**Proposed Amendments to the JSE Listings Requirements (the “Requirements”)**

**Financial Reporting Disclosures**

**October 2022**

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**Introduction**

The Division issued a JSE Consultation Paper in August 2021 “*Cutting Red Tape aimed at an Effective and Appropriate Level* of *Regulation*”. The proposal below was made, which received overwhelming support, in respect of abridged reports.

Paragraph 3.21(b) of the Listings Requirements places an obligation on an issuer to publish an abridged version of their results on SENS simultaneously with the publication of their audited annual financial statements. The annual financial statements are published on the issuer’s website. The abridged version of the results follows an IAS 34 format.

The Division proposed to remove the obligation to produce an abridged report when the issuer has published its audited annual financial statements on the basis that investors and shareholders have access to full audit annual financial statements on the issuer’s website.

This requirement adds no regulatory benefit. It adds additional management time to prepare its full suite of financial results. It also increases costs (not only in terms of internal resources) but external costs in terms of typesetting of the results and, to the extent that the issuer decides to get the auditors to review those results, adds auditors’ costs as well.

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The main features of the proposed amendments aim to achieve:

* The simplification of the provisions in general, which is rather complex;
* The removal of previous obligation to always prepare an abridged report (which report follows the IFRS format applied to interims being IAS 34). Under the new rules, an IAS 34 format set of results only needs to be prepared if the detailed audit annual financial statements are not available for public consumption electronically; and
* The removal of previous obligation to obtain an auditor’s opinion on interim results published where the previous set of annual results were accompanied by a modified opinion.

The Amendment Schedule includes explanatory notes, to guide the reader through the amendments across the various sections in the Requirements. As such, it will be far simpler to follow the proposed amendments through the Amendment Schedule.

The JSE has aimed to address the following through the proposed amendments:

* The scope and nature of financial results to be announced by issuers;
* The content of the results announcement;
* Minimum contents of interim results, condensed financial statements and summary financial statements;
* Minimum contents of annual financial statements, which includes annual reports;
* Impact on practice notes and guidance letters; and
* Consequential amendments.

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