

## Section 2

### Debt Sponsor or Designated Person

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#### Qualifications

- 2.1 Applications to become a debt sponsor must be made to the JSE by submitting the debt sponsor application form in the Appendix to Schedule 3.
- 2.2 In order for an entity to be approved as a debt sponsor, it must make a written application to the JSE, setting out its relevant industry knowledge and prior relevant experience.
- ~~2.3 Applications to become a designated person must be made to the JSE by submitting:~~
  - ~~(a) an application letter detailing the following:~~
    - ~~(i) the name of the applicant issuer that the designated person wishes to represent;~~
    - ~~(ii) the name of the company that the designated person is employed by;~~
    - ~~(iii) the contact details of the designated person;~~
    - ~~(iv) the designated person's relevant debt experience; and~~
    - ~~(v) a statement confirming that the designated person has undergone training on the Debt Listings Requirements; and~~
  - ~~(b) a letter signed by an authorised signatory of the applicant issuer and by the designated person confirming the following:~~
    - ~~(i) that an agreement has been signed between the applicant issuer and the designated person (this statement is only required if the designated person is not an employee of the applicant issuer);~~
    - ~~(ii) that the applicant issuer has appointed the designated person in the capacity of 'designated person' to act on its behalf in relation to the execution of the applicant issuer's responsibilities, to the extent possible, in terms of the Debt Listings Requirements; and~~
    - ~~(ii) that the designated person accepts its appointment as 'designated person' to the applicant issuer and agrees to act on behalf of the applicant issuer in relation to the execution of the applicant issuer's responsibilities, to the extent possible, in terms of the Debt Listings~~

Requirements and agrees to the requirements placed on a designated person in terms of the Debt Listings Requirements.

2.4 Applicant issuers that elect to appoint a designated person must also appoint an alternative designated person, which person must also complete the application process as detailed in paragraph [2.3] above and will be subject to all of the requirements placed on designated persons in the Debt Listings Requirements.

## Appointment

2.35 Subject to paragraphs [2.56 and 2.67] below, the applicant issuer must appoint either a debt sponsor or a designated person -when making an application for the listing of debt securities ~~or~~ the registration of a ~~programme memorandum~~ placing document.

2.6 ~~and~~ The applicant issuer must maintain the appointment of a debt sponsor or designated person for the duration that any debt securities of the applicant issuer remains listed on the JSE.

2.74 The debt sponsor or designated person must notify the JSE of its appointment by an applicant issuer. Where there are joint debt sponsors, the applicant issuer must appoint a debt sponsor that will take the lead in the process. The JSE shall deal with the lead debt sponsor which is appointed in respect of the issue.

2.85 An applicant issuer must advise the JSE in writing (providing a copy to the debt sponsor or designated person) of the appointment ~~or resignation~~ of ~~any~~ the debt sponsor or designated person on the first submission for the registration of a placing document.

2.9 Where a debt sponsor or designated person resigns, the applicant issuer and the debt sponsor or designated person must immediately inform the JSE separately in writing of ~~such occurrence~~ the reason for the resignation. In such a situation, the applicant issuer has 30 business days to appoint a new debt sponsor or designated person from the date of resignation of the debt sponsor or designated person, unless the JSE decides otherwise. The replacement debt sponsor or designated person must ensure that, before accepting an appointment, it has requested the written reasons for the resignation ~~as submitted to the JSE~~ from the outgoing debt sponsor or designated person. The outgoing debt sponsor or designated person must supply the reasons to the replacement debt sponsor or designated person within five business days of such request and the replacement debt sponsor or designated person must take account of the reasons for the resignation before accepting the appointment. Failure by an applicant issuer, ~~and/or~~ debt sponsor or designated person to comply with this requirement may result in disciplinary action being taken in terms of the Debt Listings Requirements.

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2.2 amended with effect from 15 January 2014.

2.3 amended with effect from 30 September 2014.

2.5 inserted with effect from 30 September 2014.

