



# GROUP SRO OVERSIGHT COMMITTEE REPORT 2021

for the year ended 31 December 2021



## Self-regulatory organisation report

The SRO Oversight Committee (the committee) oversees the fulfilment by the JSE of its statutory obligations, as prescribed by the FMA and applicable notices and directives as published by the FSCA. The committee ensures that as a financial market infrastructure, the JSE takes the steps necessary to avoid, eliminate, disclose and otherwise manage conflicts of interest, which could arise between its regulatory functions and commercial services.

The Issuer Regulation and Market Regulation divisions of the JSE have identified the possible conflicts of interest that could arise between their regulatory functions and the commercial services of the JSE. These possible conflicts of interest and the manner in which they are managed by the JSE have been documented in the conflicts of interest policies of the Issuer Regulation and Market Regulation divisions and are available on the JSE website.

### Oversight conducted in 2021

The committee, in accordance with its terms of reference, conducted independent oversight of the self-regulatory functions of the JSE, and executed its statutory responsibilities. The following key areas were covered, with a particular focus on the steps taken to manage the possible conflicts of interest that could take place in respect of the JSE's own listing and those conflicts that could arise between the commercial services the JSE provides and the regulatory functions it performs.

## Regulatory and supervisory structure

The committee confirmed that the JSE:

- conducted its business in a fair and transparent manner, with due regard to the rights of authorised users and clients;
- supervised compliance of its issuers and authorised users in accordance with the JSE listings requirements and market rules and directives;
- supervised compliance with the FMA by its authorised users and issuers and reported any matters of non-compliance to the FSCA;
- proposed amendments to the equity and debt listings requirements with a focus on elevating general disclosure requirements and enhancing corporate governance; and
- applied and enforced its rules and listings requirements fairly and consistently in respect of its authorised users and issuers and where applicable, imposed appropriate sanctions for non-compliance.

## Arrangements required of a licensed exchange

The committee confirmed that the JSE:

- has the necessary assets and resources to perform its functions in terms of the FMA, as well as applicable notices and directives;
- has the necessary arrangements in place to supervise all transactions effected through the Exchange; and
- supports the stability of the broader financial system, in the public interest and in accordance with the objectives of its stakeholders.

## Monitoring of its own listing

The committee confirmed that the JSE:

- has adequate procedures and controls to ensure that conflicts of interest do not arise in respect of its own listing;
- has, where applicable, reported all complaints in respect of conflicts of interest that relate to the shares of the JSE to the FSCA; and
- has complied with its Equity Market rules and directives and listings requirements in a manner that warrants the continued listing of its shares.

## Conflicts of interest

The committee confirmed that the JSE:

- has adopted appropriate and effective arrangements that separate its regulatory functions from its commercial services;
- has an effective internal governance process to identify potential, perceived or actual conflicts of interest between its commercial services and regulatory functions;
- has documented and implemented policies and measures to avoid, manage and disclose conflicts of interest should they arise; and
- has effective conflicts of interest measures, policies and procedures, with which it adheres.

## Governance

The committee confirmed that it has:

- reviewed and approved its Terms of Reference, which set out its role and responsibilities in respect of its oversight and monitoring of the policies and procedures in place for the management of potential and actual conflicts of interests;
- conducted a self-evaluation of its performance, and that of its constituent members; and
- conducted a workshop to examine the regulatory mandate of the committee in a changing environment, and to debate how the JSE's regulatory oversight function can best be exercised.