



24 February 2017
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Dear Company Secretaries

REPORTING OF RESTATEMENTS

This guidance letter supersedes the letter issued on 17 October 2016. For ease of reference, the changes made to that letter are highlighted in red.

Pursuant to paragraph 3.14 of the JSE Listings Requirements (the “**Requirements**”), issuers have a responsibility to report restatements to the JSE. Despite the wording stipulated in paragraph 3.14 of the Requirements, the JSE is granting issuers more time to fulfil their reporting obligations. The revised process is set out below.

1) When to report a restatement

Paragraph 3.14 of the Requirements stipulates the following:

“In the instance where an applicant issuer restates previously published results, for whatever reason, they must submit a restatement notification to the JSE containing details of the restatement and the reasons therefor. Such notification must be submitted within 24 hours from the restated results being published on SENS.”

For clarity purposes, the JSE wishes to confirm that previously published results cover (i) interim results, (ii) preliminary results, (iii) provisional results, (iv) abridged results and (v) annual financial statements whether published separately or as part of another document which are restated and republished.

Executive Directors: NF Newton-King (CEO), A Takoordeen (CFO)

Non-Executive Directors: N Nyembezi-Heita (Chairman), AD Botha, Dr M Jordaan, Dr SP Kana, DM Lawrence, Dr MA Matooane, AM Mazwai, NP Mnxasana, NG Payne

Alternate Directors: JH Burke, LV Parsons

Group Company Secretary: GA Brookes

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2) Which restatements

Restatements (also sometimes referred to as re-presentations) of previous published results can occur in the following instances:

- i) a new accounting standard or interpretation is issued by the IASB, which requires retrospective application;
- ii) the application of paragraph 34 to 36 of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* and/or paragraph 28 of IAS 33-*Earnings per Share* and/or paragraph 29 of IFRS 8 – *Operating Segments* and/ or paragraph 45 of *IFRS 3*;
- iii) a voluntary change of accounting policy or change in the application of IFRS;
- iv) a reclassification of amounts disclosed in the prior period financials;
- v) the correction of a material prior period error; and/or
- vi) for some other reason.

The JSE does not wish to be advised of any restatements in respect of (i) and (ii) above. Furthermore, the JSE only requires notification of restatements that impact [earning per share, headline earnings per share, and/or](#) the amounts presented in –

- the statement of financial position;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity; and/or
- the statement of cash flows.

The same restatement will often appear in the interim results, preliminary or provisional results and the annual results. Notification of restatements need only occur once for each change.

3) How to report a restatement

Instead of communicating the restatement notification to the JSE *via* e-mail, the notification must be produced to the JSE when submitting the annual financial statements and annual compliance certificate through WEBSTIR. The notification must:

- i) contain sufficient information through a detailed narrative for the JSE to understand the nature and circumstances that led to each specific restatement;
- ii) details regarding how and when the need for restatement was identified;
- iii) the impact of the restatement on previously published results;

- iv) other than in the instance of 2(iii) above, include a letter from the chairman of the audit committee confirming that the board has considered the circumstances that lead to the restatement and has implemented steps to prevent the reoccurrence of such a restatement;
- v) in the instance where another restatement occurs after the audit committee letter has been issued, the notification should highlight this fact; and
- vi) where the further restatement referred to in 3(v) above is a related matter, explain how the audit committee has addressed the fact that the preventative measures it implemented in terms of its initial notification to the JSE did not succeed.

Yours faithfully



**A F VISSER: GENERAL MANAGER
ISSUER REGULATION**

Cc sponsors/ designated advisors