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**BOARD NOTICES • RAADSKENNISGEWINGS**

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**BOARD NOTICE 186 OF 2016****NOTICE OF REQUEST FOR PUBLIC COMMENTS ON****MANDATORY AUDIT FIRM ROTATION***Comments are requested by 25 January 2017*

Interested and Affected Parties (I&APs) are invited to comment on the requirements to strengthen auditor independence published by the IRBA on 25 October 2016. The full consultation paper, which was gazetted on 1 November 2016 (GG Notice Number 4039), can be downloaded at [www.irba.co.za/guidelines-to-commentary](http://www.irba.co.za/guidelines-to-commentary). The requirements as extracted from the consultation paper are as follows:

**REQUIREMENTS**

An audit firm shall not serve as the registered auditor of a listed company for more than 10 consecutive financial years.

Thereafter, the audit firm will only be eligible for reappointment as registered auditor after the expiry of at least five financial years.

**EFFECTIVE DATE**

The requirement is effective for financial years commencing on or after 1 April 2023. Therefore, if the audit firm has served as the registered auditor of a listed company for 10 or more consecutive financial years before the financial year commencing on or after 1 April 2023, then the audit firm will be required to rotate.

**TRANSITIONAL PROVISIONS**

If at the effective date, the listed company has appointed joint auditors and both has had audit tenure of 10 years or more, then only one audit firm is required to rotate at the effective date and the remaining audit firm will be granted an additional two years before rotation is required. This provision will only be applicable at the effective date.

Thereafter, if a listed company has appointed two or more audit firms as joint auditors, the listed company may manage the audit firm rotation in such a manner that all of the joint auditors do not relinquish office in the same year.

All interested parties are reminded to submit their written comments via email to [comments@irba.co.za](mailto:comments@irba.co.za). Please submit comments in both a PDF and Word format. Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request the IRBA not to do so.

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