



# The JSE Limited Listings Requirements

**BULLETIN 3 of 2008  
as updated on 14 August 2008**

30 JULY 2008

Dear Subscriber

Please note that Bulletin 3 of 2008 has been updated due to an erratum in paragraphs 3.18(f), 3.21 and 3.22 in which the phrase "...emphasis of matter paragraph/s regarding..." has been replaced with "...emphasis of matter paragraph or paragraphs regarding...".

## **The introduction of a JSE Register of Auditors and their advisors**

This Bulletin brings into effect new requirements to the Listings Requirements to establish a JSE Register for Auditors and their advisors. The requirements are contained mainly in new paragraphs 3.75(c), 3.86 to 3.89, new Section 22 and the accompanying new Schedule 15. Amendments have also been made to the definitions and certain paragraphs within sections 4 and 8 to deal with the introduction of new terminology for auditors and reporting accountant's and certain procedures brought about by the introduction of the register. Changes have also been made to section 1 to ensure that parties on this new register fall within the JSE's current disciplinary procedures.

## **Other changes**

The following other changes were also made:

- (i) Paragraphs 3.84(h), 4.8(b) and 7.F.6(h) have been introduced requiring applicant issuers to appoint financial directors and for the audit committee to take responsibility for the quality of the person appointed to this position;
- (ii) paragraph 3.18(e), 3.18(f), 3.21 and 3.22 were amended to address terminology changes in International Auditing Standards and to improve disclosure around the nature of a qualification of an auditors report;

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(iii) Reference to a category 2 transaction was removed from paragraphs 8.2(e) and (f); and

(iv) The wording in paragraph 8.29(c)(iii) was clarified.

The requirements contained in this Bulletin are effective from 1 September 2008. The following transitional provisions however apply:

(i) Various transitional provision have been provided for auditors, reporting accountants and IFRS advsiors, as detailed in paragraph 22.13; and

(ii) A transaction provision exists for the new 4.8(b) in that existing applicant issuers have until 30 June 2009 to appoint a financial director if they have not already done so.

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## Definitions

<b>Term</b>	<b>Meaning</b>
audit firm	the partnership or incorporated company registered with the IRBA, or a similar regulatory or professional body for auditors in another jurisdiction, and must be registered as such on the JSE Register of Auditors and their advisors
auditor	includes the audit firm and the individual auditor assigned and/or appointed to perform a statutory audit (or a review as required by paragraph 3.18) of an applicant issuer
IFRS advisor	a single or group of individual(s) registered as such on the JSE Register of Auditors and their advisors
individual auditor	an individual registered with the IRBA or similar regulatory or professional body for auditors in another jurisdiction, who is an employee, director or partner of an audit firm, and is registered as such on the JSE Register of Auditors and their advisors
IRBA	the Independent Regulatory Board for Auditors, a body established in terms of the Auditing Profession Act (No. 26 of 2005), responsible for the registration and regulation of registered auditors in South Africa
reporting accountant	an audit firm, registered with the IRBA and registered as an audit firm and a reporting accountant on the JSE Register of Auditors and their advisors, responsible to fulfil the work and issue the reporting accountant's report, as described in paragraph 8.45 of the Listings Requirements
reporting accountant specialist	an individual registered with the IRBA, who is an employee, director or partner of an audit firm, and is registered as such on the JSE Register of Auditors and their advisors. A reporting accountant specialist must also be registered as an individual auditor on the JSE Register of Auditors and their advisors

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"audit firm" definition inserted into the requirements with effect from 1 September 2008.

"auditor" definition inserted into the requirements with effect from 1 September 2008.

"IFRS advisor" definition inserted into the requirements with effect from 1 September 2008.

"individual auditor" definition inserted into the requirements with effect from 1 September 2008.

"IRBA" definition inserted into the requirements with effect from 1 September 2008.

"reporting accountant" definition inserted into the requirements with effect from 1 September 2008.

"reporting accountant specialist" definition inserted into the requirements with effect from 1 September 2008.

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## Section 1: Authority of the JSE

### General powers of the JSE

- 1.1 (g) to prescribe from time to time the Listings Requirements with which sponsors, designated advisors, auditors, IFRS advisors, reporting accountants and reporting accountant specialists must comply.
- 1.4 If an applicant issuer, director, auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist, in respect of whom a decision (other than a decision in respect of which a specific appeal or review procedure is prescribed in these Listings Requirements, the Rules of the JSE and SSA, or any replacement legislation) is taken under these Listings Requirements objects to such decision, such person must notify the JSE in writing within 48 hours of the decision, giving reasons for such objection. In such event the JSE shall consider the objection and shall be entitled, in its sole discretion, to consult with not less than three independent members of the Issuer Services Advisory Committee. After taking into account the views of those independent members, the JSE shall be entitled to reconsider and change its decision. A decision of the JSE made after following this procedure will be final.

### Censure and penalties

- 1.20 Where the JSE finds that an applicant issuer or any of an applicant issuer's director(s) or an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist, 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 SSA and without derogating from its powers of suspension and/or termination:
- (a) censure the applicant issuer and/or the applicant issuer's director(s), or an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist, individually or jointly, by means of private censure;
  - (b) censure the applicant issuer and or the applicant issuer's directors, or an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist, individually or jointly, by means of public censure;
  - (c) in the instance of either paragraph 1.20 (a) or (b), impose a fine not exceeding R5 000 000 on the applicant issuer and/or the applicant issuer's director(s), an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist, individually or jointly;
  - (d) disqualify an applicant issuer's director(s) from holding the office of a director of a listed company for any period of time;

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1.1(g) introduced with effect from 1 September 2008.

1.4 amended with effect from 15 October 2007 and with effect from 1 September 2008

1.20 amended with effect from 15 October 2007 and with effect from 1 September 2008

1.20(d) and (e) introduced with effect from 15 October 2007 and amended with effect from 1 September 2008.

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- (e) order the payment of compensation to any person prejudiced by the contravention or failure; and/or
  - (f) suspend or terminate the registration and remove an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist from the JSE Register of Auditors and their advisors.
- 1.21 In the event that an applicant issuer or any of an applicant issuer's director(s) or an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist contravenes or fails to adhere to the provisions of the Listings Requirements, the JSE may elect in its discretion, that:
- (a) full particulars regarding the imposition of a fine may be published in the Gazette, national newspapers or through SENS; and/or
  - (b) an investigation or hearing be convened and the applicant issuer or any of the applicant issuer's director(s) or an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist pay the costs incurred in relation to such investigation or hearing.
- 1.22 If any of the parties fails to pay a fine or compensation as referred to in paragraph 1.20, the JSE may in terms of the provisions of SSA file with the clerk or registrar of a competent court a statement certified by it as correct, stating the amount of the fine imposed or compensation payable, and such statement thereupon shall have all the effects of a civil judgement lawfully given in that court against that applicant issuer or any of an applicant issuer's director(s) or that auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist in favour of the JSE for a liquid debt in the amount specified in that statement.

## Publication

- 1.27 (i) censured an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist; and/or
- (j) suspended or terminated (or intends to suspend or terminate) the registration of an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist from the JSE Register of Auditors and their advisors.
- 1.29 No applicant issuer or its directors, officers or holders of securities, including nominees or an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist shall have any cause of action against the JSE, or against any person employed by the JSE, for dam-

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1.20(f) introduced with effect from 1 September 2008

Existing 1.21 deleted in its entirety and replaced with new 1.21 with effect from 15 October 2007.

1.21 amended with effect from 1 September 2008

New 1.22 introduced with effect from 15 October 2007 and amended with effect from 1 September 2008.

1.23, previously 1.22, has been renumbered with effect from 15 October 2007.

1.27(i) and (j) introduced with effect from 1 September 2008.

1.29, previously 1.27, renumbered and amended with effect from 15 October 2007 and from 1 September 2008.

