



**SECURITIES AND EXCHANGE COMMISSION**

*Protecting Investors in the Capital Markets*

7<sup>th</sup> March 2024

Dear Capital Market Operators (Issuers)

**REF: REVISED INTERNAL CONTROL REPORTING FRAMEWORK FOR ISSUERS OF REGISTERED SECURITIES GUIDELINES**

The above subject refers.

As you may be aware, the Securities and Exchange Commission (“SEC” or “Commission”) pursuant to section 211(1) of the Securities Act, No. 41 of 2016 (“the Act”) issued in the gazette the Securities (Internal Controls Reporting Framework for Issuers of Registered Securities) Guidelines in July 2019. These guidelines were issued to provide guidance to issuers of registered securities and their auditors on the application of Section 146, 147 and 149 of the Act.

Since the issuance of the ICOFR Guidelines, a working group comprising of SEC and Zambia Institute of Chartered Accountants (ZICA) was constituted to assist in the implementation of the ICOFR framework. The working group has since held various engagements with issuers and their auditors to address concerns relating to the implementation of the ICOFR framework. One of the outcomes of the engagements is the revised ICOFR Guidelines which address the following issues:

- i. Introduction of guidance for an integrated audit of an issuer’s financial statements and Internal Controls over Financial Reporting
- ii. Specification of the COSO framework as the Internal controls framework for assessing ICOFRs
- iii. Specification of the ICOFR reports in the bundle of documents included in the Issuer’s annual reports
- iv. Removal of periodic submissions as they would introduce costs on issuers.
- v. Inclusion of the GAP Analysis format and templates for reporting the status of ICOFR

The revised ICOFR guidelines have been issued in draft to enable Issuers and other stakeholders to also provide their input. The closing date for receipt of comments on the draft revised guidelines is **12<sup>th</sup> April 2024**. The Commission expects to issue the revised Guidelines by May 2024. The draft revised guidelines can be accessed on the SEC website.

Should you have any clarifications or questions kindly feel free to contact Ms. Gertrude Buyungwe on +260 960 561615 or email: [gbuyungwe@seczambia.org.zm](mailto:gbuyungwe@seczambia.org.zm).

Yours sincerely,

**PHILLIP K. CHITALU**  
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