

Key Amendments to Section 3 – Continuing Obligations

	Text	Rationale
	<i>Note: Paragraph references refer to the current Requirements, unless otherwise stated</i>	
1	Scope of Section	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	Structural Reforms The whole of Section 3 has been transformed in a manner that will support the application of continuing obligations.	Continuing obligations will be divided into the following: <ul style="list-style-type: none"> • Continuing Obligations Principles • General Continuing Obligations • Meetings • Directors
3	New Definition – Prohibited Period Paragraph 3.67 Introduced a new definition of “ <i>prohibited period</i> ” as referred to in paragraph 3.67. Removed the below wording in paragraph 3.67, for purposes of the definition. “(whether or not the director has knowledge of such matter)”, as it has specific bearing on directors dealings. Inserted back under “Dealings in Prohibited Periods”.	Prohibited periods are also used under the repurchase provisions, as such the definition must have generic application.
4	Continuing obligation principles Announcements Inserted the general preamble of the current Schedule 9 (Procedural requirements for SENS): <i>“The JSE has established the SENS platform as a result of a need to disseminate relevant company information to the market on a real</i>	The nature of announcements that may be released on SENS must be clear.

	<p><i>time basis. To ensure that shareholders and the investing public only receive relevant information, issuers and sponsors must ensure that the information that they announce constitutes relevant company information, being company announcements explicitly required in terms of the Requirements and/or price sensitive information."</i></p>	
5	<p>Trading Statements</p> <p>Paragraph 3.4(b)(v)</p> <p>Removed:</p> <p><i>"(v) In light of the existing Listings Requirements' definitions of "significant", "material" and "substantial", these words may not be used in trading statements because to do so would imply a range differing from that permitted in terms of 3.4(b)(i) (i.e. more than 20%)."</i></p>	<p>Trading statements require a specific percentage and number to describe the differences; or a range e.g. the issuer is expecting an increase of between 15% and 25%) and numbers to describe the differences, provided the range must not exceed 20%.</p> <p>The use of these words along with the required disclosure should not cause confusion. It therefore does not add regulatory value.</p>
6	<p>Trading Statements</p> <p>Paragraph 3.4(b)(vii)</p> <p>Reinstated:</p> <p><i>"Property entities may elect to adopt distribution per listed security as their relevant measure of financial results in terms of 3.4(b)(vi) provided that they:</i></p> <ul style="list-style-type: none"> <i>(a) follow the procedures set out in 3.4(b)(vi) for adopting a different relevant measure for financial results; and</i> <i>(b) issue a trading statement if the financial results for the period to be reported on will differ by at least 15% from the base information, as opposed to the 20% referred to in 3.4(b)(i). "</i> 	<p>The intention was to address under Section 13 – Property Entities but considering public comments we have opted to retain with trading statements.</p> <p>When electing to adopt distribution per share as the relevant measure for trading statements, properties entities must include changes (if any) to their payout ratios in their trading statement announcements. This provides investors with insights into changes in the operating environment versus policy decisions made by the board.</p>
7	<p>Cautionary Announcements - Exception</p> <p>Paragraph 3.10</p> <p>The exception through a JSE dispensation has been removed.</p>	<p>The ability afforded to the JSE to provide a dispensation on information to be announced may be in conflict with Section 81 of the Financial Markest Act.</p>

8	<p>Listing Conditions</p> <p>Consolidated listing conditions continuing obligations, under new heading dealing in the new Section 6 for free float and control.</p>	Dealing only with control and free float.
9	<p>Voting Rights</p> <p>Paragraph 3.28</p> <p>Inserted underlined text.</p> <p><i><u>“An issuer shall not issue any securities with voting rights differing from other securities of the same class, save for weighted voting shares in terms of Section 2. Where a company currently has listed low or high voting securities prior to the incorporation of weighted voting shares in the Requirements, the JSE will grant a listing of additional securities of that class</u></i></p>	<p>Recognising newly introduced weighted voting shares and historical high/low voting shares.</p> <p>Mirrored wording from paragraph 4.19.</p>
10	<p>Documents of title</p> <p>Temporary documents of title</p> <p>Receipts</p> <p>Paragraphs 3.53 – 3.58</p> <p>Removed</p> <p><i>“Temporary documents of title</i></p> <p>3.54 Issuers may introduce “temporary documents of title” in South Africa provided that they are in accordance with the terms prescribed by the transfer secretary.</p> <p>3.55 Issuers that have received such approval shall not place a time limit on the acceptance by them of any “temporary documents of title” for the purpose of issuing definitive securities certificates.</p> <p>3.56 Issuers that have received such approval shall:</p> <p>(a) cancel any securities certificates lodged with or being issued by them, and against which a “temporary document of title” has been issued, as soon as they are</p>	Regulatory relevance, as documents of title/share certificates are addressed under the Companies Act.