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ages arising out of any statement or announcement made in terms of paragraph 1.27, unless such publication was made either grossly negligently or with wilful intent.

## Section 3: Continuing Obligations

### Disclosure of periodic financial information

#### Requirement for review by auditors

- 3.18 (e) when conducting a review of an unaudited interim or provisional report, the auditors shall follow the guidance provided in the International Standard on Review Engagements, (ISRE) 2410, Review Financial Statements of Interim Financial Information Performed by the Independent Auditor of the Entity;
- (f) if an interim or provisional report has been reviewed or audited by the auditor, this fact and the name of the auditor must be stated in the published interim or provisional report. The published interim or provisional report must state the type of review/audit conclusion, i.e. unqualified, qualified, disclaimer or adverse, and should contain an extract of the exact modification paragraph from the auditor's report. The published interim or provisional report must also mention and contain details of any emphasis of matter paragraph or paragraphs regarding reportable irregularities, as defined in the Auditing Profession Act, (No. 26 of 2005), contained in the auditor's report. If the report of the auditor is not included in the published interim or provisional report, it shall state that the report of the auditors is available for inspection at the issuer's registered office;

#### Annual financial statements

- 3.21 Once issued, an issuer's annual financial statements must be sent to the issuer's holders of securities and 200 copies must be sent to the JSE. At the same time an abridged version of such annual financial statements ("abridged report"), complying with paragraphs 8.57 to 8.61 must be published. Although the audit report need not be included in the abridged report, the abridged report must state the type of audit conclusion, i.e. unqualified, qualified, disclaimer or adverse, and should contain an extract of the exact modification paragraph from the auditor's report. The abridged report must also mention and contain details of any emphasis of matter paragraph or paragraphs regarding reportable irregularities, as defined in the Auditing Profession Act, (No. 26 of 2005), contained in the auditor's report.
- 3.22 Any annual financial information published voluntarily by an issuer in advance of being required to do so in terms of paragraphs 3.20 or 3.21 must, at a minimum, be reviewed by the issuer's auditors and must comply with paragraphs 8.57 to 8.61 in respect of disclosure ("preliminary re-

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3.18(e) amended with effect from 1 January 2006 and with effect from 1 September 2008.

3.18(f) amended with effect from 1 September 2008.

3.21 and 3.22 amended with effect from 1 September 2008.

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port"). In this event the name of the auditors must be stated in the preliminary report. Although the review/audit report of the auditor need not be included in the preliminary report, the preliminary report must state the type of review/audit conclusion, i.e. unqualified, qualified, disclaimer or adverse, and should contain an extract of the exact modification paragraph from the auditor's report. The published preliminary report must also mention and contain details of any emphasis of matter paragraph or paragraphs regarding reportable irregularities, as defined in the Auditing Profession Act, (No. 26 of 2005), contained in the auditor's report. If the review/audit report of the auditor is not included in the preliminary report, it must state that the report of the auditor is available for inspection at the issuer's registered office. If an issuer has published a preliminary report, then, at the date of issue of its annual financial statements; such issuer must either comply with paragraph 3.21, or publish an announcement stating that it has issued its annual financial statements and that it is not publishing an abridged report as the information previously published in the preliminary report is unchanged.

## **Notification of change in auditors**

- 3.75 (b) the resignation of the auditors; and/or  
(c) any change of the individual auditor classified as the designated auditor in terms of the Corporate Laws Amendment Act (No. 24 of 2007).

## **Miscellaneous obligations**

### **Corporate Governance**

- 3.84 (h) the audit committee must consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director and the applicant issuer must confirm this by reporting to shareholders in its annual report that the audit committee has executed this responsibility. All applicant issuers must have a financial director.#

## **Appointment of auditors and reporting accountants**

- 3.86 An applicant issuer may only appoint as its auditor and/or reporting accountant an audit firm, individual auditor and/or reporting accountant who is registered as such on the JSE Register of Auditors and their advisors, as set out in Section 22. This requirement must be considered by the audit committee when recommending an auditor for appointment at the annual general meeting.

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Heading above 3.75 amended with effect from 1 September 2008.

3.75(c) inserted with effect from 1 September 2008.

3.84(h) introduced with effect from 1 September 2008.

# Existing applicant issuers have until 30 June 2009 to appoint a financial director if they have not already done so.

Heading above 3.86 inserted with effect from 1 September 2008

3.86 to 3.89 introduced with effect from 2008.

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- 3.87 Within 90 days of an audit firm or individual auditor being removed from the JSE Register of Auditors and their advisors, an applicant issuer must replace its auditor with an auditor who is registered on the JSE Register of Auditors and their advisors. This change should be made before the auditor signs the next audit report, failing which the applicant issuer must caution shareholders as to the status of its auditor. This warning must appear whenever reference is made to the audit report in an announcement or in the financial statements themselves.
- 3.88 The requirements in paragraphs 3.86 and 3.87 also apply to the applicant issuer's major subsidiaries (as defined) except that the threshold for a major subsidiary, as set out in the definitions section of the Listings Requirements, is increased to 50% (from 25%) for the purpose of these requirements. The requirements will be applicable if a subsidiary meets the criteria of a major subsidiary (as defined) in its preceding financial period or if a subsidiary is expected to meet the criteria in the period being reported upon.
- 3.89 The requirements in paragraphs 3.86 to 3.88 with regard to the auditor and reporting accountant apply equally to foreign registered entities with a primary listing on the JSE. In this instance the audit firm and individual auditor registered in a jurisdiction other than South Africa and the IFRS advisor need to be registered on the JSE Register of Auditors and their advisors. The specific requirements and eligibility criteria, as set out in Section 22 and Schedule 15, are however slightly different for auditors registered in a jurisdiction other than South Africa.

## Section 4: Conditions for Listing

### Conditions applicable to all markets

#### Directors

- 4.8 (a) the directors and senior management of an applicant must collectively have appropriate expertise and experience for the management of the applicant and the group's business. Details of such expertise and experience must be disclosed in any listing particulars prepared by the applicant (refer to paragraphs 7.B.1, 7.B.2 and 7.B.3); and
- (b) all applicants must have appointed a financial director. The audit committee must consider and satisfy itself of the appropriateness of the expertise and experience of the financial director and a statement to this effect must be included in any listing particulars circular prepared by the applicant issuer.#

#### Financial information

- 4.13 The following requirements relate to the preparation and disclosure of financial information:

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Renumbered 4.8 to 4.8(a) and 4.8(b) introduced with effect from 1 September 2008.

# Existing applicant issuers have until 30 June 2009 to appoint a financial director if they have not already done so.

4.13(a) amended with effect from 1 September 2008.



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- (a) applicants must comply with Section 8 where applicable and their financial statements must have been reported on by the auditors and reporting accountant without qualification, disclaimer, adverse audit opinion or reference to an emphasis of matter;
  - (b) an issuer must publish audited annual financial statements for its financial year, as specified in the prospectus/pre-listing statement, irrespective of the fact that the company may have subsequently changed its year-end; and
  - (c) applicants must appoint an auditor and/or reporting accountant in terms of the requirements in paragraph 3.86, Section 22 and Schedule 15.

## 7F General information

### King Code

- 7.F.6 (h) the audit committee must consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director and the applicant issuer must confirm by reporting to shareholders in its annual report that the audit committee has executed this responsibility.

## Section 8: Financial Information

### Report of historical financial information

#### Circumstances when a report of historical financial information is required

- 8.2 (e) on the subject of a Category 1 transaction ("Category 1 subject");  
(f) on the subject of any substantial acquisition or disposal (measured against the value of the Category 1 subject) that has been effected by a Category 1 subject in the current or preceding financial year.
- 8.29 (c) (iii) in the case of a circular to shareholders where the circular either includes those management accounts and/or use them for the purposes of the pro forma financial effects, a reporting accountant's review or audit opinion (whichever is applicable) must be obtained on those management accounts.

