

Amendments to the JSE Debt Listings Requirements (the “Debt Requirements”)

Sovereign Issuers

June 2022

Introduction of Sovereign Debt Issuers

Definitions

sovereign issuer	means the South African Government or a foreign government, including a government department, or special purpose vehicle of that government, acceptable to the JSE, as an applicant issuer;
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Section 3 – Conditions for Listing

Additional or Amended Conditions of Listing: Type of Debt Instrument/Issuer

- Sustainability Segment;
- Project Bonds;
- Structured Products;
 - o Index-Linked Notes;
 - o Asset-Backed Debt Securities; and

- Sovereign Issuer.

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Sovereign Issuer

3.27 A sovereign issuer, in its capacity as issuer or guarantor, is not required to comply with Section 5.

Section 4 – Listing Particulars

Additional or Amended Listing Particulars: Type of Debt Instrument/Issuer

- Sustainability Segment;
- Structured Products;
 - o Securitisations;
 - o Asset-Backed Debt Securities;
 - o Credit-Linked Notes;
 - o Index-Linked Notes;
- Project Bonds;
- Sovereign Issuer; and
- Secondary Registered Issuers.

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Sovereign Issuer

4.33 Material risk and the sensitivity of the issue of debt securities to such risk factors pursuant to paragraph 4.10(g) must be addressed in respect of country/government risk.

- 4.34 The placing document must make provision for modifications to the placing document, pricing supplement, the terms and conditions of the debt securities, the guarantee, security or credit enhancement agreement (where applicable), as per the provisions of paragraph 6.56.
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Section 5 – Financial Information

Additional or Amended Financial Information: Type of Debt Instrument/Issuer

- Project Bonds;
- Sovereign Issuer, State-Owned Entities; and Municipalities.

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Sovereign Issuer, State-Owned Entities and Municipalities

- 5.19 A sovereign issuer, in its capacities as issuer or guarantor, is not required to comply with Section 5.
- 5.20 With reference to paragraph 5.2, state-owned entities and municipalities that are subject to enabling legislation, may require adherence to other standards and this fact should be disclosed with the necessary details of those other standards.
- 5.21 With reference to paragraph 5.3(c), state-owned entities and municipalities that are audited by the Auditor General, are not required to comply with that paragraph.
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Section 6 – Continuing Obligations

Additional or Amended Continuing Obligations: Type of Debt Instrument

- Sustainability Segment;
- Structured Products:
 - o Asset-Backed Debt Securities;

- o Credit-Linked Notes;
 - Project Bonds;
 - Sovereign Issuer;
 - State-Owned Entities;
 - Municipalities; and
 - Secondary Registered Issuers.
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Sovereign Issuer

6.95 A sovereign issuer, in its capacity as an issuer of debt securities, is not required to comply with:

- (a) paragraphs 6.14, 6.15 and 6.17;
- (c) paragraphs 6.39 and 6.41 only in respect of directors and the company secretary; and
- (d) paragraphs 6.42-6.53.

Appendix 1 to Section 7

Applicable corporate governance provision pursuant to type of debt securities/issuer.

Keys:

Unless specifically categorised by type of debt securities/issuer through items 2-10 below, item 1 (Debt Securities) must be applied.

1	Debt Securities	DS
2	Securitisations	S
3	Asset-backed debt securities	ABS

4	Sustainability Segment	SS
5	Structured Products	SP
6	Projects Bonds	PB
7	Sovereign Issuer	SI
8	State-Owned Entities	SOE
9	Municipalities	MUN
10	Secondary Registered Issuers	SRI

	DS	S	ABS	SS	SP	PB	SI	SOE	MUN	SRI
7.1 King Code - Placing Document +	√	X	X	√	X	X	X	√	√	*
7.2 King Code - Financial Statements +	√	X	X	√	X	X	X	√	√	*
7.3(a) Audit Committee#	√	X	X	√	X	X	X	√	√	X
7.3(b) CV of Directors	√	X	X	√	X	√	X	√	√	X
7.3(c) Capacity of Directors	√	√	√	√	√	√	X	√	√	X
7.3(d) Financial Director ^	√	X	X	√	X	X	X	√	X	X
7.3(e) Audit Committee Functions	√	X	X	√	X	X	X	√	√	X
7.3(f) Evaluation of	√	X	X	√	X	X	X	√	√	X

Directors										
7.3(g) Debt Officer	√	X	X	√	X	X	X	√	√	√
7.4 Conflicts of Interests	√	X	X	√	X	X	X	√	√	X
7.7 Nomination of Directors	√	X	X	√	X	X	X	√	√	X
7.9 Domestic Prominent Influential Person	X	X	X	X	X	X	X	√	√	X
7.12 Procurement	X	X	X	X	X	X	X	√	√	X
7.15 Loans and Procurement – Related Parties	X	X	X	X	X	X	X	√	√	X

Section 8 – The Listing Process

Sovereign Issuers

Dispensation

8.9 The following dispensations are granted to a sovereign issuer, in its capacity as issuer and guarantor (where applicable), as regards documents to be submitted for formal submission:

- (a) paragraphs 8.3(b), (c), (d), (e), (f), (h), (i), (k), (n), (o) and (p).

8.10 The South African Government is further granted dispensation from compliance with paragraph 8.3(j)

Consequential Amendments

On the premise that sovereign issuers are not required to publish financial information, the following consequential amendments are also being proposed:

Section 4 – Listing Particulars

Asset-Backed Debt Securities

- 4.25 These paragraphs govern the disclosure requirements for issuers issuing asset-backed debt securities that do not fall within the definition of a securitisation.
- 4.26 The placing document or pricing supplement published in connection with the issue of debt securities in asset-backed debt securities must include the following additional information where applicable:
- (a) Applicant issuers must ensure that the website addresses where the financial information of the issuing entities of the underlying assets, excluding sovereign issuers, as referred to in paragraph 4.28(b)(ix), are included in the pricing supplement, offering circular or the report produced by issuers for its investors. If this information is included in the report produced by issuers for its investors, the pricing supplement or offering circular must include the URL address where the report produced by issuers for its investors will be available; and

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Credit-Linked Notes

- 4.30 The placing document or pricing supplement published in connection with the issue of debt securities as credit-linked notes must, over and above the general information required in this section, include the following additional information where applicable:
- (a) the name of the reference entity, reference index and/or the reference obligation;
 - (b) the characteristics and ISIN of the reference obligation, if applicable; and
 - (c) if the issuing entity of the reference obligation (or if there is no reference obligation, the reference entity):
 - (i) is listed on the Main Board or Interest Rate Market of the JSE, no additional information needs to be provided;
 - (ii) is not listed on the JSE but is guaranteed, a statement that the financial information of the guarantor will be available on the guarantor's website and the website address must be included; or

- (iii) does not fall within (i) or (ii) above, a statement that the financial information of the issuing entity, excluding sovereign issuers, of the reference obligation (or if there is no reference obligation the reference entity, excluding sovereign issuers) will be available on the issuing entity's or reference entity's website and the website address must be included. The financial information must be available within six months of the financial year-end of the underlying entity;