

## Key Amendments to Section 1 – Authority of the JSE

	Text	Rationale
	<i>Note: Paragraph references refer to the current Requirements, unless otherwise stated</i>	
1	<b>Scope of Section</b>	Reduced significantly to deal with core listings requirements, being Sections, Schedules and Practice Notes. In terms of the existing and new definition of “ <i>Listings Requirements</i> ”, the Scope of Section does not form part of the Requirements.
2	<b>General powers of the JSE</b>  Paragraph 1.1(a)-(g)  The general powers of the JSE have been removed.	The JSE powers emanate from the FMA, as such general enabling provision has been included referring to the FMA.
3	<b>New Definition</b>  “ <i>Requirements</i> ”	Definition amended to refer to the “ <i>Requirements</i> ”, rather than “ <i>Listings Requirements</i> ” and text simplified.  Global amendment, made throughout the Requirements.
4	<b>Introduction and General principles</b>  <b>New Paragraph 1.2</b>  The general principles have been moved to Section 1, from the Introduction.	Section 68(1) of the FMA affords a market infrastructure the ability to delegate or assign any function entrusted to it by the FMA or its rules to a person or group of persons, or a committee approved by the controlling body of the market infrastructure, or a division or department of the market infrastructure, subject to the conditions that the market infrastructure may determine.  Currently the delegation of authority by the JSE board to Issuer Regulation is recorded in the Introduction of the Requirements under the heading “ <i>Competent Authority</i> ”, which currently forms part of the Requirements. It is intended that the Introduction, going forward, will no longer forms part of the Requirements.  The delegation from the JSE board to Issuer Regulation is an internal JSE function, however still important to be recorded in the Introduction section of the Requirements (but does not form part of the Requirements). The benefit is that if the JSE board delegation is amended, there is no need for the JSE to

		<p>consult the market and amend the Requirements. The Introduction is therefore removed from the definition of “Requirements”, in order to be freely amended and updated as and when required.</p> <p>Also, the General Principles support the application and interpretation of the Requirements and has been moved to Section 1 from the Introduction Section, to become part of the Requirements.</p> <p>The definition of “Requirements” has been amended accordingly, as advised above.</p>
5	<p><b>Introduced a new General Principle</b></p> <p>A new general principle has been introduced whereby foreign primary issuers are required to comply with its local equivalent statute where the Requirements refer to the Companies Act.</p> <p><i>“uniform application of the Requirements, that where the Requirements require specific compliance with local statute, a foreign primary applicant issuer must comply with its foreign equivalent (where there is no such equivalent the JSE must be consulted)”</i></p>	<p>If this approach is not followed, foreign issuers may opt out on the basis that they are not subject to the Companies Act.</p>
6	<p><b>General principles</b></p> <p>The discretion of the JSE has been removed to modify the application of the Requirements based on the general principles.</p> <p>Text removed: <i>“The JSE may modify the application of the Requirements, where the JSE considers that the strict application to be in conflict with the General Principles.”</i></p>	<p>The FMA requires the JSE to make and enforce its listings requirements and the provision conflicts with that statutory mandate.</p>
7	<p><b>Suspensions and Removals</b></p> <p><b>Paragraphs 1.6-1.10, and 1.12-1.17</b></p> <p>Consolidated the different approached to suspension and removals, <i>“at the instance of JSE”</i> and <i>“at the instance of issuer”</i>.</p> <p>The suspension in relation to business rescue has been expanded to also include any major</p>	<p>Removal and suspension powers are universal and there should be no difference in approach, save where shareholders’ approval is being sought.</p> <p>Often the issuer is merely the holding company and operations are undertaken by major subsidiaries. As such, the extension to include major subsidiaries in</p>

	<p>subsidiary being placed in business rescue.</p> <p>Wording has been added to paragraph 1.17(a) and (b) where reference is made to the Companies Act, in order to have similar application for foreign issuers under equivalent statute.</p>	<p>business rescue as a suspension event seems sensible, as it directly impacts the issuer.</p> <p>Supports uniform application of the Requirements.</p>
<b>8</b>	<p><b>Suspensions</b></p> <p><b>Paragraph 1.10(d)</b></p> <p>Reference to Section 23(6) of the Companies Act has been removed as it has bearing on external companies and the outcome is already covered as a suspension event.</p>	<p>Registration of external companies are regulated by CIPC, with the appropriate sanction to cease doing business. The ceasing of doing business is already a suspension event.</p>
<b>9</b>	<p><b>Objections and appeals</b></p> <p><b>Paragraphs 1.4 and 1.5</b></p> <p>New heading for “<i>Objections and Appeals</i>”, and also moved down in the Sections.</p>	<p>It makes more sense to move this section down. Currently we deal with objections and appeals in the first five paragraphs, which seems a bit out of place. Suspension and removal events must be dealt with first, followed the by objections and appeals.</p>
<b>10</b>	<p><b>Annual revision of the List</b></p> <p><b>Paragraph 1.20(a)</b></p> <p>Timing of annotation amended to align with process applied to annual reports in the current Section 6 (Continuing Obligations).</p>	<p>Alignment with current continuing obligations approach regarding annotations.</p>
<b>11</b>	<p><b>Power to require information &amp; publication</b></p> <p><b>Paragraphs 1.26 – 1.29</b></p> <p>Aligned with the provisions of the FMA.</p>	<p>Alignment with section 14 of the FMA (Disclosure of information by issuers and listed securities).</p>
<b>12</b>	<p><b>Liability</b></p> <p><b>Paragraph 1.30</b></p> <p>Mirrored the liability provisions with the FMA and expanded in line with the JSE Equity Rules.</p>	<p>Alignment with FMA and expanded in line with the JSE Equity Rules, to support uniform application.</p>

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