

The Debt Listings Requirements

Section 7

Appointment of auditors

7.32 As it relates to the appointment of an auditor:

- (a) An applicant issuer may only appoint as its auditor an audit firm who is accredited as such on the JSE list of Auditors and Accounting Specialists and an individual auditor who does not appear on the JSE list of disqualified individual auditors, as set out in Section 22 of the JSE Listings Requirements;
- (b) the audit committee must, notwithstanding its duties pursuant to Section 94 of the Companies Act, request from the audit firm (and if necessary, consult with the audit firm on) the information detailed in paragraph 22.15(h) of Section 22 of the JSE Listings Requirements in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every re-appointment as well as, in the instance of a new issuer, prior to listing;
- (c) Government and quasi-governmental entities that are audited by the Auditor General are not required to comply with this paragraph and paragraphs 7.33 and 7.34 below.

7.33 Within 90 days of receiving notification that their audit firm has been removed from the JSE list of Auditors and Accounting Specialists, or their individual auditor being included on the JSE list of disqualified individual auditors, an issuer must replace its auditor with an audit firm who is accredited or an individual auditor who is not disqualified. This change should be made before the auditor signs the next audit report, In the event that the applicant issuer receives notification after the auditor has commenced their assurance engagement audit, in such circumstances, it may not be possible for the issuer to appoint a new audit firm within the prescribed period. The applicant issuer must then approach the JSE who, at their discretion, may waive paragraph 3.86 above, for that specific assurance engagement. If such dispensation is granted the applicant issuer must caution holders of debt securities as to the status of its audit firm. This warning must appear whenever reference is made to the auditors report in an announcement or in the financial statements themselves.

7.34 The requirements in paragraphs 7.32 and 7.34 with regard to the auditor apply equally to those foreign registered entities with debt securities listed on the interest rate market and/or the main board of the JSE other than in the instance of a secondary registered issuer.