### Profit forecasts and estimates

- 8.40 In the event of an applicant issuer publishing a profit forecast or estimate in an announcement, it must either:

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4.13(c) introduced with effect from 1 September 2008.

7.F.6(h) introduced with effect from 1 September 2008.

8.2(e) and 8.2(f) amended with effect from 1 September 2008.

8.29(c)(iii) amended with effect from 15 October 2007 and with effect from 1 September 2008.

8.40 amended with effect from 1 January 2006, from 6 December 2006 and with effect from 1 September 2008.

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- (a) produce and submit to the JSE a profit forecast or estimate and auditor's report/reporting accountant's thereon in accordance with:
- 8.41 The JSE reserves the right to insist on sign-off by the auditor/reporting accountant in accordance with paragraph 8.40(a) where it believes that it would be in the interest of securities holders.
- 8.43 A profit forecast or estimate included in a prospectus/pre-listing statement must be prepared in accordance with IFRS for that forecast period, must be reported on by a reporting accountant in accordance with paragraph 8.40(a)(i) or (ii) and must include a statement of the principal assumptions for each factor that would have a material effect on the achievement of the forecast or estimate. These assumptions must:

## Reporting accountant's report

### Circumstances when a reporting accountant's report is required

- 8.45 Reporting accountant's report, signed off by an independent reporting accountant, is required when:
- (a) a report of historical financial information is required in terms of paragraph 8.2 (a), (b), (c), (e) and (f);
  - (b) a report of historical financial information is prepared and presented on a voluntary basis (except when it relates to previously published information of the applicant issuer);
  - (c) pro forma financial effects or pro forma financial statements are prepared (except when that pro forma information only appears in an announcement);
  - (d) profit forecasts/estimates are prepared (except where these are prepared in terms of paragraph 8.40 and the JSE has not exercised its powers as set out in paragraph 8.41); and
  - (e) it is required by paragraph 13.15.

### The reporting accountant

- 8.46 The reporting accountant appointed to report on the information set out in paragraph 8.45, or in any other instance where the JSE requires a report to be presented in a JSE circular, must be registered as a reporting accountant on the JSE Register of Auditors and their advisors and must be independent (applying similar independence criteria normally applicable to auditors).

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8.41 amended with effect from 1 January 2006, from 6 December 2006 and with effect from 1 September 2008.

8.43 amended with effect from 6 December 2006, from 15 October 2007 and with effect from 1 September 2008

Headings above 8.45 amended with effect from 1 September 2008.

8.45 amended with effect from 6 December 2006 and with effect from 1 September 2008.

8.45(a) to 8.45(e) introduced with effect from 1 September 2008.

Heading above 8.46 amended with effect from 1 September 2008.

8.46 amended with effect from 1 September 2008.

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- 8.47 The reporting accountant shall conduct the engagement in accordance with the relevant standards issued by the International Auditing and Assurance Standards Board (IAASB) and relevant guidance issued by SAICA and/or the IRBA. The IAASB standards include: International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs) and International Standards on Related Services (ISRSs).
- 8.48 The reporting accountant is to provide opinions on the following reports:
- (a) a report of historical information by way of:

**Contents of a reporting accountant's report**

- 8.51 A reporting accountant's report should be addressed to the directors of the applicant, in the case of an application for listing of new securities, or the listed company, in the case of an acquisition or disposal, and must include the following basic elements, ordinarily in the following layout:
- (c) (iii) a statement of the responsibility of the reporting accountant; and
  - (d) (vii) a description of the work the reporting accountant has performed;
  - (e) an opinion paragraph containing an expression of opinion (in the case of an audit or assurance engagement), or a conclusion paragraph containing an expression of the reporting accountant's conclusion (in the case of other assurance engagements conducted in accordance with ISAEs);
  - (f) the reporting accountant's name (both the firm and the partner signing the opinion), address and signature; and
  - (g) the date on which the reporting accountant's report is signed.

**Date of reports**

- 8.52 The reporting accountant's report(s) should be dated on the same day that the directors authorise the issue of the prospectus/pre-listing statement/circular/announcement, for formal submission to the JSE.

**Review of prospectus/pre-listing statement/circular**

- 8.53 The reporting accountant should review the prospectus/pre-listing statement/circular to ensure that the contents thereof are not contradictory with the information contained in the report of historical financial information.

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8.47 amended with effect from 1 January 2006 and with effect from 1 September 2008.

8.48(a)(iii) amended with effect from 1 September 2008.

Headings above 8.51 amended with effect from 1 September 2008.

8.51 amended with effect from 1 September 2008.

8.51(c)(iii) amended with effect from 1 September 2008.

8.51(d)(vii) amended with effect from 1 September 2008.

8.51(e) amended with effect from 1 January 2006 and with effect from 1 September 2008.

8.51(f) and 8.51(g) amended with effect from 1 September 2008.

8.52 amended with effect from 1 September 2008.

8.53 amended with effect from 1 September 2008.

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The reporting accountant must inform the JSE, in writing, of its consent for inclusion and of any such contradictions. The consent letter should be dated on the same day that the directors authorise the issue of the prospectus/pre-listing statement/circular for formal submission to the JSE.

#### **Consent letters**

- 8.54 The reporting accountant should submit a letter to the directors giving his/her consent to the inclusion of:
- (a) the reporting accountant's report(s) in the prospectus/pre-listing statement/ circular; and
  - (b) references to, or extracts from, the reporting accountant's report(s) included in the prospectus/pre-listing statement/circular.
- 8.55 A statement is to be included in the prospectus/pre-listing statement/circular that the reporting accountant has given and has not withdrawn its written consent to the issue of the prospectus/pre-listing statement/circular, containing the reporting accountant's report in the form and context in which it appears.

#### **Confirmations by reporting accountant specialist**

- 8.56 The reporting accountant specialist must:
- (a) on the first submission of a document, confirm to the JSE that it has provided the necessary advice on the applicable Listings Requirements; and
  - (b) in instances where it does not sign off on the reporting accountant's report itself, on the formal submission, provide the JSE with a letter (dated the same date as the reporting accountant's report) confirming that it has performed a review of the work performed by the reporting accountant and is satisfied that the Listings Requirements have been complied with.

#### **GAAP Monitoring Panel**

- 8.66 In addition, the JSE will refer any such non-compliance to SAICA, the IRBA or any other relevant professional body.

## **Section 17**

### **Listing and other Fees**

#### **Scope of section**

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- 8.54 and 8.55 amended with effect from 1 September 2008.  
8.54 and 8.55 amended with effect from 1 September 2008.  
Headings above 8.56 amended with effect from 1 September 2008.  
8.56 amended with effect from 1 September 2008.  
8.66 amended with effect from 1 September 2008.  
Section 17 replaced in its entirety with effect from 15 October 2007.

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This section sets out the listing and other fees that are to be paid by listed companies, applicants applying for a listing of securities, sponsors, auditors and the auditors advisors.

17.1 The JSE charges certain fees relating to the following:

- (a) listing fees;
- (b) annual listing fees;
- (c) documentation fees;
- (d) ruling fees;
- (e) sponsor fees; and
- (f) fees applicable to auditors and their advisors.

Details of these fees, the bases for calculating them and when they are payable are published on the JSE's website "[www.jse.co.za](http://www.jse.co.za)".

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17.1(f) inserted with effect from 1 September 2008.

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## Section 22

### Approval of auditors, reporting accountants and IFRS advisors

#### Scope of section

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 advisor, reporting accountant and reporting accountant specialist.

The audit firm, individual auditor, IFRS advisor, reporting accountant and reporting accountant specialist must undertake to the JSE that it accepts certain responsibilities. These responsibilities, requirements and eligibility criteria are detailed in Sections 3, 8, 13, 15 and 22 and Schedule 15.

