

Amended Sections (Clean)

Section 1

Censure and penalties

- 1.20 Where the JSE finds that an applicant issuer or any of an applicant issuer's director(s), officer(s) and/or depository, as defined, has contravened or failed to adhere to the provisions of the Listings Requirements, the JSE may, in accordance with the provisions of the FMA and without derogating from its powers of suspension and/or removal:
- (a) censure the applicant issuer and/or the applicant issuer's director(s)/ officer(s) , individually or jointly, by means of private censure;
 - (b) censure the applicant issuer and or the applicant issuer's director(s)/officer(s), individually or jointly, and/or the applicant issuer's officer(s) by means of public censure;
 - (c) in the instance of either paragraph 1.20(a) or (b), impose a fine not exceeding such amount as stipulated by the FMA on the applicant issuer and/or the applicant issuer's director(s)/officer(s), individually or jointly;
 - (d) disqualify an applicant issuer's director(s) / officer(s) from holding the office of a director or officer of a listed company for any period of time; and/or
 - (e) issue any other penalty that is appropriate in the circumstances.

Section 3

- 3.84 In addition to complying with paragraph 8.63(a), issuers must comply with the following specific requirements concerning corporate governance and must disclose their application thereof in their annual report:

...

- (h) the audit committee must, notwithstanding its duties pursuant to Section 94 of the Companies Act:
 - (i) consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director;
 - (ii) ensure that the issuer has established appropriate financial reporting procedures, and that those procedures are operating; and
 - (iii) request from the audit firm (and if necessary consult with the audit firm on) the information detailed in paragraph 22.15(h) 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 for an applicant issuers prior to listing;
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The issuer must confirm, by reporting to shareholders in its annual report, that the audit committee has executed the responsibilities set out in 3.84(h) above.

Appointment of auditors and reporting accountants

- 3.86 An applicant issuer may only appoint as its auditor and reporting accountant an audit firm and reporting accountant 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. This requirement must be considered by the audit committee when recommending an auditor for appointment or re-appointment at the annual general meeting as well for an applicant issuer prior to the listing.
- 3.87 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 applicant 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 shareholders 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.
- 3.88 Subject to the provisions of the Act and the MOI of the applicant issuer and its subsidiaries, subsidiaries of applicant issuer are not required to be audited.
- 3.89 The requirements in paragraphs 3.86 and 3.87 with regard to the auditor and reporting accountant apply equally to those foreign registered entities with a primary listing on the JSE.

Section 16

Part I documents

- 16.10 The following documents are classified as Part I documents and must be submitted to the JSE before formal approval will be granted:
- ...
- (u) a letter signed by the chairman of the board of directors and by the chairman of the audit committee stating that:
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- (vi) the audit committee has complied with paragraph 3.84(h)
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New Section 22

Section 22

Accreditation of Audit Firms, Reporting Accountants, Reporting Accountant Specialists and IFRS Advisers to provide accounting and/or advisory services to applicant issuers

Scope of section

The requirements relating to an accreditation mechanism for audit firms, individual auditors (collectively referred to as “auditors”) reporting accountants, reporting accountant specialists and IFRS Advisers (collective referred to as “accounting specialists”) are essential to ensure that the JSE is able to effectively fulfil its regulatory duties and responsibilities in respect of its regulation of issuers listed on the JSE.

It is of critical importance that these parties fulfil their duties in accordance with the applicable professional and industry standards as well as the Listings Requirements. It is essential that auditors and accounting specialists assist the JSE in upholding the integrity of the markets in listed securities that it operates.

This section sets out the requirements to ensure that any audit firm, individual auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist that intends to provide accounting and/or advisory services to an applicant issuers is acceptable to the JSE.

The main headings of this section are:

- Section 22.1 Accreditation
- Section 22.3 Eligibility criteria
- Section 22.10 Application process
- Section 22.15 Roles and responsibilities
- Section 22.20 Status and termination of accreditation
- Appendix to Section 22

Accreditation

- 22.1 For the purposes of this section, the terms “applicant issuers” or “issuers” include the definition set out in both the JSE Limited Listings Requirements and the Debt Listings Requirements.
 - 22.2 Only an audit firm or reporting accountant accredited by the JSE may act as such for any applicant issuer. Individual auditors and reporting accountant specialists may only act for an applicant issuer, and IFRS advisers may only act as such for any audit firm, if these parties meet the applicable requirements and are not disqualified to fulfil these duties, as stipulated in these requirements.
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Eligibility Criteria

The eligibility criteria stipulated in the following sections 22.3 – 22.8 are there to ensure that an applicant issuer only appoints auditors and accounting specialists that meet the requirements stated in these sections.

