

**JSE Consultation Paper
May 2022
Comments Schedule**



let's connect



Name: [.....]

Organisation: [.....]

Date: [.....] 2022

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I/We agree to the statement above:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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(Please tick the appropriate box before submission)

For information or questions contact:

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	Request for Guidance & Proposals	Comments
1	<p>Request for Guidance 1: Auditor Accreditation Model</p> <p>Considering the Financial Reporting Improvements and the JSE's involvement in various initiatives that enhance financial reporting, is there support for removal for the removal of the Auditor Accreditation Model?</p> <p>If supported, are there any suggestions on measures that can be placed on issuers and the audit committee to promote a higher confidence in the financial reporting process?</p>	
2	<p>Request for Guidance 2: International Exchanges</p> <p>Given the present list of twelve recognised foreign exchanges above, are there any recommendations as to which other international exchanges the JSE should target in order to make its secondary listings offering more appealing and accessible?</p> <p>Considering the concerns raised on the attractiveness of the JSE's secondary listings offering, is there support to reconsider the delisting regime for secondary listed companies?</p>	
3	<p>Proposal for Consideration 1: Market Segmentation</p> <p>Considering the recent spate of delistings, the steady decline in the number of listed companies over the last 15 years and calls for the JSE to cut red tape, is there appetite in the market to consider the above market segmentation to provide the necessary regulatory relief for mid/low cap and growth companies?</p> <p>Are there any other thoughts you may wish to share with the JSE on how to better position the proposed market segmentation?</p>	

4	<p>Proposal for Consideration 2: Dual Class Share Structures</p> <p>There appears to be a general acceptance globally for the listing of DCS structures, provided there are suitable safeguards in place to promote corporate governance. In order for the JSE to remain competitive and relevant, the question is whether there is investment appetite for companies with DCS structures to list on the JSE, provided due safeguards to enhance governance are in place similar to those imposed by the SGX and LSE?</p>	
5	<p>Proposal for Consideration 3: Free Float & New Listings</p> <p>Considering the developments in the UK and EU on the reassessment of free float, the questions the JSE poses are the following:</p> <ul style="list-style-type: none"> • Is free float a good measure to ensure liquidity? • Could a minimum free float requirement be a barrier to listing? • Is the recommended threshold for a Main Board listing set at 20% appropriate? 	
6	<p>Proposal for Consideration 4: Free Float Assessment</p> <p>Considering the liquidity fund managers/ institutional investors offer, should holdings of 10% or more in an applicant issuer on listing qualify for free float, provided the funds used to acquire the interest in the applicant issuer represents those of underlying clients/policyholders and not that of the institutional investor itself and/or its shareholders?</p>	
7	<p>Proposal for Consideration 5: Depositary Receipts & Africa</p> <p>Considering the growth potential in the wider Africa region and the nature of a DR, is there support for the proposal to afford investors access to Africa listings and beyond through DRs on the JSE?</p>	

8	<p>Proposal for Consideration 6: JSE Technology Board</p> <p>There are many high-tech and innovation companies incorporating DCS structures globally. Often companies in the technology sector are considered to be high growth companies. As a result, the JSE seeks to establish a Technology Board with clearly identified regulatory flexibilities to guarantee that it caters to their unique nature.</p> <p>Recognising that South Africa may not be the leader or even well known for fintech start-ups, a platform to enhance and support fintech innovation may be worth considering given the success of such platforms in other markets. Depending on the acceptability of DCS structures for the South African financial markets as proposed above, international fintech companies may consider the JSE as a secondary listings destination of choice to raise capital.</p> <p>The JSE is posing the question: Is there investment appetite for a Technology Board on the exchange, with more regulation flexibilities in order to promote growth?</p>	
9	<p>Proposal for Consideration 7: Simplification Project</p> <p>Is there a demand from market participants for the JSE to commence with a project to rewrite and repackage the Listings Requirements in their entirety? The aim is to simplify the application and significantly reduce the volume of the Listings Requirements.</p>	
10	<p>Any other Proposals or Comments?</p>	