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

#### The main headings of this section are:

- 22.1 Qualifications
- 22.5 Roles and responsibilities
- 22.9 Status
- 22.10 Censure and penalties
- 22.13 Transitional provisions

### Qualifications

- 22.1 In order to qualify to perform the statutory audit or a review of an applicant issuer:
- (a) the audit firm must be registered on the JSE Register of Auditors and their advisors;
  - (b) at least three individual auditors within the audit firm must be registered as such on the JSE Register of Auditors and their advisors in terms of the criteria set out in Schedule 15;
  - (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 a file review done by the IRBA and must only be subject to the next file review in the next review cycle, as set out in Schedule 15.3(b)(ii); and
  - (d) the audit firm must have at least one IFRS advisor, either internal or external to the firm, registered on the JSE Register of Auditors and their advisors.

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Entire Section 22 introduced with effect from 1 September 2008.

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- 22.2 In order to qualify to perform the function of reporting accountant:
- (a) the audit firm must be registered as such on the JSE Register of Auditors and their advisors and be registered with the IRBA;
  - (b) at least three individual auditors within the audit firm must be registered as such on the JSE Register of Auditors and their advisors and be registered with the IRBA;
  - (c) the audit firm must have at least one IFRS advisor, either internal or external to the firm, registered as such on the JSE Register of Auditors and their advisors; and
  - (d) the audit firm must have at least one internal reporting accountant specialist registered as such on the JSE Register of Auditors and their advisors and registered with the IRBA.
- 22.3 In order for an audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist to be registered by the JSE, it must:
- (a) apply to the JSE on the prescribed form with the necessary supporting documentation;
  - (b) pay the prescribed fees;
  - (c) meet the eligibility criteria set out in Schedule 15; and
  - (d) satisfy the JSE that it is competent to discharge its responsibilities.
- 22.4 An audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist must agree to be bound by and discharge its responsibilities in terms of the Listings Requirements.

## Roles and responsibilities

- 22.5 The roles and responsibilities of an audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist are contained in this paragraph and paragraphs 22.6 to 22.8 (where applicable). The audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist must:
- (a) accept all of its 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 it is fulfilling 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 15 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 advisor, 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

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are being and have been complied with by it or by an applicant issuer;

- (e) discharge its responsibilities with due care and skill;
- (f) uphold the integrity of the markets operated by the JSE; and
- (g) 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 file review performed by the IRBA or a similar regulatory or professional body for auditors in another jurisdiction, together with the decision letter 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 financials statements or other information) an investigation by the GAAP Monitoring Panel 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) the fact that it issued an unqualified audit or review opinion on information that was subsequently amended;
  - (iv) any pending legal or disciplinary action instituted by any professional body of which it is a member or regulator to which it is accountable, irrespective of the nature of the action;
  - (v) 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;
  - (vi) any of the matters referred to in paragraph 22.11; and/or
  - (vii) any other matter that may be of relevance to its ongoing obligations and responsibilities in terms of the Listings Requirements.

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

- (a) to monitor compliance with the disclosure requirements of the JSE as they relate interim, preliminary, provisional, abridged and annual reports, as set out in Sections 3, 8, 13, 15 and 21 of the Listings Requirements (where applicable) and, in addition to any obligations that it has in this regard in terms of paragraph 8.64, report matters of non-compliance directly to the JSE; and
- (b) to advise the JSE of any instance where the applicant issuer misrepresents the content of the auditors report as it relates to that applicant issuer (for example by indicating that the auditors opinion is unqualified when there was a modification of the auditors opinion).

22.7 The role of the IFRS advisor 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.



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This is a service to the audit firm, individual auditor, reporting accountant and/or reporting accountant specialist, not the applicant issuer, and the IFRS advisor 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 advisor to review the financial statements and other information of the applicant issuer before being issued.

22.8 The role of the reporting accountant specialist is to:

- (a) provide appropriate advice to the applicant issuer on the application the financial information requirements detailed in the Listings Requirements before any circular is submitted to the JSE for informal approval (and 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

22.9 If an audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist does not fulfil the responsibilities above or fully comply with the eligibility criteria set out in Schedule 15, either at the time of application or any time thereafter, the JSE will:

- (a) in the case of a new application, not register the audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist; or
- (b) in the case of a currently registered audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist, censure the party and in the case of non-compliance with the eligibility criteria suspend and/or removing its registration and remove its name from the JSE Register of Auditors and their advisors.

## Censure and penalties

22.10 Where the JSE finds that an auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist has contravened or failed to adhere to the provisions of the Listings Requirements, the JSE may exercise its disciplinary powers set out in Section 1 in relation to that party.

22.11 In addition to a contravention of the Listings Requirements, the following matters may also result in the JSE imposing a private or public censure, imposing a fine, ordering the payment of compensation, suspending or removing the registration of the auditor, IFRS advisor, reporting account-

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ant and/or reporting accountant specialist from the JSE Register of Auditors and their advisors; namely if it:

- (a) 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;
- (b) was investigated and found guilty of or paid a fine for a breach of the SSA; and
- (c) 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.

22.12 Implicit in the relationship between the JSE and an auditor, IFRS advisor, 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 advisor, 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 22.5(g) and 22.11 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.

## Transitional provisions

22.13 The requirements set out in paragraphs 3.86 to 3.89 of Section 3 and those set out in this Section 22 have an effective date of 1 September 2008. The following transitional provisions will apply to those requirements:

- (a) auditors currently appointed by applicant issuers must submit their applications to the JSE by 1 October 2008 and the JSE undertakes to provide feedback to the applicant auditors by no later than 1 December 2008. The applications of prospective external IFRS advisors will be considered by the JSE within 2 weeks of receipt thereof;
- (b) paragraphs 3.86 and 3.87 – if the auditor currently appointed by an applicant issuer has not applied to the JSE for registration by 1 October 2008, the JSE will inform the applicant issuer of the fact, in order for the applicant issuer to consider appropriate steps to appoint another auditor. If the application of an auditor currently appointed by an applicant issuer is not approved by the JSE, the JSE will notify the applicant issuer of this fact. In both instances an applicant issuer will be granted until 28 February 2009 to replace its auditor with one registered on the JSE Register of Auditors and their advisors. Until another auditor has been appointed, the applicant issuer must caution shareholders as to the status of its auditor when reference is made to the auditor's report in an announcement or in the financial statements themselves. This caution is not deemed to be a caution-

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ary statement and does not give rise to the commencement of a closed period;

- (c) paragraph 3.86 – an applicant issuer must appoint a reporting accountant that is registered on the JSE Register of Auditors and their advisors for any transactions and reports dated on or after 1 January 2009. For transactions and reports dated before 1 January 2009 an applicant issuer will be allowed to appoint a reporting accountant that meets the previous Listings Requirements in this regard (previously paragraph 8.46), namely that the reporting accountant must be an accountant and auditor registered in terms of the Auditing Profession Act (No. 26 of 2005) and must have sufficient knowledge and experience in the application of Section 8 of the Listings Requirements;
- (d) Schedule 15, requirement 15.3(a)(i) and 15.3(b)(i) – audit firms will be granted until 1 July 2009 to meet this requirement;
- (e) Schedule 15, requirement 15.3(c)(i) – the individual auditor must provide information regarding the last file review performed by the IRBA, irrespective of when it was done. If a file review has never been performed for the individual auditor, the individual auditor will be granted until 1 July 2009 to meet this requirement;
- (f) Schedule 15, requirement 15.3(c)(iii) – the individual auditor has until 1 July 2009 to complete such training;
- (g) Schedule 15, requirement 15.6(d) – the reporting accountant specialist will be granted until 24 November 2008 to successfully complete the required JSE approved training for reporting accountant specialists; and
- (h) an audit firm, individual auditor, reporting accountant and/or reporting accountant specialist applying for registration on the JSE Register of Auditors and their advisors on or before 1 October 2008 does not need to pay an annual registration fee nor submit its annual declaration until 31 May 2010. This transactional provision does not absolve those parties of their responsibilities to inform the JSE of any of the matters referred to in 22.5(g).