General eligibility criteria

- 22.3 The audit firm, IFRS adviser, reporting accountant and reporting accountant specialist must, to the satisfaction of the JSE:
- (a) comply with the specific criteria set out below for the area in which it is applying to be accredited;
 - (b) agree to be bound by, and discharge its responsibilities, in terms of the Listings Requirements; and
 - (c) be suitable and able to fulfil the responsibility that it wishes to undertake, which suitability and ability shall be determined based on all the facts and information at the disposal of the JSE, including 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 that the JSE is able to fulfil its regulatory duties and responsibilities in respect of applicant issuers and issuers listed on its exchange.

Criteria applicable to the audit firm

- 22.4 The audit firm and the individual auditor who will sign the assurance report of the applicant issuer must be registered with the IRBA for that purpose or in the instance of an audit firm and their individual auditors registered in a jurisdiction other than the Republic of South Africa, with a similar regulatory/ professional body for auditors.

The following criteria must be met at all times by the audit firm in order to be accredited on the JSE list of Auditors and Accounting Specialists:

- (a) The audit firm have at least three individual auditors who are registered as assurance individual auditors with their regulator and whose names do not appear on the JSE list of individuals that are disqualified as auditors as set out in paragraph 22.4(f) below;
- (b) 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 Accounting Specialists
- (c) The IRBA or regulatory/professional body for auditors in that jurisdiction must have completed a firm-wide independent quality control (ISQC 1) inspection on the audit firm in its current or previous inspection cycle;
- (d) The audit firm must provide to the JSE the information referred to in paragraph 22.15(f)(i) from the ISQC 1 inspection referred to in paragraph 22.4(c) above. The JSE will consider this information and may consult further with the audit firm and/or with the IRBA or regulator/professional body for auditors in that jurisdiction. The audit firm will only be accredited if the JSE is satisfied with the outcome of the ISQC 1 review based on its assessment of how any matters identified in the inspection may impact on the JSE's ability to fulfil its regulatory duties and responsibilities as well as an

assessment of the impact that this review may have on the integrity of the JSE's markets;

- (e) The audit firm must make available to the JSE the information referred to in paragraphs 22.15(f)(ii) to (iv) below. The JSE will consider this information and may consult further with the audit firm or regulator/professional body. The JSE will consider all facts and information at its disposal and will only accredit an audit firm if compelling reasons exist that any findings against such audit firm will not negatively impact on the audit firm's ability to fulfil its functions and duties as set out in the Listings Requirements and/or that the accreditation of such audit firm will not negatively impact on the JSE's regulatory duties and/or negatively impact on the integrity of the JSE's markets;
- (f) The audit firm must not allow any individual auditor to perform any engagement for an applicant issuer if such individual is disqualified from acting as an auditor as provided for in this paragraph 22.4(f). The JSE will consider all relevant facts and information at its disposal, including, but not limited to whether facts and circumstances exist that will or may result in the inability of such individual to fulfil its obligations as set out in the Listings Requirements and/or whether these facts and circumstances may negatively impact on the integrity of the JSE's markets. The JSE will maintain a list and advise the audit firm of any individuals that do not meet the JSE's criteria. Although the JSE will consider all the relevant facts and information at its disposal, it is important to record that the following matters are of particular importance:
 - (i) any findings arising from any investigation process undertaken by the JSE due to the contravention of the Listings Requirements; and
 - (ii) any of the matters referred to in paragraphs 22.21(a)-(e) .

Any individual auditor whose name appears on the JSE's list of disqualified auditors may make written representations to the JSE to remove his/her name from the list of disqualified individual auditors. Such an application must make full and frank disclosure of all relevant facts and information that could or may influence the JSE's decision;

- (g) The audit firm must ensure that, at least 20 business days before any individual auditor accepts an engagement for an applicant issuer, the details of all matters referred to in paragraph 22.4(f) are made available to the JSE and they must await the outcome of the JSE's assessment. The JSE does not require these disclosures to be made again if they were previously provided to the JSE for an individual auditor who was, as at 30 April 2017, still recognised as being accredited by the JSE under the previous Listings Requirements. The audit firm must however make disclosure of any new matters that arise after the 30 April 2017 relating to those individuals;
- (h) The audit firm must at all times have provided to the JSE the details of all matters referred to in paragraph 22.4(f) for at least three individual auditors, regardless of whether or not they perform engagements for applicant issuers;.
- (i) 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.
- (j) The audit firm must provide details of duly authorised individual/s to deal with the areas of communication with the JSE as follows:
 - (1) the head of risk or a similar senior person within the audit firm who is tasked with the responsibility of risk management, to deal with any audit quality related matters. This individual must also approve the redacted versions of detailed findings referred required in terms of paragraph 22.15(h);
 - (2) a senior person within the audit firm tasked with the responsibility of the accreditation of the audit firm, reporting accountant specialist and IFRS advisers, to deal with accreditation and general JSE matters;
 - (3) 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 matters; and
 - (4) if applicable, a senior JSE accredited reporting accountant specialist, to deal with any reporting accountant related Listings Requirements matters.
- (k) When applying to be accredited and thereafter on an annual basis, the chief executive officer of the audit firm must sign the forms referred to in paragraph 22.10 below.

