



South African Reserve Bank

The South African Reserve Bank did not instruct banks on KPMG

The South African Reserve Bank (SARB) would like to state categorically that it has not instructed banks on what steps they should, or should not take, with regards to their contracts with KPMG.

As stated by Governor Lesetja Kganyago in a statement issued at the Monetary Policy Committee media conference on September 21, the SARB's interest in the KPMG matter stemmed from a public policy perspective, arising from the SARB's mandate to regulate banks and ensure the stability of our financial system.[1] The SARB stated that it would engage banks and auditing firms primarily to understand the context so that it is better placed to manage any potential financial stability risks that may arise from the issues around KPMG. These engagements have taken place but at no point did the SARB instruct banks on how they should deal with KPMG.

The SARB's position on the KPMG matter was further expanded on by Deputy Governor Francois Groepe in a speech delivered on the 26th of September. Mr Groepe stated that developments around KPMG called for "thoughtful leadership and restraint" as the South African economy would be better served if further market concentration within the auditing and auxiliary professional services sector could be avoided.

[1] Section 61 of the Banks Act states that no person shall be appointed as an auditor of a bank unless the appointment has been approved by the Registrar of Banks. Section 61 also sets out conditions under which the Registrar may withdraw the approval of the appointment of an auditor.

Issued by:

SARB Media Relations
Media@resbank.co.za
012 399 7118/7966