## Schedule 15

### Approved auditors, reporting accountants and IFRS advisors

This schedule contains certain Listings Requirements applicable to the registration of audit firms, individual auditors, IFRS advisors, reporting accountants and reporting accountant specialists and should be read in conjunction with Sections 3 and 22.

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New Schedule 15 introduced with effect from 1 September 2008. The old Schedule 15 (dealing with an entirely different topic) was deleted in its entirety with effect from 15 October 2007.

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## Introduction

- 15.1 This schedule sets out the Listings Requirements of the JSE pertaining to eligibility criteria for audit firms, individual auditors, IFRS advisors, reporting accountants and/or reporting accountant specialists and the procedures to be followed in order to be registered by the JSE and entered onto the JSE Register of Auditors and their advisors.

### General eligibility criteria

- 15.2 The audit firm, individual auditor, IFRS advisor, 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 registered;
  - (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 registration on the JSE Register of Auditors and their advisors or has been removed from the JSE Register of Auditors and their advisors, demonstrate, to the satisfaction of the JSE, that it is now suitable to be entered on the JSE Register of Auditors and their advisors, and that such registration will not damage the integrity of the markets operated by the JSE.
- 15.3 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 South Africa.
- (a) Criteria applicable to an audit firm and individual auditor registered in a jurisdiction other than South Africa**
- (i) 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 paragraphs 15.3(b)(iii)(1) and 15.3(b)(iv)(1) and (2) below regarding registration of an IFRS advisors and details of contact persons are applicable to an audit firm registered in a jurisdiction other than South Africa.
  - (iii) The requirements of paragraph 15.3(c)(iii) below regarding individual auditors are applicable to individual auditors registered in a jurisdiction other than South Africa.
- (b) Criteria applicable to the audit firm, 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

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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) review on the audit firm. The audit firm must make the IRBA firm review decision letter available to the JSE. 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 a review in the next review cycle – the firm has met this criterion until the next review cycle; or
  - (2) that the audit firm is to be scheduled for a re-review within 1 year from the date of the last review – the firm has met this criterion until the re-review is performed within 1 year. Once the re-review is completed, the IRBA decision letter should state that the firm will only be subject to a review in the next review cycle. If not, the audit firm will not be registered or its registration will be withdrawn until such time as the IRBA firm review decision letter states that the audit firm will only be subject to a review in the next review cycle.
- (ii) At any point in time the majority of individual auditors of the audit firm must only be subject to an file review again in the next review cycle, as referred to in paragraph 15.3(c)(i)(1) below, and at least three individual auditors must have had a file review by the IRBA and hence not fit into 15.3(c)(ii) below.
- (iii) The audit firm must provide the JSE with adequate information to demonstrate that it has:
  - (1) an internal JSE registered IFRS advisor in its service or has contracted with an external JSE registered IFRS advisor to advise the audit firm on IFRS compliance when required; and
  - (2) a reporting accountant specialist, where applicable, to fulfilled the role, as set out in paragraph 8.45 of Section 8.
- (iv) The audit firm must nominate the following individual/s to act as 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 registration 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 advisor or an external IFRS advisor, where such a person is contracted by the audit firm, to deal with any IFRS related communication; and
  - (3) if applicable, the senior JSE registered reporting accountant specialist, to deal with any reporting accountant related Listings Requirements communication.

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

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- (i) The IRBA must have completed a file review for the individual auditor. The most recent IRBA file review decision letter must be supplied to the JSE. The JSE will apply the conclusion in the IRBA decision letter on the file review in the following manner. If it states:
    - (1) that the individual auditor will only be subject to a file review in the next review cycle – the individual auditor has successfully met this criterion until the next review cycle; or
    - (2) that the individual auditor is to be scheduled for a re-review within 1 year from the date of the last review – the individual auditor has successfully met the criterion until the performance of the re-review within 1 year. If, after the re-review the IRBA decision letter does not state that the individual auditor will only be subject to a file review in the next review cycle, the individual auditor will not be regarded as meeting this criterion and will not be registered or its registration will be withdrawn until such time as the IRBA decision letter states that it will only be subject to a file review in the next review cycle.
  - (ii) Alternatively, if the IRBA has not completed a file review as set out in 15.3(c)(i) above, the individual auditor must provide a confirmation letter from the IRBA to the JSE, confirming that:
    - (1) it is not subject to a file review by the IRBA; or
    - (2) the IRBA will perform a file review on the individual auditor within the following 6 months.
  - (iii) 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.

#### **Eligibility criteria for IFRS advisors**

- 15.4 A person wishing to be registered as an IFRS advisor must confirm and provide the JSE with adequate information to demonstrate that:
- (a) it has 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 Practices Board (or its successor body) as the AC 500 standards:
    - (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, has spent at least 500 hours per individual in the group. In such an instance every individual must indicate that it has specialised in different standards in such a

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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) it has access to a network of other IFRS advisors to adequately assist and advise on IFRS matters.

15.5 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 advisor. This assessment may be done in consultation with the GAAP Monitoring Panel. The IFRS consulting referred to in paragraph 15.4 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 in so far as IFRS is concerned.

#### **Eligibility criteria for reporting accountant specialists**

15.6 A person wishing to be registered as a reporting accountant specialist must:

- (a) be a member or employee of an audit firm registered on the JSE Register of Auditors and their advisors as an audit firm and a reporting accountant specialist;
- (b) be registered with the IRBA as a registered auditor;
- (c) be registered on the JSE Register of Auditors and their advisors as an individual auditor;
- (d) on initial registration confirm to and satisfy the JSE that it has either:
  - (i) been performing the work of a reporting accountant as envisaged in the Listings Requirements for the past 5 years and signed off on at least 5 reporting accountant's reports in each of the last 5 years; or
  - (ii) it has successfully completed the JSE approved training for reporting accountant specialists within the last 12 months;
- (e) after its initial registration, confirm annually to and satisfy the JSE that:
  - (i) it has successfully completed specific JSE approved update courses for reporting accountant specialists, as and when required and directed by the JSE; and
  - (ii) it has 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 it has successfully completed the JSE approved training for reporting accountant specialists within the last 18 months.

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### **The application process**

- 15.7 Application for an audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist to be registered by the JSE must be made to the JSE by submitting the following:
- (a) the registration form(s) as set out in the addendum to this schedule;
  - (b) the declarations, as set out in the addendum to this schedule, with the required supporting documentation; and
  - (c) proof of payment of the relevant application fee.
- 15.8 The JSE will advise the applicant of the result of the application in writing.

### **Fees**

- 15.9 The relevant initial application and annual registration fees as determined by the JSE from time to time are published and available on the JSE website "[www.jse.co.za](http://www.jse.co.za)". The annual registration fees fall due annually on 1 June.
- 15.10 If the annual registration fees payable are not paid by 1 July of any year, the audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist will forthwith be removed from the JSE Register of Auditors and their advisors 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.

### **Register**

- 15.11 A public register of registered audit firms, individual auditors, IFRS advisors, reporting accountants and reporting accountant specialists will be published as the JSE Register of Auditors and their advisors on the JSE website.

### **Designation**

- 15.12 An audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist registered with the JSE and entered onto the JSE Register of Auditors and their advisors will be entitled, but not required, to state on its business documentation that it is registered with the JSE.

### **Continuing requirements**

- 15.13 The audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountants specialist must disclose, within 5 working days of receiving notification of the matters as set out in paragraph 22.5(g) of Section 22.
- 15.14 Every time the annual registration fee becomes payable, an audit firm, individual auditor, IFRS advisor, reporting accountant and/or reporting accountant specialist is required to submit the annual declarations, as set out in this schedule, to the JSE. The annual declarations are therefore 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 advisor, reporting accountant and/or reporting accountant specialist failing to submit the relevant annual declaration will forthwith be removed from



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the Register of JSE Auditors and their advisors until the declaration has been submitted. If the declarations have not been submitted by 1 December of any year, reapplication will be required.