Criteria applicable to IFRS advisers

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

- (a) 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; the Financial Reporting Pronouncements issued by the Financial Reporting Standards Council; and the SAICA Financial Reporting Guidelines issued by the Accounting Practises Committee:
 - (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 they have 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) have access to a network of other IFRS advisers to adequately assist and advise on IFRS matters; and
- (c) are registered with the IRBA or are members in good standing of a professional body. That body must have a code of ethics and disciplinary rules, to which its members are subject, which it regulates.

22.6 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 22.5 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.

22.7 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:

- (a) provide the information as set out in this paragraph 22.7 . 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 22.6 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 audit firm 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.

Criteria applicable to reporting accountants and reporting accountant specialists

22.8 In order to qualify to perform the function of a reporting accountant on behalf of an issuer the audit firm must ensure that it:

- (a) is accredited as an audit firm on the JSE list of Auditors and Accounting Specialists;
- (b) is registered with the IRBA; and
- (c) has at least one internal reporting accountant specialist accredited as such on the JSE list of Auditors and Accounting Specialists and that such specialists have the necessary and appropriate experience and training to fulfil their duties to issuers in accordance with the provisions of the Listings Requirements.

22.9 A reporting accountant specialist will be accredited as such provided they ensure, to the satisfaction of the JSE that they:

- (a) are a member or employee of the audit firm accredited on the JSE list of Auditors and Accounting Specialists;
 - (b) are registered with the IRBA as a registered auditor;
 - (c) do not appear on the JSE list of disqualified individuals referred to in paragraph 22.4(f) above;
 - (d) on first application to be accreditation under these requirements, confirm to and satisfy the JSE that either:
 - (i) as at the 30 May 2017, they were recognised by the JSE as an accredited reporting accountant specialist and had performed the work of a reporting accountant specialist to
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- the satisfaction of the JSE on at least one circular within the 12 months prior to that date; or
- (ii) they completed the JSE approved training for reporting accountant specialists and have passed an examination, as approved by the JSE from time to time, within the last 12 months;
- (e) thereafter, confirm annually to and satisfy the JSE that, after the accreditation process referred to in paragraph 22.9(d) above, 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) have performed work of a reporting accountant specialist to the satisfaction of the JSE within the past 12 months, failing which that they have completed the process referred to in paragraph 22.9(d)(ii) above.

The application process

- 22.10 On initial application and thereafter annually, for an audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist to be accredited by the JSE they must submit the following to the JSE:
- (a) the relevant E form(s) as set out in Schedule 2 which deals with the relevant undertakings and information set out in the Appendix to Section 22;
 - (b) the required supporting documentation;
 - (c) for the audit firm, a list of the individual auditors per applicant issuer; and
 - (d) proof of payment of the relevant application fee.
- 22.11 The annual declarations are due for submission on 1 June each year. If annual declarations are not submitted to the JSE by 1 July of any year, the audit firm, 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 Accounting Specialists until the outstanding declarations have been submitted. If the declarations have not been submitted by 1 December of any year, reapplication will be required.
- 22.12 The relevant initial application and annual fees, as determined by the JSE from time to time, are published and available on the JSE website, at www.jse.co.za, per Section 17.
- 22.13 If the annual fees payable are not paid by 1 August of any year, the name of the audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist will be removed from the JSE list of Auditors and Accounting specialists 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.
- 22.14 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 Accounting Specialists on the JSE website.

