



# The JSE Limited Listings Requirements

**BULLETIN 1 of 2010**

14 MAY 2010

Dear Subscriber

Service Issue 13 was issued in February 2010. The changes contained in therein were extensive and as a result of a detailed consultation process. Regrettably a few typing errors appear to have made their way into the final requirements. This Bulletin sets about correcting those matters. The actual pages on which these errors occur will be issued with the next service update.

The changes relate to the following matters:

- (i) The incorrect use of the word audit report instead of auditor's report in paragraphs 3.24, 3.25 and 16.2. (The original consultation document did correctly refer to them as auditor's report.);
- (ii) The removal of 8.57(b)(ii) which was not in the original consultation document. This paragraph was added with the intention of clarifying the requirement, but in fact is creating more confusion and in fact contradicts the wording in practice note 1/2003;
- (iii) Cross referencing errors in paragraphs 8.63 and 8.64; and
- (iv) Reference to annual report is made in 16.21 but the terminology was not consistently carried through into 16.2.

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## Section 3 Continuing Obligations

### Disclosure of periodic financial information

#### Modified auditors' report

- 3.25 The following procedure shall prevail where a modified auditor's report has been issued on an issuer's annual, provisional or preliminary financial statements:
- (a) When the auditor's report contains an emphasis of matter paragraph this will be announced through SENS, and the issuer's listing on the JSE trading system will be annotated with an "E" to indicate that the auditor's report contains an emphasis of matter paragraph.
  - (b) When the auditor's report is qualified this will be announced through SENS by the JSE, and the issuer's listing on the JSE trading system will be annotated with a "Q" to indicate that the auditor's report is qualified.
  - (c) When the auditor's report contains an adverse opinion:
    - (i) this will be announced through SENS, and the issuer's listing on the JSE trading system will be annotated with an "A" to indicate that the auditor's report contains an adverse opinion; and
    - (ii) the JSE may decide to follow the steps set out in paragraph 3.25(d)(ii) below.
  - (d) When the auditor's report contains a disclaimer of opinion:
    - (i) this will be announced through SENS, and the issuer's listing on the JSE trading system will be annotated with a "D" to indicate that the auditor's report is disclaimed; and
    - (ii) the JSE will consider the continued listing, suspension and possible subsequent termination of the issuer's listing.
  - (e) When the auditor's report includes additional paragraph/s in terms of some additional reporting responsibilities of the auditor, such as the obligation to report Reportable Irregularities in terms of the Auditing Profession Act (No. 26 of 2005), this must be announced by the Issuer through SENS and the JSE may decide to take further action.

## Section 8 Financial Information

### Minimum contents of annual financial statements

- 8.57 Every listed company, in addition to complying with the statutory requirements concerning interim reports, preliminary reports, provisional reports

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3.25 amended with effect from 1 April 2010.  
3.25(b) amended with effect from 15 October 2007.  
3.25(c) amended with effect from 15 October 2007.  
3.25(d)(i) amended with effect from 15 October 2007.  
3.25(d)(ii) amended with effect from 15 October 2007.

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and abridged reports must prepare and present such financial information as follows:

- (a) interim reports must be prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting, as well as the AC 500 standards as issued by the Accounting Practices Board or its successor, and a statement confirming that it has been so prepared must be included in the report;
- (b) preliminary reports, provisional reports and abridged reports must be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the AC 500 standards as issued by the Accounting Practices Board or its successor, and must also as a minimum contain the information required by IAS 34: Interim Financial Reporting, and a statement confirming that it has been so prepared must be included in the report; and
- (c) a statement must be included confirming that the accounting policies are in terms of IFRS and are consistent with those of the previous annual financial statements (or include details of the changes).

8.63 In addition to complying with IFRS, Schedule 4 of the Act and paragraph 3.84 of the Listings Requirements, issuers are required to disclose the following information in the annual report (in the case of 8.63(a) and (l)), and in the annual financial statements (in the case of 8.63(b)–(k) and (m)):

- 8.63(k) (xi) without derogating from the generality of 8.63 (k) (i) to (x) above, the directors emoluments disclosed in accordance with 8.63 (k) (i) to (x) above must include disclosure of all emoluments received or receivable from the following entities:
- (1) the issuer's holding company;
  - (2) the issuer's subsidiaries and fellow subsidiaries;
  - (3) associates of 8.63 (k) (xi) (1) and (2) above;
  - (4) joint ventures of the issuer or of 8.63 (k) (xi) (1) to (3) above; and
  - (5) entities that provide management or advisory services to the company or any of 8.63 (k) (xi) (1) to (4) above.

