



25 March 2020

Ref: TW/ZR

Company Secretaries, Sponsors and Designated Advisers

Johannesburg  
Stock Exchange

One Exchange Square  
Gwen Lane  
Sandown, South Africa  
Private Bag X991174  
Sandton 2146

Tel: +27 11 520 7000  
Fax: +27 11 520 8584

[www.jse.co.za](http://www.jse.co.za)

## COVID – 19: IMPACT ON FINANCIAL REPORTING

We refer to the JSE letter dated 10 March 2020 and others in respect of the impact of the COVID-19 pandemic on issuers and the JSE Listings Requirements (the “**Requirements**”). The JSE recognises that the measures implemented in South Africa and globally to deal with the pandemic may have an impact on the ability of issuers to meet their reporting obligations under the Requirements. The JSE is mindful of the fact that the current crisis was unforeseeable with reasonable foresight and unavoidable even if the utmost care had been applied.

### 1 Financial Reporting Obligations

The JSE encourages issuers, in consultation with their sponsors or designated advisers (“**sponsor**”), to carefully assess the impact of the pandemic on their financial reporting and audit processes pursuant to the provisions of the Requirements and to engage with the JSE where they believe they may not be able to meet their financial reporting obligations as a result of the consequences of the pandemic in respect of:

- (i) The timing of publication of interim, preliminary, provisional, annual financial statements and notices of annual general meetings, pursuant to paragraphs 3.15, 3.16(a) and 3.19 to 3.22 of the Requirements respectively;
- (ii) The completeness of interim, preliminary, provisional, and annual financial information pursuant to paragraphs 8.57 to 8.61 of the Requirements;
- (iii) The completeness of the annual financial statements pursuant to paragraphs 8.62 and 8.63 of the Requirements; and
- (iv) Assurance reports by the independent auditor on the abovementioned information (either an audit or a review engagement) pursuant to paragraph 3.18 and 8.62(c) of the Requirements.

In the case of issuers that report to shareholders on a quarterly basis, where an issuer is no longer able to continue reporting on a quarterly basis, issuers must give due consideration to the obligations of paragraph 3.4(b)(i) to (viii) of the Requirements as paragraph 3.4(ix) of the Requirements will no longer apply.

**Executive Directors:** Dr L Fourie (Group CEO), A Takoordeen (CFO)  
**Non-Executive Directors:** N Nyembezi (Chairman), ZBM Bassa, MS Cleary, F Daniels, VN Fakude, Dr M Jordaan, Dr SP Kana, FN Khanyile, BJ Kruger, DM Lawrence, Dr MA Matoane  
**Group Company Secretary:** GA Brookes

## 2 Variation of Reporting Requirements (“Reporting Variation”)

Whilst the impact of the pandemic will vary from issuer to issuer based on specific circumstances, the JSE wishes to advise that it will consider on a case by case basis the following in respect of (i) to (iv) above. The JSE will take the necessary and appropriate action based on the specific circumstances which may include:

- An extension to the periods referred to under matter 1(i) above and by extension paragraph 3.17 of the Requirements;
- A variation of the content of the financial information as it relates to minimum content and disclosure as identified under matters 1(ii) and 1(iii) above; and/or
- A variation on the timing and nature of the assurance report, as identified under matter 1(iv) above.

This is of course not an exhaustive list but mere examples of actions that the JSE may take to deal with an issuer’s inability to meet its obligations due to circumstances that are beyond its control.

In requesting a Reporting Variation, issuers are urged to be responsible in their request for variation of the matters aforementioned so as to safeguard the principle of ensuring that sufficient, timely and reliable financial information is disseminated into the market to enable investors to make informed decisions. Where issuers are capable of providing certain financial information which will provide insights to investors in respect of financial position and performance such information should be provided in line with the Requirements.

## 3 Price Sensitive Information and Trading Statement

Issuers are reminded to ensure compliance with the general obligations of disclosure pursuant to paragraphs 3.4(a) and 3.4(b) of the Requirements. In circumstances where Reporting Variation is required, trading statements serve as an important tool to provide investors with insight into the financial performance and financial position of an issuer. Accordingly, it is required that issuers consider providing more detail in their trading statements and specifically consider the publication of a trading statement where the differences referred to in paragraph 3.4(b)(i) are less than 20% but viewed as sufficiently important to be made the subject of trading statement.

## 4 Process for Request

The minimum information required by the JSE for consideration of a Reporting Variation as detailed above are set out in **Annexure 1**. Issuers are required to submit this information under the event type “Ruling - Continuing Obligations” (for which no fee is payable) via its sponsor on the web based submission system

WEBSTIR. Notwithstanding the period referred to in paragraph 16.3 of the Requirements, the JSE undertakes to deal with such requests on an urgent basis. To facilitate the process sponsors are required to notify Annalie de Bruyn on [annalie@jse.co.za](mailto:annalie@jse.co.za) of the submission to WEBSTIR.

#### 5 Disclosure of the Reporting variation

Should the JSE agree to an issuer's request, a SENS announcement containing the following minimum information is required to be published by the issuer:

- The nature of the Reporting Variation that has been agreed, identifying the matter and the variation granted;
- A summary of the reasons provided to the JSE underpinning the request for the Reporting Variation; and
- The expected timing of the normalisation for the issuer's reporting obligations as agreed with the JSE.

#### 6 Conclusion

The JSE has been recognised as a key financial service within the South African economy and it is essential that the JSE maintain orderly financial markets and market integrity during this period. Timeous and reliable financial reporting in accordance with the Requirements is critical to maintain a fair, efficient and transparent financial market in securities listed and traded on the JSE.

Please contact either Zakaria Rashid on 011 520 7667 or Tania Wimberley on 011 520 7067 should you have any questions regarding this letter.

Yours faithfully



**A F VISSER: DIRECTOR**

**ISSUER REGULATION**

The information included below must be provided for a Reporting Variation:

- 1) Which of the matters listed in 1 above are addressed in the request;
- 2) The reasons why the issuer cannot comply with the Requirements, to be detailed under one or more of the following headings:
  - a) The ability of the issuer to generate financial information;
  - b) The need for the issuer to reconsider the IFRS impact of the pandemic;
  - c) The need for the issuer to seek external advice on (b);
  - d) The ability of the issuer to provide sufficient appropriate evidence or information to the auditor;
  - e) The ability of the auditor to complete or perform their assurance engagement; and
  - f) Any other practical impediment relevant to the financial reporting Requirements.
- 3) For each of the items identified in (2) above:
  - a) The manner in which the issuer intends to address each of these items; and
  - b) The expected timing of publication of the relevant financial information together with an explanation of the factors considered in determining the estimated date of reporting.
- 4) Details of the financial information that can be published to provide insights to investors of the financial performance and position as discussed in 2 above; and
- 5) Any other information the issuer wishes to bring to the attention of the JSE.

The request must be accompanied by a statement signed by the chair of the audit committee that he/she is in agreement that the request will assist the issuer in ensuring that the General Principles of the Requirements are upheld.

The JSE may request to see a draft of the SENS announcement that will be released to the market should the Reporting Variation be granted.