Roles and responsibilities

- 22.15 The roles and responsibilities of an audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist are contained in this paragraph, paragraphs 22.16 to 22.18 and the Appendix to

Section 22. The audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist must:

- (a) accept all of their respective 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 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, IFRS adviser, reporting accountant and/or reporting accountant specialist;
 - (d) provide to the JSE with 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) provide the JSE with the following, within 5 working days of receiving written notification thereof:
 - (i) the outcome of an audit firm 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), regardless of whether or not the audit firm intends to challenge the decision;
 - (ii) the fact that it was party to (either by advising or signing off on financial statements or other information) an investigation 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) the commencement of legal or disciplinary proceeding instituted by any professional body of which it is a member or regulator to which it is accountable, irrespective of the nature of the proceedings;
 - (iv) any of the matters referred to in paragraph 22.21;
 - (v) the matters referred to in paragraphs 22.15(f)(ii)(iii) and (iv) above are those that relate to both the audit firm and any individual auditor who has performed an engagement for an applicant issuer;
 - (vi) any other matter that may be of relevance to its ongoing obligations and responsibilities in terms of the Listings Requirements; and/or
 - (vii) the outcome of any legal or disciplinary process instituted by the audit firm against an individual auditor (where that auditor has performed an engagement for an applicant issuer), IFRS adviser and/or reporting accountant specialist who is employed by or who is a partner of the audit firm in question;
 - (g) notify the JSE of the following, within 48 hours from the date of:
 - (i) receiving notice of the termination or the appointment of the audit firm/ individual auditor;
 - (ii) giving notice of resignation by the audit firm/ individual auditor; and/or
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- (iii) the appointment of a new individual auditor (where the audit firm remains unchanged), except in the instance where that appointment is as a result of rotation of audits amongst individuals in terms of the Act, then the audit firm can send one notification of all such changes on the last day of every quarter commencing on 30 November 2017.

The notification must include details of the reason for the termination or resignation, and must provide a confirmation of whether or not any reportable irregularities were reported to the Independent Regulatory Board for Auditors in the past 12 months. For all such reportable irregularities reported, the confirmation must provide an indication of whether or not the auditor was able to send a second report to the Independent Regulatory Board for Auditors as contemplated by Section 45(3)(c) of the Auditing Profession Act 26 of 2005 prior to any such termination or resignation.

- (h) As a minimum, provide to the audit committee of all applicant issuers who are their clients either annually or when requested to by the audit committee in terms of paragraph 3.84(h) (iii) (or paragraph 7.10(b) as it relates to the Debt Listings Requirements), whichever occurs first, and to any prospective new clients when tendering for such work;
 - (i) the following for the latest 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):
 - (1) the decision letter, findings report and the proposed remedial action to address the findings, on the audit firm. In the instance of a re-inspection/s, both the original and re-inspection/s decision letters, findings reports and remedial action plans must be provided. If the content of these letters and reports reveal the identity of specific entities, a redacted version of that information may be provided in terms of the process set out in 22.15(h)(4) below, and where applicable;
 - (2) the decision letter, detailed findings report and the proposed remedial action to address the findings, on the individual auditor where the engagement file subject to the inspection was for that specific applicant issuer or one of its subsidiaries;
 - (3) the decision letter for all other engagement file reviews on both the individual auditor who will be the applicant issuers designated individual auditor for the next audit and, if the audit firm remains unchanged, on the designated individual auditor for the past audit;
 - (4) for the engagements referred to in paragraph 22.15(h)(3) above, where the regulator has identified that a specific issue is unsatisfactory and that they will perform a re-inspection on an engagement file of that individual auditor due to that issue and/or have referred the matter for investigation, an appropriate redacted version of the detailed findings report and proposed remedial action plan. In the instance of a re-inspection both the original and re-inspection decision letters and an appropriate redacted version of the detailed findings report and proposed remedial action plan must be provided. A redacted version is one where the name of the entity and any information that could reveal their identity has been blacklined. The person described in 22.4(j)(1) must approve the redacted version. This approval must accompany the redacted version together with a statement that they confirm that the redactions are limited to information that could reveal the identity of the entity;
 - (5) where necessary, an explanation of the above findings to ensure that there is an understanding of those findings in the appropriate context, especially if the redacted version of the detailed findings report leads to the nature of the findings becoming unclear;
 - (6) If any new inspections referred to in paragraph 22.15(h)(i) above are concluded after the audit committee has considered the appointment of the auditor, but

before the assurance report is signed, these must be provided to the audit committee within 10 business days of the audit firm receiving written notification thereof;

- (ii) a summary, as approved by the person described in 22.4(j)(1) above, of the following information which would have been communicated annually to the engagement partners and other appropriate individuals within in the audit firm, including the firm's chief executive officer or, if appropriate, its managing board of partners in terms of paragraph 53 of ISQC 1 (and/or paragraph 54 in the case of a network):
 - (1) a description of the monitoring procedures performed (Paragraph 53(a) of ISQC1);
 - (2) the conclusions drawn from the monitoring procedures (Paragraph 53(b) of ISQC1);
 - (3) where relevant, a description of systemic, repetitive or other significant deficiencies and of steps taken to resolve or amend those deficiencies (Paragraph 53(c) of ISQC1); and
- (iii) the outcome and a summary of any legal or disciplinary proceedings concluded within the past 7 years, which were instituted in terms of any legislation or by any professional body of which the audit firm and/or designated individual auditor are a member or regulator to whom they are accountable, including where the matter is settled by consent order or payment of a fine.

