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**WEBINAR:  
The Impact of COVID-19 on the  
JSE Listings Requirements**

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22 APRIL 2020

	<u>2020</u>
1. Impact on shareholder meetings	19 Mar
2. Impact on transitional provisions	25 Mar
3. Financial reporting	25 Mar / 3 Apr
4. Impact on REITS	25 Mar
5. Dividends	30 Mar / 2 Apr / 21 Apr
6. Disclosure of share repurchases	14 Apr
7. Reminder: Capital raising measures & other	17 Apr

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Impact on JSE Listing Requirements	10 Mar
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Foreign stock exchanges	26 Mar
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- Section 63(2) of the Companies Act allows for meetings by **electronic communication** provided:
  - Issuer's **MOI does not prohibit** it
  - The electronic communication enables all persons participating to **communicate concurrently** with each other without an intermediary and to participate in an **effective manner**

*Other considerations:*

- Lodging of proxies
- Electronic voting
- Impact on notice periods

## Listings Amendments effective : 2 December 2019

Due to COVID-19, **new transitional provisions** for reporting in the Annual Report (AR) and AFS:

	Item	Current transitional provisions	New transitional provisions
1	<b>Public Shareholders:</b> Disclosure of securities held by public	Y/E 28 Feb 2020 or later	Y/E 31 Dec 2020 or later
2	<b>Compliance with applicable laws:</b> Companies Act, MOI & Material Risks	Y/E 28 Feb 2020 or later	No change
3	<b>Dealings in securities:</b> Disclosure of “pledge” transactions	Y/E 28 Feb 2020 or later	No change
4	<b>Board Diversity:</b> Wider diversity policy	Y/E 28 Feb 2020 or later	Y/E 31 Dec 2020 or later
5	<b>Audit Committee:</b> Consideration of group regarding reporting procedures	Y/E 28 Feb 2020 or later	Y/E 31 Dec 2020 or later
6	<b>CEO and FD confirmation:</b> AFS sign off provisions	Y/E 30 Jun 2020 or later	Y/E 31 Dec 2020 or later

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- **Financial Reporting Obligations / *Reporting Variations***

Issuers must engage with the JSE where financial reporting & audit processes are impacted and financial reporting obligations may not be met iro:

- |      |   |                             |
|------|---|-----------------------------|
| i.   | timing of publication of interim, preliminary, provisional, AFS & AGM notices;<br><b>Reporting Variations: <i>extensions / minimum content &amp; disclosure</i></b> | 3.15, 3.16(a),<br>3.19-3.22 |
| ii.  | completeness of interim, prelim, provisional & annual financial information;<br><b>Reporting Variations: <i>minimum content &amp; disclosure</i></b>                | 8.57-8.61                   |
| iii. | the completeness of the AFS;<br><b>Reporting Variations: <i>minimum content &amp; disclosure</i></b>  | 8.62-8.63                   |
| iv.  | independent auditor assurance reports on the aforementioned information.<br><b>Reporting Variations: <i>timing &amp; nature of the assurance report</i></b>         | 3.18 &<br>8.62(c)           |

Issuers who have a policy of publishing quarterly results but are no longer able to do so, must give due consideration to the Trading Statements obligations of paragraph 3.4(b)(i)-(viii).

3.4(b)(i)-(viii)  
read with  
3.4(ix)

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- **Price Sensitive Information and Trading Statements**

Issuers must ensure compliance with the general disclosure obligations pursuant to Price Sensitive Information and Trading Statements.

3.4(a) &(b)

Where Reporting Variation is required, Issuers should:

- consider providing more detail in their Trading Statements; and
- consider the publication of a Trading Statement where the differences are <20%, but viewed as sufficiently important to be made the subject of a Trading Statement.

3.4(b)(i)

- **Disclosure of Reporting Variation**

Should the JSE agree to an Issuer's request, a SENS announcement containing the following minimum information is required to be published:

- the nature of the Reporting Variation, stating the matter & variation granted;
- a summary of the reasons provided to the JSE underpinning the request; and
- the expected timing of normalisation of reporting obligations.



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- **Extension of Financial Reporting**

Following the JSE's request, the FSCA issued a market notice confirming an extension of two months iro certain reporting timeframes for Issuers with year ends of 31 December 2019, 31 January 2020, 29 February & 31 March 2020:

- publication of provisional annual financial statements **3.16**
- distribution of AGM notices and AFS **3.19**
- publication of AFS on website **19.20**

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- **Loss of REIT status due to inability to comply with LRs:**
  - JSE in active discussions with **SA REIT Association:**
    - iro possible solutions / recommendations; and
    - to determine role it can play ito the LRs.
- If impact of COVID-19 affects Issuer's ability to comply with **section 13 of LRs** and its **REIT status:**
  - Immediately engage with JSE
  - Contact Sponsor in order to compile a ruling request and submit via WEBSTIR

13.49

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Corporate  
Actions  
timetable

- **Letter of 30 Mar 2020:**
  - Issuers can only cancel dividends **prior to the FD** (D - 8).
  - Postponements or changes in value made **between FD and LDT** (D - 3) result in cancellation of corporate action timetable - start timetable afresh.
    - Release announcement stating reasons for variation and new timetable.
- **Letter of 2 Apr 2020:**
  - The minimum statutory provisions of the **Companies Act must be complied with** at all times (ie Section 46(2)).

- **Letter of 21 Apr 2020:**
  - If an issuer cancels, postpones, or amends the payment of an existing declared dividend, it **must publish an announcement** recording the basis for this decision and include:
    - the **supervening circumstances** and/or **reasons** supporting issuer's view that it is **released from its legal obligation** to pay the dividend on the date that it was due and payable.
  - Issuers that have **already published** a cancellation, postponement or amendment of a declared dividend must consider whether a further announcement is required or justified to explain the basis for the decision.

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- **Repurchase of shares** by an Issuer or the purchase of shares by a subsidiary in the Issuer requires:
  - disclosure in the AR as a continuing obligation; 8.63(o)
  - immediate disclosure on SENS upon agreement of terms of Specific Repurchase; 11.25
  - disclosure on SENS only upon relevant threshold level being achieved iro General Repurchases ie. for every cumulative 3% repurchased 11.27

However,

- if the use of cash for repurchases could have a material effect on the price of an Issuer's securities, Issuers must publish without delay, details of the repurchase on SENS as provided for in paragraph 3.4(a) of the LRs, including: (i) date(s) of repurchases; (ii) highest & lowest prices; (iii) number & value of securities repurchased.

3.4(a), read  
with  
Practice  
Note 2/2015

- **Severe financial difficulty**
  - If issuer can demonstrate **severe financial difficulty** and **satisfies Schedule 11** conditions – JSE may modify requirements regarding:
    - Preparation of circular; and
    - Obtaining shareholder approval
- **Expedited review – Rights Offer circulars**
  - 1st submission: 48 hrs
  - 2nd submission: 48 hrs
  - formal approval: 24 hrs
  - subject to JSE capacity
- **Other capital raising circulars**
  - JSE will consider expediting on case by case basis

Schedule 11

9.20 - 9.29 &  
5.51 - 5.53

- **Documents available for inspection**

7.G

- Provided formal approval is granted during the lockdown period, documents must be made available for inspection on the website and not at the registered office.





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