## **Declaration and undertaking**

### ***Audit firm***

- 15.15 When applying to be registered 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 the addendum to this schedule, stating that:
- (a) every individual auditor detailed in the application meets all of the eligibility criteria;
  - (b) every individual auditor 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;
  - (c) it has provided the JSE with the latest IRBA audit firm decision letter and will notify the JSE of the outcome of any current or future firm and/or file reviews by IRBA of any individual auditors registered on the JSE Register for Auditors and their advisors. For reviews that are completed subsequent to the initial application, such notification, together with the IRBA decision letter, will be submitted to the JSE within 5 working days of receiving the IRBA decision letter in this regard. The JSE shall use the notification and any accompanying information to consider the ongoing registration of the audit firm and/or the individual auditor in terms of Schedule 15, paragraphs 15.3(b)(i) and 15.3(c)(i) respectively;
  - (d) the audit firm has a JSE registered IFRS advisor to review financial information of applicant issuers on which the audit firm expresses assurance opinions or provides reporting accountant's reports, when deemed necessary;
  - (e) the audit firm has a JSE registered reporting accountant specialist who fulfils the role, as set out in paragraph 8.45 of Section 8, if applicable;
  - (f) confirm that neither the audit firm nor any of its JSE registered individual auditors, IFRS advisors and/or reporting accountant specialists were party to any of the matters set out in paragraphs 22.5(g), and 22.10 of Section 22, or if so, to provide details to the JSE within 5 working days of receiving notification thereof;
  - (g) undertakes to notify the JSE, within 5 working days, of any of the matters set out in paragraphs 22.5(g) and 22.11 of Section 22 in which it or its individual auditors registered with the JSE are involved in;
  - (h) the audit firm and every individual auditor agree to discharge their responsibilities in terms of the Listings Requirements and uphold the integrity of the markets operated by the JSE; and

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- (i) it gives the JSE permission to obtain 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.

15.16 The signed declaration must also:

- (a) contain a list of the individual auditors per applicant issuer and major subsidiaries of applicant issuers; and
- (b) provide details of any individual auditor for which the audit firm is not applying or renewing approval with the JSE and the reasons therefore.

#### ***Individual auditor***

15.17 When applying to be registered and thereafter on an annual basis, the individual auditor must provide the JSE with a signed declaration, as set out in the addendum to this schedule, stating that:

- (a) it meets all the criteria applicable to the individual auditor;
- (b) it is familiar with the specific audit and financial reporting requirements, applicable to applicant issuers, as set out in the Listings Requirements and has kept up to date in all relevant areas of technical training in order to enable the individual auditor to maintain competent in performing the assurance work of an applicant issuer;
- (c) it has provided the JSE with the latest IRBA file review decision letter and will notify the JSE of the outcome of any current or future file reviews or that it was not subject to an IRBA file review during the past year. For file reviews that are completed subsequent to the initial application, such notification by the individual auditor and the IRBA decision letter should be submitted to the JSE within 5 working days of receiving the IRBA decision letter in this regard. The JSE shall use the notification and any accompanying information to consider the ongoing registration of the audit firm and/or the individual auditor in terms of Schedule 15, paragraphs 3(b)(i) and 3(c)(i) respectively;
- (d) it has consulted with the audit firms JSE registered IRFS advisor where deemed necessary;
- (e) undertakes to notify the JSE, within 5 working days of receiving notification of any of the matters set out in paragraphs 22.5(g) and 22.11 of Section 22 which it is involved in;
- (f) it agrees to discharge its responsibilities in terms of the Listings Requirements and uphold the integrity of the markets operated by the JSE; and
- (g) it gives the JSE permission to obtain 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.

#### ***IFRS advisors***

15.18 When applying to be registered and thereafter on an annual basis, the IFRS advisor must provide the JSE with a signed declaration, as set out in the addendum to Schedule 15, stating that:

- (a) it meets all the criteria applicable to an IFRS advisor;

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- (b) it has spent the following minimum required hours on performing practical and interpretative IFRS consulting over the past 12 months in order to have a comprehensive working knowledge IFRS and those standards issued by the Accounting Practices Board (or its successor body) as the AC 500 standards:
    - (i) spent at least 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, has spent at least 500 hours per individual in the group. In such an instance every individual must indicate that it 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. 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 15.5 above) and the specific accounting matters/IFRS standards covered;
  - (c) it has access to a network of other IFRS advisors and has consulted such network for advice on IFRS matters, when required;
  - (d) it is familiar with the specific financial reporting requirements, applicable to applicant issuers, as set out in the Listings Requirements;
  - (e) it has kept up to date in all relevant technical areas in order to enable it to maintain competent in performing the IFRS work of an applicant issuer;
  - (f) it will notify the JSE, within 5 working days, where the agreement between itself and a JSE registered auditor for which it acts as external IFRS advisor has been terminated;
  - (g) undertakes to notify the JSE, within 5 working days of receiving notification of any of the matters set out in paragraphs 22.5(g) and 22.11 of Section 22 which it is involved in;
  - (h) it agrees to discharge its responsibilities in terms of the Listings Requirements and uphold the integrity of the markets operated by JSE; and
  - (i) it gives the JSE permission to obtain 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.

***Reporting accountant specialist***

- 15.19 When applying to be registered and thereafter on an annual basis, the reporting accountant specialist must provide the JSE with a signed declaration, as set out in the addendum to this schedule, stating that:
- (a) it meets all the criteria applicable to a reporting accountant specialist;
  - (b) it has adequate experience and knowledge in performing the work of a reporting accountant specialist, or it has completed JSE recognised training on the Listings Requirements; and
  - (c) it has kept up to date in all relevant areas of technical training in order to enable it to maintain the highest level of competency in performing the reporting accountant's work of an applicant issuer.

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## AUDITOR APPLICATION AND ANNUAL DECLARATION FORM

Note that the 'General Information' section of every declaration must be submitted to the JSE electronically in Word.

### TO BE COMPLETED BY AUDITORS REGISTERED WITH THE INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)

#### GENERAL INFORMATION

##### Audit firm details

Name of audit firm: .....

IRBA registration number: .....

(Please include copy of IRBA annual certificate of registration.)

Company registration number: .....

CEO:.....

Tel. no:.....

Fax no:.....

Email: .....

Website:.....

Physical Address:.....

Postal Address: .....

VAT Reg number:.....

##### Primary contacts with JSE

###### *General Listings Requirements contact:*

Name:.....

Position:.....

Tel. no:.....

Fax no:.....

Email: .....

###### *IFRS advisor:*

Name:.....

External/internal: .....

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(If external, please provide details of when contract was signed and when it expires.)

Tel. no:.....

Fax no:.....

Email: .....

Physical Address:.....

Postal Address: .....

*Reporting accountant specialist:*

Name:.....

Tel. no:.....

Fax no:.....

Email: .....

**Name of individual auditor per applicant issuer**

(Please note that the engagement partner assigned to every statutory audit of an applicant issuer should be listed.)

Name:.....

Applicant issuer:.....

Tel. no:.....

Fax no:.....

Email: .....

**Name of auditor of major subsidiaries (as defined) of applicant issuers listed above**

(Please note that the names of the audit firm and engagement partner assigned to every statutory audit of a major subsidiary of an applicant issuer listed above should be listed.)

Name of individual auditor:.....

Applicant issuer:.....

Tel. no:.....

Fax no:.....

Email: .....

**Name of individual auditor(s) registered with the JSE not being renewed**

Name:.....

Applicant issuer:.....

Tel. no:.....

Fax no:.....

Email: .....

Reason for non-renewal: .....

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**Name of IFRS advisor(s)**

Name:.....

Tel. no:.....

Fax no:.....

Email: .....

**Name of reporting accountant specialist(s)**

Name:.....

Tel. no:.....

Fax no:.....