22.16 Further responsibilities of the audit firm 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.

22.17 The role of the IFRS adviser includes the following:

- (a) if 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, whether it be the consideration of a specific matter or a full review of the financial statements. Although this is a service to the audit firm, individual auditor, reporting accountant and/or reporting accountant specialist and not the applicant issuer, this service is important to ensure that the JSE is able to effectively regulate issuers and, consequently, the IFRS adviser is required to document its IFRS opinion or in the instance of a financial statement review, the recommendations it has made;
 - (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
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- (c) to provide the JSE with the documented evidence of the work it has performed in the instance of paragraph 22.17(a) above.

22.18 The role that the reporting accountant specialist fulfils is the following:

- (a) to provide appropriate advice to the applicant issuer and, if applicable, to the individual auditor on the application of the financial information requirements detailed in the Listings Requirements:
 - (i) before any circular is submitted to the JSE for informal comment and to ensure that this advice has been applied and to confirm this in writing to the JSE;
 - (ii) when the applicant issuer includes pro forma financial in any of the periodic financial information referred to in section 3 and to ensure that this advice has been applied and advise the JSE in writing if this is not the case; and
- (b) in the instances of a circular referred to in paragraph 22.18(a)(i) 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 and termination of accreditation

Designation

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

Status

22.20 If an audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist does not to the satisfaction of the JSE fulfil the responsibilities above or fully comply with the eligibility criteria set out in this Section 22, 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, IFRS adviser, reporting accountant and/or reporting accountant specialist; or
- (b) in the case of a currently accredited audit firm, 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 Accounting Specialists.

Termination of accreditation

22.21 Where the JSE finds that an audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist has:

- (a) contravened, or failed to adhere to, its responsibilities set out in this section 22;
 - (b) been found guilty or agreed to a consent order in terms of any legal, regulatory review or disciplinary finding arising from any processes instituted by any professional body of which it is a member or another regulator to which it is accountable ;
 - (c) been found guilty of and/or paid a fine and/or was sanctioned in any manner for a breach of
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the FMA;

- (d) been found guilty and convicted, whether in South Africa or elsewhere, 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; or
- (e) had any legal or disciplinary findings, including a consent order, payment of a fine or sanction, made against them in terms of any other legislation.

The JSE may:

- (i) refer the matter to the 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/or
- (iii) terminate the accreditation of and remove the name of the audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist from the JSE list of Auditors and Accounting Specialists.

22.22 Implicit in the relationship between the JSE, issuers and an audit firm, 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 audit firm, IFRS adviser, reporting accountant and/or reporting accountant specialist to, in the event of any potential contravention of their responsibilities set out in this section 22, the presence of any of the issues as set out in paragraphs 22.15(f) and 22.21 and/or any other factors that may impact on its ability to suitably perform its responsibilities, provide compelling reasons to prove to the satisfaction of the JSE that it 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, IFRS advisers 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 IFRS adviser and reporting accountant specialist. The 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 and have provided the necessary supporting documentation set out in section 22;
- (2) the audit firm, are subjected to a firm-wide independent quality control (ISQC1) inspection performed by the authorised regulatory and/or professional body for auditors;
- (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 Listings Requirements and Debt Listings Requirements;
- (6) the audit firm, have established procedures and taken appropriate steps to ensure that :
 - individual auditors, IFRS advisers and if applicable reporting accountant specialists are familiar with the specific audit and financial reporting requirements applicable to applicant issuers, as set out in the Listings Requirements and Debt 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
 - individual auditors are only assigned to issuers if they have the relevant experience, 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; and

- have kept up to date in all relevant areas of technical training in order for 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 or individual auditors who have signed assurance reports for applicant issuers, were party to any of the matters set out in paragraphs 22.15(f), and 22.21 or, if so, to provide details to the JSE thereof and also undertake to notified the JSE, within the specified timeframes, of any of the matters set out in paragraphs 22.15(f) and 22.21 that arise in the future;
 - (11) confirm that the information referred to in paragraph 22.15 (h) has been provided to the relevant audit committees;
 - (12) are aware of and have considered 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 and have considered IRBA and/or SAICA guidance applicable to reporting accountants and auditors of applicant issuers;
 - (14) agree to discharge their responsibilities in terms of this section 22 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.
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