## Termination

- 2.106 (a) In the event that the appointment of the debt sponsor or designated person is terminated by the applicant issuer, for whatever reason, such termination must be approved by the board of directors of the applicant issuer. Once the termination of the debt sponsor or designated person has been approved by the board of directors, the applicant issuer and the debt sponsor or designated person must submit a report to the JSE stipulating the reasons for the termination, within 48 hours of such termination.
- (b) In the circumstances set out in paragraph [2.106(a)], an applicant issuer must immediately publish an announcement on SENS confirming the termination of the services of the debt sponsor or designated person. The applicant issuer must make immediate arrangements to appoint a replacement debt sponsor or designated person, within 30 business days of the date on which the former debt sponsor or designated person ceased to act, and must inform the JSE and publish a further announcement on SENS immediately after the appointment of the replacement debt sponsor or designated person has been made.
- (c) The replacement debt sponsor or designated person must ensure, before accepting the appointment, that it has requested the report referred to in paragraph [2.106(a)] from the outgoing debt sponsor or designated person. The outgoing debt sponsor or designated person must supply this report to the replacement debt sponsor or designated person within five business days of such request and the replacement debt sponsor or designated person must take account of the reasons for the termination before accepting the appointment.
- (d) Failure by an applicant issuer, ~~and/or~~ debt sponsor or designated person to comply with this requirement may result in disciplinary action being taken in terms of the Debt Listings Requirements.

## Responsibilities

- 2.117- A debt sponsor or designated person must:
- (a) ensure that the applicant issuer is guided and advised as to the application of the Debt Listings Requirements;
  - (b) provide to the JSE any information or explanation known to it in such form and within such time limit as the JSE may reasonably require for the purpose of verifying compliance with the Debt Listing Requirements by it or by an applicant issuer;
  - (c) ensure that all SENS announcements comply with the Debt Listings Requirements before submission to the JSE;
  - (d) use all reasonable endeavours to ensure that the applicant issuer complied with the Debt Listings Requirements;
  - (e) manage the submission of all documentation to the JSE and ensure its compliance with the Debt Listings Requirements before submission is made;
  - (f) carry out any activities which are requested by the JSE in respect of the application of the Debt Listings Requirements;
  - (g) discharge its responsibilities with due care and skill;

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2.6 inserted with effect from 30 September 2014.

2.7, previously 2.5, renumbered with effect from 30 September 2014.

- (h) prior to the submission of any documentation that requires approval by the JSE, satisfy itself to the best of its knowledge and belief, having made due and careful enquiry of the applicant issuer, that there are no material matters, other than those disclosed in writing to the JSE, that should be taken into account by the JSE in considering the submission;
- (i) advise the JSE immediately if they are aware or have reason to suspect that any of their debt sponsor clients the applicant issuer have has or may have breached the Debt Listings Requirements;
- (j) be present at all discussions held between the JSE and the applicant issuer. The JSE may, however, where it deems appropriate, communicate directly with an applicant issuer or with an adviser of the applicant issuer, in order to discuss matters of principle and/or the interpretation of provisions of the Debt Listings Requirements. Where discussions take place in the absence of the debt sponsor or designated person, ~~an~~ the applicant issuer shall ensure, as soon as is practicable, that the debt sponsor or designated person is informed (preferably in writing) of the matters discussed; and
- (k) adhere to the Sponsor Code of Ethics and Standards of Professional Conduct as contained in the appendix to Schedule 16 of the JSE Listings Requirements.

## Annual compliance

- 2.8~~12~~ Debt sponsors are required, on an annual basis, to advise the JSE whether they still meet the eligibility criteria and, specifically, whether or not they continue to have the minimum number of approved executives as required by the JSE from time to time in their employ (Schedule 3).

## Breach of responsibilities

- 2.9~~13~~ If the JSE determines, after taking account of written representations, that a debt sponsor or designated person has breached any of its responsibilities under the Debt Listings Requirements, the JSE is entitled to take any one or more of the following actions:
- (a) censure the debt sponsor or designated person;
  - (b) remove the debt sponsor or designated person from the register of debt sponsors and designated person maintained by the JSE;
  - (c) impose a penalty not exceeding R1 000 000; and/or
  - (d) publish details of the action it has taken and the reasons for that action.
- 2.1~~40~~ Where the JSE has decided to take any action described in paragraph [2.7~~13~~(b)], the debt sponsor or designated person shall be entitled to request that the decision be taken on appeal in accordance with the provisions of paragraph [1.5].

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2.7(k) introduced with effect from 4 August 2015.  
 2.8, previously 2.6, renumbered with effect from 30 September 2014.  
 2.9, previously 2.7, renumbered with effect from 30 September 2014.  
 2.9(c) amended with effect from 22 December 2014.  
 2.10, previously 2.8, renumbered with effect from 30 September 2014.

2.15 Paragraphs [2.13 and 2.14] above will not apply to designated persons that are employees of the applicant issuer.