Email: .....

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## DECLARATION BY CEO OF THE AUDIT FIRM

Has the IRBA completed its firm-wide independent quality control (ISQC1) review on the audit firm? Please attach the latest IRBA firm review decision letter.

I hereby declare that [*insert name of audit firm*], and its individual auditors detailed in the application:

1. meet all of the eligibility criteria for the audit firm and individual auditors, as set out in the JSE Listings Requirements;
2. are familiar with the specific audit and financial reporting requirements applicable to applicant issuers, as set out in the Listings Requirements;
3. have procedures in place to ensure our staff are kept up to date in all relevant areas of technical training in order to enable them to maintain the highest level of competency in performing the assurance work of an applicant issuer;
4. notified the JSE of the outcome of the latest IRBA audit firm and/or file reviews within 5 working days of receiving the IRBA decision letter in this regard, and have attached a copy of the latest IRBA decision letter/s to this declaration;
5. have a JSE registered IFRS advisor and that this advisor was appropriately and adequately consulted in matters pertaining to IFRS for the applicant issuers on which this firm expresses assurance opinions;
6. where applicable, have a JSE registered reporting accountant specialist and this specialist was responsible for advising on reporting accountant's reports and either performed the work, or performed a review function on the work done for every reporting accountant's report;
7. have attached a list of previous matters, on initial application and have notified the JSE within 5 working days of receiving notification thereof of any matters set out in paragraphs 22.5(g) and 22.11 of Section 22, and have attached details of all such matters reported in the past year to this report;
8. are aware of the IFRS matters identified by the GAAP Monitoring Panel, as set out on the JSE and SAICA websites;
9. are aware of SAICA and/or IRBA guidance applicable to reporting accountants and auditors of applicant issuers;
10. have monitored compliance with the disclosure requirements of the JSE relating to interim, preliminary, provisional, abridged and annual reports, as set out in the Listings Requirements, and have, where applicable, reported these matters of non compliance directly to the JSE;
11. have advised the JSE of any instances where the applicant issuer misrepresented the content of the auditors report as it relates to that applicant issuer (for example by indicating that the auditors opinion is unqualified when there was a modification of the auditors opinion);
12. agree to discharge its responsibilities in terms of the Listings Requirements and agree to uphold the integrity of the markets operated by the JSE; and

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13. give the JSE permission to obtain information and consult with professional bodies to whom we belong and regulators to whom we are accountable, in matters that are of relevance to the JSE.

Signature: .....

Name: .....

Date: .....



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## DECLARATION BY INDIVIDUAL AUDITOR

I hereby declare that I:

1. am registered with the IRBA, registration number ..... and a copy of my IRBA annual certificate of registration has been attached;
2. meet all of the eligibility criteria for individual auditors, as set out in the JSE Listings Requirements;
3. am familiar with the specific audit and financial reporting requirements applicable to applicant issuers, as set out in Sections 3, 8, 13, 15 and 21;
4. have kept up to date in all relevant areas of technical training in order to enable me to maintain the highest level of competence in performing the assurance work of an applicant issuer;
5. have successfully completed JSE recognised training on the JSE Listings Requirements with [please insert date of training and person providing the training] or I undertake to successfully complete JSE recognised training on the JSE Listings Requirements within 6 months from the date of this application and on completion I will forward prove thereof to the JSE;
6. undertake to successfully complete specific JSE recognised update courses as and when required and directed by the JSE;
7. notified the JSE of the outcome of my last IRBA file review within 5 days of receiving the IRBA decision letter, and have attached a copy of the latest IRBA file review decision letter to this declaration;
8. have utilised and appropriately and adequately consulted with my audit firm's JSE registered IFRS advisor in matters pertaining to IFRS for the applicant issuers on which I am involved in expressing an assurance opinion;
9. where applicable, have ensured that a JSE registered reporting accountant specialist performed a review function on the work done for every reporting accountant's report that I signed;
10. have attached a list of previous matters, on initial application, and have notified the JSE within 5 working days of any matters set out in paragraphs 22.5(g) and 22.11 of Section 22, and have attached details of all such matters reported in the past year to this report;
11. am aware of the IFRS matters identified by the GAAP Monitoring Panel, as set out on the JSE and SAICA websites;
12. am aware of the SAICA and/or IRBA guidance applicable to reporting accountants and auditors of applicant issuers;
13. have monitored compliance with the disclosure requirements of the JSE relating to interim, preliminary, provisional, abridged and annual reports, as set out in the Listings Requirements, and have, where applicable, reported matters of non-compliance directly to the JSE;
14. have advised the JSE of any instances where the applicant issuer misrepresented the content of the auditors report as it relates to that applicant issuer (for example by indicating that the auditors opinion is unqualified when there was a modification of the auditors opinion);

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15. agree to discharge its responsibilities in terms of the Listings Requirements and agree to uphold the integrity of the markets operated by the JSE; and
  16. give the JSE permission to obtain information and consult with professional bodies to whom I belong and regulators to whom I am accountable, in matters that are of relevance to the JSE.

Signature: .....

Name: .....

Applicant issuer(s):.....

Date: .....

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## IFRS ADVISOR APPLICATION AND ANNUAL DECLARATION FORM

### GENERAL INFORMATION

Name of individual: .....  
Employer: .....  
Related audit firm(s):.....  
(In case of an external IFRS advisor, please provide details of date when contract was signed with every audit firm and expiry date of such contract(s).)  
Tel. no:.....  
Fax no:.....  
Email: .....  
Physical Address:.....  
Postal Address: .....  
VAT Reg number:.....  
Audit firm employed with (internal person) or audit firm/s consulted to (external persons):.....

### DECLARATION BY IFRS ADVISOR

I hereby declare that I:

1. meet all the eligibility criteria for IFRS advisors, as set out in the JSE Listings Requirements;
2. have a comprehensive working knowledge of IFRS and those standards issued by the Accounting Practices Board (or its successor body) as the AC 500 standards;

OR

together with [*insert name of the other individual who is part of the IFRS advisory group*], whom I work with as part of an IFRS advisory group have a comprehensive working knowledge of IFRS and those standards issued by the Accounting Practices Board (or its successor body) as the A500 standards;

3. have spent the minimum required hours, as detailed in paragraphs 15.5 and 15.8 of Schedule 15, over the past 12 months on qualifying IFRS consulting, as evidenced from the detailed provided below:
4. [*Please provide a summary of the IFRS work done on each of the four categories set out below, detailing the number of hours spend and the applicable IFRSs per category:*
  - *review of financial statements for IFRS compliance;*
  - *advising internal /external clients on the interpretation and/or of IFRS;*
  - *providing practical training on the application and interpretation of IFRS; and*
  - *other practical matters (please provide details);*

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*Please also provide a list of clients to whom a service was provided, without necessarily specifying which service was provided to which client. You must have provided a combination of services across as many of these categories as possible.*

*Where you are part of an IFRS advisory group the information provided must confirm that the group has a comprehensive knowledge of IFRS and that each member of the group specialises in specific area/s.]*

5. have access to a network of other IFRS advisors to assist and advise me on IFRS matters;
6. am familiar with the specific financial reporting requirements applicable to applicant issuers, as set out in the Listings Requirements;
7. have kept up to date in all relevant areas of technical training in order to enable me to maintain the highest level of competency in performing my responsibilities as IFRS advisor;
8. am aware of the IFRS matters identified by the GAAP Monitoring Panel, as set out on the JSE and SAICA websites;
9. have notified the JSE within 5 working days where the agreement between myself and a JSE registered auditor for whom I acted as external IFRS advisor was terminated;
10. have attached a list of previous matters, on initial application, and have notified the JSE within 5 working days of receiving notification of any matters set out in paragraphs 22.5(g) and 22.11 of Section 22, and have attached details of all such matters reported in the past year to this report;
11. have not (alternatively full details must be provided):
  - at any time been removed from an office of trust because of misconduct related to a discharge of that office;
  - been 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;
  - been declared by a competent court to be of unsound mind or unable to manage my own affairs;
  - been disqualified from registration by the IRBA; or
  - been provisionally sequestered, entered into a compromise with creditors or been classified as an unrehabilitated insolvent;
12. agree to discharge my responsibilities in terms of the Listings Requirements and agree to uphold the integrity of the markets operated by the JSE;
13. give the JSE permission to obtain information and consult with professional bodies to whom I belong and regulators to whom I am accountable, in matters that are of relevance to the JSE; and
14. 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 my contract with the audit firm/individual auditor allows me to fulfil this role.