8.63(l) Mineral Resources and Mineral Reserves

- (i) Scope

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8.57 amended with effect from 24 April 2005, from 15 October 2007 and with effect from 1 April 2010.

Introductory par in 8.63 relating to 8.63(m) inserted into the requirements on 1 September 2005, but applicable for the first annual report relating to any financial year ending on or after 31 December 2005.

Introductory par in 8.63 relating to 8.63(n) inserted into the requirements on 30 September 2005, but applicable for the first annual report relating to any financial year ending on or after 30 September 2005.

Introductory par in 8.63 relating to GAAP/IFRS amended with effect from 15 October 2007.

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- (1) 8.63(l) applies to Mineral Companies. The JSE could require non-mineral companies with substantial mineral assets (as defined in section 12) to comply with these requirements.
  - (2) Mineral Companies (which for purposes of this listings requirement, includes subsidiaries, joint ventures, associates and investments), are required to disclose the details contained in 8.63(l) on an attributable beneficial interest basis (ie beneficial "see through" basis).
  - (3) Mineral Companies may report on an aggregated attributable beneficial interest basis ("total basis") where the required disclosure details in 8.63(l) have been previously disclosed and published by separately listed Mineral Companies in compliance with this listing requirement. If disclosure is made on a total basis, then the attributable beneficial interest percentage must also be clearly stated.
  - (4) Mineral Companies' disclosure in accordance with 8.63(l) must be compliant with the SAMREC Code and parts of Table 1 and Section 12. The applicable relevant SAMREC Code Table 1 (Checklist and guidelines of reporting and assessment criteria) paragraphs are referred to throughout this requirement as follows: -[refer to Tx,xA,B or C]. Where the disclosure is not in accordance with a Section 12 or Table 1 paragraph, or incorporates a number of such paragraphs, it will be referred to as follows – [stand alone]
  - (5) Mineral Companies must disclose the full name, address, professional qualifications and relevant experience (including the name and address of the body recognised by SAMREC of which the Competent Person is a member) of the Lead Competent Person authorising publication of the information disclosed in terms of 8.63(l) [refer to T 11.]
  - (6) Mineral Companies must include a statement that they have written confirmation from the Lead Competent Person that the information disclosed in terms of 8.63(l) is compliant with the SAMREC Code and where applicable, the relevant Section 12 and Table 1 requirements , and that it may be published in the form and context in which it was intended [stand alone].
- (ii) Disclosure compliance
- (1) Where individual operations, projects or exploration activities are material to:
    - (a) Mining Companies, then 8.63(l)(iii) must be complied with in full (if any sub paragraph or paragraphs is/are not applicable, an appropriate statement(s) must be made); or
    - (b) Exploration Companies), then 8.63(l)(iii) and 8.63(l)(iv) must be complied with in full (if any sub paragraph or

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8.63(m)(i)(1) amended with effect from 15 October 2008.

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paragraphs is/are not applicable, an appropriate statement(s) must be made).

- (2) Where individual operations, projects or exploration activities are not material to Mineral Companies, then only 8.63(l)(iii)(6) and 8.63(l)(iii)(8) require compliance disclosure.

8.63(l) (iv) Exploration Companies – annual disclosure requirements

In addition to the disclosure requirements in 8.63(l)(iii), Exploration Companies must disclose the following information as a part of their annual report, where applicable:

- 8.63(l)(iv)(3)(ff) comment on future exploration work stand alone but refer to Section 12.9 (h)(ii) and (iii) ];

- 8.64 The issuer's auditor shall modify the audit report as considered appropriate in cases of non-compliance with any of the requirements set out in paragraphs 8.63(b) to (k) and (m).

## Section 16 Documents to be submitted to the JSE

### Documents to be submitted through a sponsor

16.2 All documentation relating to the following must be submitted to the JSE through the medium of a sponsor:

- (gg) annual financial statements and annual reports;  
(kk) the signed auditor's report referred to in Section 3.25.

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8.64 amended with effect from 15 October 2007.

16.2 replaced with effect from 15 October 2007.

16.2 amended with effect from 1 April 2010 by the insertion of paragraph 16.2(kk).