

Amendments to the JSE Listings Requirements

In May 2022, as part of its ongoing efforts to ensure that the bourse is fair, efficient, transparent and competitive, the JSE released a consultation paper, requesting stakeholders to comment on a raft of proposals.

In August 2022, the JSE released a response paper outlining the feedback received from market participants, which showed favourable support from an overwhelming majority of commentators. The JSE further mentioned that it would be taking a phased approach in implementing the proposed amendments.

As a result, the JSE prioritised the following amendments to the JSE Listings Requirements.

- **Dual class shares:** Considering developments in other leading international markets, the JSE proposed amendments to introduce dual class shares for applicants seeking a listing on the Main Board.
- **Free Float – New Listings:** The UK and EU have reconsidered the level of free float required on listing, which has been identified as a deterrent to listing. In line with these developments, the JSE proposed amendments to reduce the 20% free float threshold to 10%.
- **Free Float Assessment:** Currently one type of holdings of securities which does not qualify as free float on listing, is any holdings of 10% or more in the securities of an issuer, irrespective of such shareholder's relationship with the company. The JSE proposed amendments to remove the 10% holdings free float exclusion, subject to a minimum number of shareholders and a more appropriate level of exclusion for controlling shareholders, to align with the certain peer exchanges.
- **Review of Special Purpose Acquisition Companies:** During 2020 and 2021 the pandemic raised volatility levels, making traditional listings riskier. This resulted in a SPAC boom, especially in the US, although interest may have tapered recently. The JSE's current SPAC offering is accessible and flexible, but the JSE proposed amendments to align with international leading markets to ensure the attractiveness and competitiveness of SPACs to issuers and investors.
- **Financial Reporting Disclosures:** Following on its "*cutting red tape*" initiatives, the JSE proposed to remove the obligation to produce an abridged report when the issuer has published its audited annual financial statements on the issuer's website. The JSE also proposed simplification measures to the financial reporting requirements and removed provisions that do not provide regulatory value.

The JSE is pleased to announce that the Financial Sector Conduct Authority published the approval of the amendments to the JSE Listings Requirements in the Government Gazette through Board Notice 450 of 2023 No. 48790, with the effective date as 17 July 2023.

The new provisions to the JSE Listings Requirements are available on the JSE's website:

Announcements regarding Listings Requirements:
<https://www.jse.co.za/regulation/companies-issuer-regulation>

The JSE is working with its publisher to prepare a bulletin to the JSE Listings Requirements, as it relates to these amendments.

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