

GEN – General – JSE Limited

Financial Reporting Costs Consultation – Market Feedback and Proposed Amendments to the JSE Listings Requirements

In November 2025, the JSE published a Consultation Paper on financial reporting costs following feedback received through a market survey conducted in June 2023. The survey identified financial reporting and audit-related costs as among the most significant costs associated with maintaining a listing on the JSE.

The consultation formed part of the JSE’s broader programme of reforms aimed at ensuring that South Africa’s capital markets remain competitive, attractive and appropriately regulated. The JSE has already undertaken several significant initiatives to reduce unnecessary complexity and compliance costs for listed companies, while maintaining robust standards of investor protection and market integrity. These initiatives include the introduction of market segmentation, the comprehensive Listings Requirements Simplification Project and the removal of the auditor accreditation model, which broadened the pool of firms available to audit listed companies and sought to enhance issuer choice in the audit market. Together, these reforms are intended to establish a more proportionate and fit-for-purpose regulatory framework that recognises the differing characteristics of issuers, removes duplication where possible and supports capital formation, without compromising the transparency and governance standards expected of listed companies.

The JSE received a significant number of submissions from a broad range of stakeholders, including institutional investors, analysts, sponsors, issuers, audit firms and regulatory bodies. The JSE appreciates the time and effort invested by all respondents and has carefully considered the views expressed.

A consistent theme emerging from the consultation was the need to balance efforts aimed at reducing regulatory costs and complexity with the continued provision of decision-useful information to investors and the preservation of market confidence. Stakeholders generally supported targeted measures to reduce administrative burden where appropriate, provided such measures do not compromise transparency, governance standards or investor protection.

Having considered the feedback received, the JSE proposes a limited number of targeted amendments to the JSE Listings Requirements (the “Requirements”). In several areas, stakeholders supported retaining the current regulatory framework.

Trading statements

There was overwhelming support for the continued use of trading statements. Investors emphasised their importance as a transparent and structured mechanism for providing earnings-related information to the market. Issuers and sponsors similarly indicated that the trading statement framework is generally more practical and certain to apply than a principles-based price-sensitive information regime.

JSE position

The JSE considers trading statements to remain an important component of the disclosure framework and will therefore retain the existing requirements. The JSE will not proceed with previously contemplated changes to trading statement thresholds, wording requirements or net asset value-based triggers.

Proposed amendment

Stakeholders raised concerns that the current drafting may inadvertently discourage issuers from providing updated guidance to the market. Accordingly, the JSE proposes a targeted amendment to encourage more timely market updates once an issuer has provided guidance, thereby supporting transparency without altering the underlying trading statement framework.

Non-IFRS measures

Feedback was consistently supportive of deferring changes to the regulation of non-IFRS measures. Respondents noted that introducing amendments before the implementation of IFRS 18 could result in duplication or inconsistency, particularly given the expected enhancements to disclosures relating to management-defined performance measures.

JSE position

Having considered the feedback received, the JSE will not proceed with amendments at this stage. The JSE will reassess the framework following the implementation and market adoption of IFRS 18 and currently expects to revisit the matter in 2028.

Headline earnings per share

An overwhelming majority of respondents supported the continued use of headline earnings per share ("HEPS"). While HEPS remains a South African reporting metric, commentators highlighted its value in facilitating consistency, comparability and valuation analysis across listed companies.

JSE position

HEPS continues to provide useful information to investors and other market participants, therefore the JSE will retain the existing obligation for both primary and secondary listed issuers to disclose HEPS.

Financial directors

Stakeholders strongly supported retaining the existing governance framework requiring issuers to appoint an executive financial director, while preserving the JSE's ability to grant a variation in appropriate circumstances.

JSE position

The JSE will retain the current requirement and does not propose any change to the underlying governance principle.

Proposed amendment

Respondents highlighted the administrative burden associated with obtaining JSE approval in circumstances involving temporary vacancies. The JSE therefore proposes a targeted amendment to permit the audit committee to assume oversight responsibility during a temporary vacancy, without requiring approval from the JSE, provided the vacancy is filled within a prescribed period.

Board committees

The consultation sought views on whether amendments should be made to the requirements relating to the establishment and composition of Social and Ethics Committees, Remuneration Committees and Audit Committees.

Feedback did not identify a clear basis for reducing requirements in this area. In particular, there was strong support for maintaining the current requirements relating to the role and responsibilities of the Audit Committee.

JSE position

The JSE considers these governance structures to remain important mechanisms for oversight and accountability and will therefore not propose any amendments to the existing requirements.

Pro forma financial information

The consultation sought views on whether the current approach applicable to General Segment issuers, which permits narrative disclosure in certain circumstances rather than detailed pro forma financial information, should be extended to Prime Segment issuers. Responses did not indicate a clear consensus in support of the proposal.

JSE position

The JSE will not proceed with extending the General Segment approach to Prime Segment issuers.

Proposed amendment

The JSE is, however, proposing a targeted amendment to clarify circumstances in which equivalent disclosures have been prescribed by legislation or the requirements of another recognised exchange, with the objective of reducing duplication while maintaining appropriate disclosure standards.

Restatements

Details regarding restatements are provided to the market through SENS and in the results. The consultation sought views on changes to the additional administrative restatement notification sent to the JSE. Respondents provided useful suggestions.

JSE position

The JSE has decided to proceed with the suggestions it received,

Proposed amendment

The JSE is proposing changes to practice note 3/2017 in order to simplify the administrative process relating to restatement notifications provided to the JSE without diluting the information provided directly to the market.

General simplifications

Stakeholders strongly supported three smaller simplification changes for items which lacked relevance.

JSE position

The JSE has decided to proceed with the changes.

Proposed amendments

The JSE will propose amendments to: remove disclosure of accounting policy choice for goodwill (as there is no choice); duplicating disclosures relating to auditor changes already addressed through SENS; and auditor confirmation of the achievement of profit warranties, except in the case of related party transactions.

Other suggestions

The consultation process also generated a number of additional suggestions aimed at reducing compliance costs and administrative burden for listed companies.

JSE position

While the JSE carefully considered these suggestions, stakeholders generally did not demonstrate a clear consensus in favour of material changes to the existing framework. Having considered the additional feedback received, other than below, the JSE does not propose any further amendments arising from these suggestions at this stage.

Proposed amendment

Based on the suggestions made, the JSE proposes a targeted amendment to permit the distribution of the separate Company financial statements through a web link, or secure electronic access rather than requiring these to be included in the annual report.

The proposed amendment is intended to provide flexibility in presentation and a reduction in formatting and production costs, freeing issuers to focus their efforts on the Group or Consolidated annual financial statements.

Next steps

Based on the above, the proposed amendments to the Requirements for public comments are available at <https://www.jse.co.za/regulation/companies-issuer-regulation> under announcements regarding Listings Requirement – July 2026. The JSE invites comments on the proposed amendments by close of business on 11 August 2026, and comments can be sent to consultation@jse.co.za.

The JSE thanks all stakeholders who participated in the consultation process and contributed to the development of a balanced and proportionate regulatory framework for listed companies.

10 July 2026