	<p><i>able to do so; and</i></p> <p><i>(b) issue definitive securities certificates within 21 days after presentation to them of any "temporary document of title" duly signed and completed by the transferee.</i></p> <p><i>3.57 No issuer may charge a fee for the registration and/or transfer of its securities in the Republic of South Africa.</i></p> <p>Receipts</p> <p><i>3.58 Only on request will receipts be issued for securities lodged with an issuer, whether for registration or otherwise."</i></p>	
11	<p>Directors</p> <p>Paragraph 3.59</p> <p>The obligation to inform the JSE of board and company secretary changes has been removed.</p>	Administratively burdensome as announcements to the market is sufficient and the JSE monitors SENS announcements.
12	<p>Directors' Declarations & Company Secretary Information</p> <p>Paragraph 3.60</p> <p>Sponsors responsibility removed, as covered under Section 2. Responsibility to complete Director's Declaration is placed on the director.</p> <p>Obligation imposed to announce the Director's Declaration information on appointment, save for personal information, qualifications and experience (the "integrity I information").</p> <p>The information to be announced will be limited to a period of five years before the date of appointment.</p>	<p>Directors are a regulated party as such the responsibility to complete the Director's Declaration must be placed on them, with the support and guidance from the sponsor.</p> <p>The information contained in the Director's Declaration must be included in the PLS and integrity information must be announced on an ongoing basis. It is prudent that newly appointed directors must announce integrity information as contained in the Director's Declaration.</p>
13	Dealings by associates of directors and investment managers	No regulatory relevance.

	<p>Paragraph 3.74</p> <p>The following text has been removed:</p> <p><i>“Issuers may impose more rigorous restrictions upon dealings by directors if they so wish or if it is appropriate in certain circumstances. “</i></p>	
14	<p>Companies listed on another exchange</p> <p>Removed</p> <p>Paragraph 3.81</p> <p><i>“An issuer whose securities are listed on any other exchange must ensure that equivalent information is made available at the same time to the market of each exchange on which the issuer’s securities are listed, unless prohibited by or in terms of the rules or requirements of any other stock exchange. Refer to paragraph 10 of Schedule 9 and Section 18.”</i></p>	Addressed under continuing obligations in Section 18 (duplication)
15	<p>Liquidation, business rescue proceedings</p> <p>Paragraph 3.85</p> <p>Removed</p> <p><i>(i) In the event of an applicant issuer being placed, or making application to be placed, into liquidation, whether voluntary or compulsory, provisional or final, the applicant issuer must immediately notify the JSE of this fact.</i></p> <p><i>(ii) In the event that the board of directors of the issuer adopts a resolution to place the issuer under business rescue proceedings, or application is made to a court to place the issuer under business rescue proceedings, in terms of Chapter 6 of the Act or the board of directors issues a notice in terms of Section 129(7) of the Act, the issuer must notify the JSE thereof on the date of the first signature of the board resolution, on the date of the service of the application, or on the date of issue of the Section 129(7) notice, as the case may be. Furthermore, in the event that the business rescue proceedings are terminated and the issuer does not proceed with liquidation proceedings and wishes to:</i></p>	Addressed in Section 1 (duplication).

	<p><i>(a) delist, the issuer will remain subject to the delisting procedures set out in Section 1 of the Listings Requirements; or</i></p> <p><i>(b) remain listed, the issuer must consult the JSE in order to discuss the suitability of the issuer for continued listing on the JSE.</i></p>	
16	<p>Demand to call a shareholders' meeting</p> <p>Paragraph 3.94(i)</p> <p>Removed discretion of the JSE, to provide an extension to call a meeting.</p>	<p>Demand to call a meeting is regulated by the Companies Act and the JSE should not have the ability to exercise a discretion of the timing to convene of the meeting.</p>
17	<p>Changes to the board and company secretary</p> <p>As mentioned in Section 5: Corporate Governance:</p> <p>In line with Principle 7, recommended practice 16 of the King Code, the JSE is proposing to introduce an obligation that a fit and proper assessment must be undertaken by the board on any candidate being recommended as a director for appointment/election (non-executive and executive directors).</p> <p>A positive confirmation will also need to be made in the notification of changes to the board in terms of Section 6: Continuing Obligations.</p>	<p>The integrity of the board remains paramount and for that reason the JSE is of the view that it would be prudent to make a fit and proper assessment mandatory.</p>
18	<p>Issues by subsidiaries other than on listing</p> <p>Paragraph 3.36</p> <p>The JSE imposed an obligation to discuss the categorisation in relation to subsidiary effecting an offer for subscription by way of a rights offer, with the JSE, taking into account various indicators.</p>	<p>The JSE recognises that there are various permutations in relation to the categorisation of a rights offer by a subsidiary (acquisition by the issuer whilst retaining its position in the subsidiary, in full or not, and the total effect of dilution). As such, the JSE must be consulted.</p> <p>Move to the new Section 8 (Transactions).</p>
19	<p>Appendix 1 to Section 11</p> <p>The intention was to make the appendix a schedule, but due to its relevance to continuing obligations it was opted to maintain as an appendix to Section 6.</p>	<p>Supports consolidated view of announcements, submissions to the JSE and publications.</p>

Guidance Letters:

- *Guidance letter on Cautionary Announcements, dated 23 October 2023 to be maintained.*
- *Guidance letter on Trading Statements to be removed, dated 19 April 2016 as brought into requirements. No longer relevant.*
- *Guidance letter on Trading Statements – Unknown Range dated 20 September 2018 to be maintained.*

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