Signature: .....

Name: .....

Date: .....

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**REPORTING ACCOUNTANT SPECIALIST AP-  
PLICATION AND ANNUAL DECLARATION  
FORM**

**GENERAL INFORMATION**

Name of individual: .....

Audit firm: .....

Tel. no:.....

Fax no:.....

Email: .....

Physical Address:.....

Postal Address:.....

**DECLARATION BY REPORTING ACCOUNTANT SPECIALIST**

I hereby declare that I:

1. have completed the declaration for an individual auditor;
2. meet all of the eligibility criteria for reporting accountant specialists, as set out in the JSE Listings Requirements;
3. have adequate knowledge and experience in the JSE Listings Requirements and in particular the requirements relating to reporting accountant's reports;
4. have kept up to date in all relevant areas of technical training in order to enable me to maintain the highest level of competency in performing the assurance work of an applicant issuer;
5. have the following experience in performing or reviewing report accountant's reports (information included in previous declarations may be excluded);
6. completed JSE accredited Listings Requirements training on [insert date] with [insert name of person providing the training] in terms of Schedule 15;
7. undertake to successfully complete specific JSE accredited update courses as and when required and directed by the JSE; and
8. am aware of the SAICA and/or IRBA guidance applicable to reporting accountants and auditors of applicant issuers.

Signature: .....

Name:.....

Date:.....

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**AUDITOR APPLICATION AND ANNUAL DECLARATION FORM**

**TO BE COMPLETED BY AUDITORS NOT REGISTERED WITH THE INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA)**

**GENERAL INFORMATION**

**Audit firm details**

Name of audit firm: .....  
CEO:.....  
Tel. no:.....  
Fax no:.....  
Email: .....  
Physical Address:.....  
Postal Address: .....

**Name of regulatory or professional body for auditors**

Name:.....  
Regulator Registration number:.....  
Company Registration number:.....  
Contact person:.....  
Tel. no:.....  
Fax no:.....  
Email: .....  
Website:.....  
Physical Address:.....  
Postal Address: .....

**Name and contact details of primary contact with JSE**

*General Listings Requirements contact:*

(Please note that this person must be based in South Africa.)

Name:.....  
Designation:.....  
Tel. no:.....  
Fax no:.....

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Email: .....  
Physical Address:.....  
Postal Address: .....  
*IFRS advisor:*  
Name: .....  
External/internal: .....  
(If external, please provide details of when contract was signed and when it expires.)  
Tel. no:.....  
Fax no:.....  
Email: .....  
Physical Address:.....  
Postal Address: .....

**Name of individual auditors per applicant issuer**

Name: .....  
Applicant issuer(s):.....  
Tel. no:.....  
Fax no:.....  
Email: .....

**Name of auditor of major subsidiaries of applicant issuers listed above**

(Please note that the names of the audit firm and engagement partner assigned to every statutory audit of a major subsidiary of and applicant issuers above should be listed.)

Name of individual auditor:.....  
Applicant issuer:.....  
Tel. no:.....  
Fax no:.....  
Email: .....

**Name of IFRS advisor(s)**

Name: .....  
Tel. no:.....  
Fax no:.....  
Email: .....

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## DECLARATION BY CEO OF THE AUDIT FIRM REGISTERED IN A JURISDICTION OTHER THAN SOUTH AFRICA

I hereby declare that [*insert name of audit firm*], and its individual auditors detailed in the application:

1. have been subjected to a firm-wide independent quality control (ISQC1) review performed on the firm by the regulatory or professional body for auditors in [*insert name of country*]. Please attach the report by the regulatory or professional body;
2. are in good standing with its regulatory or professional body being [*insert name of regulator*]. (Please attach a confirmation letter from the relevant body);
3. neither the audit firm nor the individual auditors of the applicant issuers (the details of which are included in this application) 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 South Africa or elsewhere, of theft, fraud, forgery, uttering a forged document, perjury, or any offence involving dishonesty;
  - 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 can not be made, details must be provided;

4. have adequate structures, policies, processes, training programmes and expertise in place in order to ensure a high level of competency and compliance with IFRS and the JSE Listings Requirements;
5. are is familiar with the specific audit and financial reporting requirements applicable to applicant issuers, as set out in Sections 3, 8, 13, 15, and 21;
6. have an IFRS advisor and that this specialist was appropriately and adequately consulted in matters pertaining to IFRS for the applicant issuers on which this firm expresses assurance opinions;
7. have attached a list of previous matters, on initial application and have notified the JSE within 5 working days of receiving notification of any matters set out in paragraphs 22.5(g) and 22.11 of Section 22, and have attached details of all such matters reported in the past year to this report;
8. are aware of the IFRS matters identified by the GAAP Monitoring Panel, as set out on the JSE and SAICA websites;
9. have monitored compliance with the disclosure requirements of the JSE relating to interim, preliminary, provisional, abridged and annual reports, as set out in the Listings Requirements, and has, where applicable, reported any matters of non-compliance directly to the JSE;



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10. and its individual auditors agree to discharge its responsibilities in terms of the Listings Requirements and agree to uphold the integrity of the markets operated by the JSE; and
  11. gives the JSE permission to obtain information and consult with professional bodies to whom we and our individual auditors are belong and regulators to whom the audit firm is accountable, in matters that are of relevance to the JSE.

Signature: .....

Name: .....

Date: .....

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**DECLARATION BY INDIVIDUAL AUDITOR  
REGISTERED IN A JURISDICTION OTHER THAN  
SOUTH AFRICA**

I hereby declare that I:

1. am in good standing with my regulator being [*insert name of regulator and registration number with that regulator*];
2. am familiar with the specific audit and financial reporting requirements applicable to applicant issuers as set out in Sections 3, 8, 13, 15 and 21 and have adequate knowledge and experience in issuing assurance opinions on IFRS financial statements and performing assurance engagements of applicant issuers;
3. have successfully completed JSE recognised training on the JSE Listings Requirements with [*please insert date of training and person providing the training*], or I undertake to successfully complete JSE recognised training on the JSE Listings Requirements within 6 months from the date of this application and on completion I will forward prove thereof to the JSE;
4. undertake to successfully complete specific JSE recognised update courses as and when required and directed by the JSE;
5. have utilised and appropriately and adequately consulted with a JSE registered IFRS advisor in matters pertaining to IFRS for the applicant issuers on which I am involved in expressing an assurance opinion;
6. am aware of the IFRS matters identified by the GAAP Monitoring Panel, as set out on the JSE and SAICA websites;
7. have kept up to date in all relevant areas of technical training in order to enable me to maintain the highest level of competency in performing the assurance work of an applicant issuer;
8. have attached a list of previous matters, on initial application and have notified the JSE within 5 working days of receiving notification of any matters set out in paragraphs 22.5(g) and 22.11 of Section 22, and have attached details of all such matters reported in the past year to this report;
9. agree to discharge my responsibilities in terms of the Listings Requirements and agree to uphold the integrity of the markets operated by the JSE; and
10. give the JSE permission to obtain information and consult with professional bodies to whom I belong and regulators to whom I am accountable, in matters that are of relevance to the JSE.

Signature: .....

Name: .....

Designation: .....

Date: .....

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**Yosheni Naidoo**  
LexisNexis  
Editor: Business Division  
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30 July 2008