

JSE's Proposed New Debt Listing Requirements to be further interrogated

Investors, issuers, certain representative bodies and debt sponsors, among other commentators, have had their say in response to the Johannesburg Stock Exchange's proposed new debt listing requirements (Part 2 of 2018).

Aimed at advancing greater transparency and improved governance, the JSE released the proposed amendments, which relate to Corporate Governance Arrangements and the Professional Debt Segment for public comment in September 2018.

Not only was the JSE pleased with the market response to the proposed amendments to the Debt Requirements but the level of responses prompted the acceptance of comments beyond the closing date.

Following its review of all the comments received, the JSE notes that the interests of investors and issuers seem far apart on the proposed amendments to the Debt Requirements dealing specifically with -

- the introduction of the investor representative; and
- the increased corporate governance arrangements applicable to all debt issuers.

Furthermore, reservations were expressed in terms of the balanced achieved in respect of the Professional Debt Segment, taking into account the interests of issuers and investors.

In order to create a platform where these differences could be discussed and actively debated, the JSE will aim to arrange a structured event on Thursday, 17 January 2019 to be chaired by Professor Michael Katz at the JSE inviting interested parties who commented during the public consultation process to verbally expand their views on these proposed amendments to the Debt Requirements. The JSE will communicate the agenda and planned structure for the event in due course. In this regard, taking into account the time and anticipated agenda for the event, the JSE will urge interested parties with common interests to select a speaker to represent their views.

Therefore, the JSE will hold off on the amendment process to the Debt Requirements to accommodate a further public consultation process in January 2019.

Reservations and practical considerations were further expressed in respect of the proposed amendments dealing with –

- the repurchase of debt securities; and
- the liability of directors of debt issuers in the debt market.

The JSE will reconsider the proposed amendments to address the reservations raised. Other than the specific items referred to above, the JSE will proceed to consider all comments received in respect of the other proposed amendments to the Debt Requirements.