



23 October 2019
Ref: NK

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Dear Issuers and Sponsors

GUIDANCE IN RELATION TO PARAGRAPH 19.42 OF THE JSE LISTINGS REQUIREMENTS PERTINENT TO SPECIALIST SECURITIES

Paragraph 19.42 of the JSE Listings Requirements (the “**Requirements**”) reads as follows:

“The JSE may allow the listing of securities which track or reference the performance of a specified security, index, or other assets, which include, but are not limited to, indices, commodities, currencies or any other asset acceptable to the JSE. Issuers must ensure that the JSE is consulted well in advance regarding the acceptability of a particular security prior to the proposed issue date.”

It has come to our attention that guidance regarding the regulatory principles covered by the above process may be of interest to the market (hereinafter referred to as the “in-principle approval process”). The in-principle approval process affords the issuer the opportunity to approach the JSE in advance of listing, to assess the acceptability of an instrument, investment product, index or structure before embarking on the process of appointing advisors, and drafting the relevant legal and regulatory documentation.

Executive Directors: NF Newton-King (CEO), A Takoordeen (CFO)

Non-Executive Directors: N Nyembezi (Chairman), ZBM Bassa, F Daniels, VN Fakude, Dr M Jordaan, Dr SP Kana, FN Khanyile, BJ Kruger, DM Lawrence, Dr MA Matooane

Alternate Director: JH Burke

Group Company Secretary: GA Brookes

In-principle approval submissions to the JSE are generally required, where:

1. instruments, commodities, or other investment products are new to the market[§];
2. an instrument references other instruments, commodities, or other investment products that are new to the market;
3. an instrument references an index or set of indices, and such index or indices are new to the market;
4. a new instrument is being issued under an issuance programme for the first time, and such instrument is new to the market; and
5. complex legal structures as well as legal structures that are not standard – for example where a complex SPV structure will be introduced to the market, or where a major deviation of a legal structure from prior market precedents is being proposed. Examples of these legal structures are those that are not governed by South African law or are being introduced in the South African context for the first time.

[§] “New to the market” means instruments that do not meet the guidelines set out below.

The below guidelines are provided with the intention of providing clarity to the market as to what the JSE would deem to be acceptable, and to ultimately reduce the time required to bring new instruments to market. An in-principle approval submission will therefore not be required where the instrument meets all of the criteria that have been outlined below (as applicable to the instrument in question):

1. the instrument meets the definitions of the securities stipulated in the Listings Requirements e.g. Debt Securities, Asset Backed Securities, Preference Shares, Warrants, ETNs, Structured Products, ETFs, Sponsored and Unsponsored Depository Receipts;
2. the instrument references underlying assets that are currently referenced by JSE listed instruments[^];
3. the instrument references underlying assets that are listed on the JSE;
4. the instrument mechanics are the same as instruments that have previously been listed and where such instrument mechanics are well understood by the market;

5. the instrument references underlying indices where such indices and the index provider of such indices have been approved by the JSE. The list of approved index providers is available on the JSE website;
6. the instrument references underlying companies that are primary listed on a World Federation of Exchanges member exchange, and such underlying company publishes its financial information within the specified timeframes stipulated in the JSE Listings Requirements; and
7. the instrument references underlying assets that are not new to the market, and such underlying assets produce a liquidity rating* of 1 or 2, as defined in the Trading Liquidity Parameters table provided below.

***TRADING LIQUIDITY PARAMETERS**

JSE Liquidity Rating	Ave Value Traded pm*	Parameter	% Days Traded
1	>R100,000,000	AND	>=75%
2	>R30,000,000	AND	>=33%
3	<R30,000,000	OR	<33%

* Calculated over a 3 month period.

^ Please refer to the JSE Website for more information on underlying reference assets.

We encourage issuers to contact the JSE in relation to structured products that are new to the market, given the scope of products that could list under this section of the Listings Requirements.

In the event that an issuer is unsure as to whether an in-principle approval submission is required, or where an issuer would prefer to obtain comfort from the JSE regarding a particular listing via an in-principle approval submission, please contact Nicolas Kleovoulou (nicolask@jse.co.za) for further information.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A F Visser', written over a large, light-colored circular scribble.

A F VISSER: GENERAL MANAGER
ISSUER REGULATION