
BOARD NOTICE 649 OF 2024**FINANCIAL SECTOR CONDUCT AUTHORITY****FINANCIAL MARKETS ACT, 2012****APPROVED AMENDMENTS TO THE JSE LISTING REQUIREMENTS: MARKET SEGMENTATION PROJECT**

The Financial Sector Conduct Authority ("FSCA") hereby gives notice under section 11(6)(d)(ii) of the Financial Markets Act, 2012 (Act No. 19 of 2012) that the amendments to the JSE Listing Requirements have been approved. Please be advised that the Listing Requirements have been published on the website of the FSCA (www.fsca.co.za) and the website of JSE Limited (www.jse.co.za).

The amendments come into operation 30 days from the date of publication.



Mr Olano Makhubela
Divisional Executive
Market Integrity and Decision Sciences Division
Financial Sector Conduct Authority

Section 4

Conditions for Listing

Scope of section

This section sets out the conditions for listing. The main headings of this section are:

- 4.1 Introduction
- 4.6 Conditions applicable to all markets
- 4.25 Public shareholders
- 4.28 Main Board listing criteria
- 4.29 The Venture Capital Market ("VCM")
- 4.30 The Development Capital Market ("DCM")
- 4.31 African Classification
- 4.32 BEE Segment
- 4.32A BEE Contract
- 4.32B Verification Agent
- 4.33 Special Purpose Acquisition Company
- 4.34 SPAC admission criteria
- 4.35 Acquisition of Viable Assets
- 4.36 Capital
- 4.37 Failure to acquire Viable Assets
- 4.38 Memorandum of Incorporation
- 4.39 Continuing obligations
- 4.40 Post acquisition of Viable Assets
- 4.50 Market Segmentation

Additional and alternative requirements relating to conditions for listing are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities), respectively.

Definitions

Main Board	all securities listed on the Main Board of the List, classified as either in the prime or general segment;
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Market Segmentation

General

- 4.50 The Main Board is segmented through the classification of Main Board primary issuers in either the prime or general segment.
- 4.51 The general segment affords issuers with a Main Board primary listing with different application of certain provisions of the Requirements.
- 4.52 The default position for all Main Board issuers is classification in the prime segment. Only issuers not included in the FTSE/JSE All Share Index are eligible for inclusion in the general segment.

General segment classification: new listing

- 4.53 An applicant issuer may apply for a listing on the general segment.
- 4.54 The JSE will, in its discretion, and in consultation with the JSE Indices Department, determine the likelihood of the applicant being included in FTSE/JSE All Share Index in the near future. The determination will be based on various indicators, such as expected market capitalisation, including any published market capitalisation on a licensed exchange, free float, expected split of shares on the domestic share register and the FTSE/JSE All Share Index exclusion rules.

General segment classification: existing issuers

- 4.55 An application for inclusion in the general segment must be approved by the JSE.
- 4.56 Once approved, an issuer will be included in the general segment from the date of approval of the application.
- 4.57 The issuer must release an announcement once classified to the general segment, which must include the following:
- (a) the effective date; and
 - (b) a summary of the market segmentation applications in terms of 4.62.

Reclassification

- 4.58 An issuer in the general segment may at any time, on application to the JSE, seek re-classification to the prime segment. The proposed effective date of re-classification must be included in the application.
- 4.59 If an issuer in the general segment is included in the FTSE/JSE All Share Index for a period of twelve months in accordance with the FTSE/JSE All Share Index bi-annual reviews, such issuer will no longer be eligible for the general segment. The JSE will reclassify the issuer to the prime segment with a specified effective date, subject to a six month notice period. An issuer may request an earlier effective date.
- 4.60 The issuer must release an announcement once reclassified, including the effective date. The provisions in 4.62 cease to apply on the effective date of reclassification to the prime segment.
- 4.61 An issuer will only be eligible to reapply for the general segment, once it falls outside of the FTSE/JSE All Share Index for a period of at least 12 months in accordance with the FTSE/JSE All Share Index bi-annual reviews.

General Segment

- 4.62 Subject to the MOI of an applicant issuer and the Companies Act, the following provisions apply to the general segment:
- (a) 3.15: The obligations to release a results announcement dealing with condensed financial statements or annual financial statements/summary financial statements within three months do not apply;
 - (b) 5.51(f), 5.53(b), 5.69(e)(ii), 10.4(f) and 10.7: No fairness opinion is required provided the related party corporate action agreement must be open for inspection for a period of 14 days and the corporate action must be accompanied by a statement by the independent members of the board dealing with:
 - (i) the corporate governance processes that were followed to approve the corporate action;
 - (ii) if applicable, that the related party and associates will be excluded from voting; and
 - (iii) whether the related party corporate action was concluded on an arm's length basis (including key assumptions, factors taken into account in reaching the conclusion) and is fair to shareholders;
 - (c) 5.52(c)(iii) and (e): A general authority to issue shares for cash does not require shareholders' approval, provided it does not exceed 10% of the issuer's issued share capital, as at the date of each annual general meeting.

The following provisions apply to this authority:

- (i) the validity of any existing general authority provided under

- the prime segment must be extinguished before this provision can be applied; and
- (ii) the issuer must disclose in each notice of annual general meeting:
 - (aa) the nature and extent of the rolling general authority; and
 - (bb) the number of shares issued under this authority during the previous 12 months, if applicable;
 - (d) 5.67(C)(a) and 5.69: In respect of a specific authority to repurchase securities from parties other than related parties, no shareholders' approval in terms of 5.69(b) is required provided it does not exceed 20% of the issuer's share capital in any one financial year;
 - (e) 5.67(C)(b) and 5.72: In respect of a general authority to repurchase securities, no shareholders' approval in terms of 5.72(c) is required. The validity of any existing authority provided under the prime segment must be extinguished before this provision can be applied;
 - (f) 6.19(h): A pre-listing statement is only triggered for share issuances exceeding 100% over a three-month period;
 - (g) 8.4: Two years historical financial information is required for the subject of a category 1 transaction;
 - (h) 8.15: The preparation of pro forma financial information is not required for transactions and corporate actions, but rather a detailed narrative must be provided on the impact of the transaction/corporate action on the financial statements, which must at least include:
 - (i) an explanation of how the transaction/corporate action will be treated from an IFRS perspective;
 - (ii) impact on debt and cash levels; and
 - (iii) anticipated changes to number of shares in issue.
 - (i) Section 9: In respect of 9.20 and 9.21 shareholders' approval and a circular are not required for transactions by a subsidiary that is listed on the of the JSE;
 - (j) 9.5(b): The category 1 percentage ratio is 50% or more, which increases the category 2 threshold accordingly;
 - (k) Definitions: The material shareholder definition percentage ratio is 20%;
 - (l) 10.7: The small-related party transaction percentage ratio is less than or equal to 10%, but exceeds 3%; and
 - (m) 8.2(f): In relation to a new listing, an applicant issuer is not required to prepare and disclose historical financial information of any category 1 acquisition or disposal effected in the current or preceding financial year.

The provisions above have the specified different application to the general segment as stated and the remainder of the provisions of the paragraph/section continue to apply.