reporting accountant and/or reporting accountant specialist consult with and require the IFRS adviser to review the financial statements and other information of the applicant issuer before their issue.

22.238 The role of the reporting accountant specialist is to:

- (a) provide appropriate advice to the applicant issuer and, if applicable, the individual auditor on the application of the financial information requirements detailed in the Listings Requirements before any circular is submitted to the JSE for informal comment, to ensure that this advice has
-

been applied and to confirm this in writing to the JSE; and

- (b) to either sign off on the reporting accountant's report of the audit firm itself, or perform a quality review function on the work performed to support every reporting accountant's report, in order to ensure compliance with the Listings Requirements (in which case it must submit a letter to the JSE confirming that it has fulfilled this role).

Status

22.249 If an audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist does not fulfil the responsibilities above or fully comply with the eligibility criteria set out in Schedule 8, either at the time of application or any time thereafter, the JSE will:

- (a) in the case of a new application, not accredit the audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist; or
- (b) in the case of a currently accredited audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist, consider withdrawing or terminating its accreditation and removing its name from the JSE list of Auditors and their advisers.

Termination of accreditation

22.2510 Where the JSE finds that an auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist:

- (a) has contravened, or failed to adhere to, the provisions of the Listings Requirements;
- (b) was investigated and found guilty in terms of a regulatory review or disciplinary process of the IRBA, another regulator or any professional body of which it is a member;
- (c) was investigated and/or found guilty of and/or paid a fine and/or was sanctioned in any manner for a breach of the FMA; or
- (d) was convicted, whether in South Africa or elsewhere, or is allegedly guilty of theft, fraud, forgery, uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004), or any offence involving dishonesty.

The JSE may:

- (i) refer the matter to IRBA (or, if applicable, to a similar regulatory or professional body for auditors in a jurisdiction other than South Africa) or in the instance of an IFRS adviser refer the matter to the individual's professional body;
- (ii) advise the audit committee of the issuer; and
- (iii) terminate the accreditation of and remove the name of the auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist from the JSE list of Auditors and their advisers.

22.2611 Implicit in the relationship between the JSE and an auditor, IFRS adviser,

reporting accountant and/or reporting accountant specialist and as a result of the functions of these parties, its duty to make full and frank disclosure to the JSE of any issues that may impact on its suitability to perform its responsibilities and discharge its obligations as set out in the Listings Requirements. Furthermore, it is incumbent on an auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist to, in the event of any potential contravention of the Listings Requirements, the presence of any of the issues as set out in paragraphs 22.20~~5~~(f) and 22.25~~10~~ and/or any other factors that may impact on its ability to suitability perform its responsibilities, provide compelling reasons to prove to the satisfaction of the JSE that its is still competent and suitable to fulfil the responsibilities and obligations that it wishes to undertake.

Appendix to Section 22

Undertakings provided and information supplied in the declarations

Audit firms, individual auditors, IFRS advisors and reporting accountants specialist must make various undertakings and provide certain information both when making application to be accredited by the JSE and thereafter on an annual basis. The relevant E forms set out in Schedule 2 will apply to the party signing the declaration. The term individual used below includes the individual auditor, IFRS advisor and reporting accountant specialist. The full list of undertakings and information required is set out below.

The audit firm and individual are required to confirm that they:

- (1) meet all the eligibility criteria applicable to an audit firm and/or individual;
- (2) are subjected to:
 - a firm-wide independent quality control (ISQC1) ~~review~~inspection; ~~or~~
 - an individual engagement inspection;performed by the authorised regulatory and/or professional body for auditors as well an internal engagement monitoring inspections performed by their audit firm in terms of a policy implemented to comply with paragraph 22.6(b)(iv) and have complied with paragraph 22.20 (h) and will continue to do so;
- (3) are in good standing with their regulatory and/or professional body;
- (4) confirm that neither they nor, in the instance of the audit firm, any of their accredited individuals have:
 - at any time been removed from an office of trust because of misconduct related to a discharge of that office;
 - been convicted, whether in the Republic of South Africa or elsewhere, of theft, fraud, forgery, uttering a forged document, perjury, or any offence involving dishonesty;
 - been found guilty of an offence under the FMA;
 - been declared by a competent court to be of unsound mind or unable to manage their own affairs; or
 - been provisionally sequestered, entered into a compromise with creditors or been classified as an unrehabilitated insolvent.

If a negative statement cannot be made, details must be provided;

- (5) the audit firm, have adequate structures, policies, processes, training programmes and expertise in place in order to ensure a high level of competence and compliance with International Standards on Auditing, IFRS and the JSE Listings Requirements;
- (6) the audit firm, have established procedures and taken appropriate steps to ensure that every individual detailed in the application is:
 - familiar with the specific audit and financial reporting requirements applicable to applicant issuers, as set out in the Listings Requirements;
 - its staff are kept up to date in all relevant areas of technical training in order to enable them to maintain the highest level of competence in performing the assurance work of an applicant

issuer; and

- that audit partners are only assigned to issuers if they have the relevant experience, ~~and~~ competency and capabilities for that specific issuer;

(7) the individuals;

- have adequate experience, competency and capabilities in performing their work;
 - are familiar with the specific audit and financial reporting requirements applicable to applicant issuers and their specific function, as set out in Sections 3, 8, 13, 15, and 21; and
 - have kept up to date in all relevant areas of technical training in order them to maintain competence in performing their work;
- (8) the audit firm, have a JSE accredited IFRS adviser to review financial information of applicant issuers on which the audit firm expresses assurance opinions or provides reporting accountant's reports, and have consulted with them when deemed necessary;
- (9) the audit firm has a JSE accredited reporting accountant specialist who fulfils the role, as set out in paragraph 8.45 of Section 8, if applicable;
- (10) confirm that neither they nor, in the instance of the audit firm, any of their accredited individuals were party to any of the matters set out in paragraphs 22.~~2015~~(f), and 22.~~21610~~ ~~of Section 22~~ or, if so, to provide details to the JSE within 5 working days of receiving notification thereof;
- (11) undertake to/ have notified the JSE, within 5 working days, of any of the matters set out in paragraphs 22.~~2015~~(f) and 22.~~21610~~ and within 48 hours of any matters set out in paragraph 22.~~2015~~(g) ~~of Section 22~~ in which they are involved;
- (12) are aware of the IFRS matters identified by the JSE proactive monitoring process and/or the FRIP, as set out on the JSE and SAICA websites;
- (13) are aware of IRBA guidance and/or SAICA guidance applicable to reporting accountants and auditors of applicant issuers;
- (14) agree to discharge their responsibilities in terms of the Listings Requirements and to thus assist the JSE in upholding the integrity of the markets operated by the JSE;
- (15) will not intentionally or recklessly bring the integrity of the markets operated by the JSE into disrepute; and
- (16) give the JSE permission to obtain and share information and consult with professional bodies to whom it belongs and regulators to whom it is accountable, in matters that are of relevance to the JSE.
-