
MARKET NOTICEJohannesburg
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Number: 205/2018

Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

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SUBJECT: INWARD LISTINGS

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Designation: Head - Equities and Bonds Operations

Dear Stakeholder

We wish to advise you of a revised requirement for scrip availability on the SA share register for inward listed equities.

Current rules and market practice

Section 18.9 of the JSE Listings Requirements stipulates “An applicant issuer must either: (a) have the required spread in accordance with paragraph 4.28(e) (in the case of a Main Board listing) or 21.3(c) (in the case of an ALTX listing) on the South African share register; or (b) make arrangements, to the satisfaction of the JSE’s Clearing and Settlement division, to ensure that sufficient scrip is available on the South African share register”.

Current guidance provided to the market by the JSE Clearing and Settlement is to have a 10% holding of the total issued percentage (%) in SA “ring fenced’ for the JSE Settlement Authority to fulfil their role in mitigating risk through facilitating lending and borrowing within the SA market from time to time. In addition, the JSE Settlement Authority keeps this percentage (%) for 6 - 12 months before returning the scrip to the issuer.

Change

In order to facilitate inward listings into the South Africa market, the JSE has revised, and reduced, the requirement for ring-fenced scrip from 10% to 5%, and the holding period from 6 - 12 months to 3 - 6 months. We have based this revision on historical analysis of the need to access inward listed scrip over the past year, and are comfortable that the market will still be effective with the lower requirements in place.

The change will be effective immediately. We trust that the revision creates an environment more attractive to international companies wishing to list on the JSE.

Should you have any queries regarding this notice, please contact: inwardlistings@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>