
INDEPENDENT REGULATORY BOARD FOR AUDITORS

COMMITTEE FOR AUDITING STANDARDS

Monitoring of Compliance with Section 90 (2) of the Companies Act, 2008 with effect from 1 January 2014

Johannesburg / 15 November 2013

Application Of Section 90 (2)

The Companies and Intellectual Property Commission (CIPC) agreed to extend enforcement of the application of Section 90(2) to 31 December 2013. This means that enforcement of the provisions of Section 90(2) was deferred to 1 January 2014, after Senior Counsel Opinion on the interpretation of Section 90(2) was jointly obtained by the IRBA and SAICA. The Opinion confirms that the prohibitions contained in Section 90(2) are also applicable to firms appointed as auditors, and not only to individual auditors. The opinion and brief to Senior Counsel are available on the IRBA [website](#).

Impact Analysis

An impact analysis on the application of Section 90(2) as reflected in the opinion of Senior Counsel was conducted. The results of the impact analysis were presented to the IRBA Board for consideration and submitted to the CIPC. The feedback on the Impact Analysis is available on SAICA's [website](#).

Guidance and Frequently Asked Questions

The IRBA and SAICA developed and issued joint guidance on Section 90(2), which is available on the IRBA [website](#). In addition, the IRBA and SAICA issued a document developed from frequently asked questions (FAQ), to assist auditors with the implementation of Section 90(2) and which is available on the IRBA [website](#).

We encourage auditors to familiarise themselves with the Guidance and FAQ.

Bernard Peter Agulhas
Chief Executive Officer

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.