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| **INDEPENDENT REGULATORY BOARD FOR AUDITORS** |

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| **The IRBA issues consultation paper on Mandatory Audit Firm Rotation**  Johannesburg / 26 October  Dear Registered Auditor  In August this year, we announced the Boardʹs decision to implement mandatory audit firm rotation, in line with other jurisdictions worldwide, to strengthen auditor independence and enhance audit quality.  The consultation process on the implementation of Mandatory Audit Firm Rotation (MAFR) has now opened with the release of the consultation paper on Tuesday October 25. The consultation process will run until 20 January, 2017.  In terms of the paper, we have outlined that MAFR is to occur every ten years for listed companies with a cooling off period of five years before being eligible for reappointment. There are transitional arrangements for companies with joint audits.  The requirement is effective for financial years commencing on or after 1 April 2023.  This requirement does not replace other prohibitions to strengthen independence outlined in the IRBA Code of Professional Conduct.  The consultation paper can be downloaded [**here**](https://www.irba.co.za/guidelines-to-commentary).  Feedback is required by **20 January 2017**.    **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.* |