
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMMITTEE FOR AUDITING STANDARDS

Submissions to the Department of Trade and Industry in respect of the Rectification of the Companies Act 2008 (Act No. 71 of 2008) and draft Regulations pursuant thereto

Johannesburg / 3 February 2010

Auditors will be aware from the IRBA's Communiqué of 5 January 2010 that the Department of Trade and Industry (the "dti") published Government Notice 1663 of 2009 "*Rectification of the Companies Act, 2008 (Act No. 71 of 2008)*" (the "Act"); and Notice 1664 of 2009 "*Companies Act, 2008 (Act No. 71 of 2008) Companies draft Regulations pursuant thereto*" in Government Gazette No 32832 on 22 December 2009. The Government Gazette No 32832 containing the Notices and draft Regulations may be downloaded from the IRBA website at www.irba.co.za

The IRBA has serious concerns regarding the Rectification process followed and has expressed these in its comments submitted on 22 January 2010. Our comment letter may be downloaded from the IRBA's website at www.irba.co.za

Registered auditors may also download the IRBA's *Comments on the Companies Act - Draft Regulations Issues* submitted to the Consumer and Corporate Regulation Division (the CCRD) drafting team in August 2009. These followed discussions with the CCRD drafting team during individual consultations, and at a workshop on the 7 August 2009, to which the IRBA and other stakeholders were invited.

The Act and Regulations thereto have a significant impact on the economy, the general public and the auditing and other professions. The IRBA has serious concerns regarding the far reaching implications of a number of the draft Regulations, and the due process followed by the dti in calling for comment on these simultaneously with Rectifications to the Act. Such rectifications may result in changes to the Act that potentially affect the draft Regulations and that are not known to the general public. In view of their importance to the economy as a whole, **registered auditors are urged to submit comments, either to the dti directly, or to the IRBA for inclusion in its comments.**

Should you wish your comments to be included in the IRBA's comments, please submit these in writing, or by e-mail to the **Director: Standards, Sandy van Esch**, at svanesch@irba.co.za by **no later than 12 February 2010**. Comments received will be considered by the Committee for Auditing Standards at its meeting on **17 February 2010** for inclusion in the IRBA comments to be submitted. Comments on the **Regulations** are due to be submitted to Mr McDonald Netshitenzhe at MNetshitenzhe@dti.gov.za by **1 March 2010**.

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognized standards and processes. The CFAS assists the IRBA to develop and maintain auditing pronouncements which are internationally comparable.

Sandy van Esch
Director: Standards