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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

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| **Withdrawal of SASAE 3502 (Revised), *Assurance Engagements on Broad-Based Black Economic Empowerment Verification Certificates***Johannesburg / 24 February 2017The IRBA has been regulating B-BBEE approved registered auditors (BARs), in relation to their provision of B-BBEE assurance services, since their mandate to do so was defined in Statement 005, *Broad-Based Black Economic Empowerment Verification*, which came into effect on 1 October 2011.To this end, South African Standard on Assurance Engagement (SASAE) 3502, *Assurance Engagements on Broad-Based Black Economic Empowerment (B-BBEE) Verification Certificates,* was issued to provide BARs with guidance on these engagements. SASAE 3502 was effective for B-BBEE Verification Certificates issued on or after 31 December 2012. SASAE 3502 was revised in 2016 and was effective for B-BBEE Verification Certificates issued on or after 1 June 2016.The DTI and the IRBA entered into discussions for the IRBA to discontinue regulating the industry. A decision for the IRBA to withdraw from the regulation of the B-BBEE verification industry on 30 September 2016 was subsequently made. This decision was confirmed by the DTI in a [letter](http://www.irba.co.za/upload/Letter%20from%20DTI.pdf) to the IRBA CEO, dated 26 July 2016, announcing that:'As per the communique dated 04 March 2016 addressed to the Members of the IRBA, as of 30 September 2016, the IRBA will no longer be the 'Approved Regulatory Body' as per Code Series 000, Statement 005 of the Codes of Good Practice' …As a consequence, no new BARs were registered as from 1 April 2016.The IRBA communique issued on 2 August 2016, [*Update on the Independent Regulatory Board for Auditors' (IRBA) withdrawal from the Regulation of the Broad-Based Black Economic Empowerment (B-BBEE) verification industry*](https://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/other-assurance-including-b-bbee/b-bbee-verification-assurance), added that, with respect to assurance engagements that have been entered into prior to 30 September 2016, a transitional period of three (3) months (to 31 December 2016) would be allowed for the sign-off of the verification certificates for these engagements.As the objective, scope, work effort and reporting of an engagement performed under SANAS/DTI verification procedures are significantly different from the requirements of the IRBA's SASAE 3502 (Revised), SASAE 3502 (Revised) has been withdrawn. The effective date of withdrawal was 31 December 2016 for assurance engagements that had been entered into prior to 30 September 2016, while a transitional period of three (3) months (to 31 December 2016) had been allowed for the sign-off of the verification certificates for those engagements.For the time being, SASAE 3502 (Revised) will remain on the IRBA website, for the purpose of inspections and investigations. A health warning will be prominently included to make it clear that SASAE 3502 (Revised) is no longer effective.SASAE 3502 (Revised), together with related communiques issued by the IRBA, is available [here](https://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/other-assurance-including-b-bbee/b-bbee-verification-assurance).Should you have any further queries, please do not hesitate to contact the Standards Department by email at standards@irba.co.za.**Imran Vanker****Director: Standards*****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 recognised standards and processes.* |