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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS****COMMITTEE FOR AUDITING STANDARDS** |

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| ***Proposed Guide for Registered Auditors******Considerations for an Auditor or a Reviewer of a Company which is Factually Insolvent***Johannesburg / 7 July 2016The Independent Regulatory Board for Auditors' (IRBA) Committee for Auditing Standards (CFAS) approved the release of the *Proposed Guide for Registered Auditors:* *Considerations for an Auditor or a Reviewer of a Company which is Factually Insolvent* (this proposed Guide) in June 2016 for exposure for public comment by 5 October 2016.This proposed Guide has been developed to provide guidance to registered auditors who are:1. Auditors of a company which is trading while factually insolvent, in that its total liabilities exceed its total assets; and
2. Independent reviewers in terms of the Companies Act, 2008 (the Companies Act), of the annual financial statements of a company which is trading under insolvent circumstances.

It also intends to provide guidance regarding relevant provisions of the Auditing Profession Act, 2005; the Companies Act, 2008; common law; and case law.This proposed Guide may be downloaded from the IRBA website at [www.irba.co.za](http://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/exposure-drafts-and-comment-letters).**Request for Comments**The CFAS welcomes comments on all matters addressed in this proposed Guide and seeks responses to five specific questions that are set out in the Explanatory Memorandum section. We invite registered auditors and other interested parties to submit any comments regarding this proposed Guide. Comments should be submitted via e-mail to standards@irba.co.za. All comments will be considered a matter of public record.Comments should be submitted to the IRBA by **5 October 2016.**Should you have any further queries, please do not hesitate to contact the Standards Department by emailing 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.**The statutory responsibilities of the CFAS are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.* |