

Enforcement Bulletin

Issued by the Issuer Regulation Division

For the period 1 January 2025 to 31 December 2025

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1. EXECUTIVE SUMMARY

This Enforcement Bulletin provides an overview of the work of the Investigations Unit, part of the Issuer Regulation Division of the JSE, during the 2025 financial year and highlights key enforcement outcomes, recurring non-compliance themes and observations arising from concluded investigations.

While public censures and fines represent the most visible aspect of enforcement, they account for only a portion of the matters investigated by the JSE. Many issues are resolved through regulatory engagement, guidance, private or suspended censures, and remedial action taken by issuers, sponsors and advisers. This Bulletin reflects insights drawn from concluded investigations to illustrate how the Listings Requirements are applied in practice.

The enforcement matters and themes outlined in this Bulletin reflect areas where compliance processes and controls can be further strengthened, particularly in relation to directors' dealings, the timing and clarity of announcements, sponsor engagement and the application of key disclosure obligations. In many cases, the issues identified arose from process gaps, misinterpretation of requirements or delayed internal involvement or escalation to sponsors, rather than from complex or novel regulatory questions.

These observations focus on specific, thematic risk areas and identified opportunities where enhanced internal controls and earlier and proactive engagement with sponsors and the JSE can strengthen compliance outcomes and reduce the likelihood of non-compliance.

In response, the Bulletin highlights practical enforcement insights and examples of existing practices drawn from actual investigations. These are intended to assist boards, management, sponsors and advisers in strengthening compliance frameworks, improving decision making and reducing regulatory risk.

The Bulletin further supports informed and constructive engagement on the Listings Requirements, encourages timely interaction with the JSE where uncertainty arises, and reinforces the value of disciplined continuing obligation and disclosure practices and sound governance in maintaining a fair, orderly and transparent market.

2. INTRODUCTION

2.1 Why we are engaging the market

The Investigations Unit of the Issuer Regulation Division occupies a unique and often largely unseen role within the regulatory framework. The Issuer Regulation Division is the custodian of the JSE Listings Requirements and the JSE Debt & Specialist Securities Listings Requirements (collectively hereinafter referred to as “**the Listings Requirements**”) responsible for the interpretation, application and enforcement of the Listings Requirements. The Investigations Unit investigates potential breaches of the Listings Requirements, engages with market participants, and concludes matters through a range of enforcement outcomes. A substantial portion of enforcement occurs outside the public domain.

The market is typically aware only of the visible outcomes of enforcement which include public censures, fines and penalties published on the Stock Exchange News Service (“**SENS**”). These enforcement measures represent only a small portion of the regulatory responsibilities undertaken by the Investigations Unit. Various matters are resolved through private censures, suspended censures, cautionary correspondence, regulatory guidance, referrals to other regulators, or findings that inform our ongoing supervisory engagement. While appropriate in the circumstances, these outcomes are not visible in the public domain and the investigation themes observed by the JSE tend to remain internal. While these internal outcomes are appropriate to the specific facts and circumstances of each matter, their limited visibility means that the broader lessons are not shared with the market. Importantly, a significant number of matters are resolved through early engagement, corrective action and improved compliance, without the need for formal sanction.

This Bulletin therefore seeks to address that gap by providing greater transparency into the scope and nature of the Investigations Unit’s responsibilities, including the themes, trends, and enforcement outcomes arising from concluded investigations, beyond those matters that result in public enforcement action. The objective of this Bulletin is not only to report on enforcement outcomes, but to raise positive awareness of recurring non-compliance, improve understanding of the Listings Requirements, and assist issuers and their advisers in strengthening internal controls and governance practices. By highlighting common pitfalls and regulatory expectations, the Bulletin is intended to promote proactive compliance and reduce the risk of future non-compliance.

This Bulletin should be read in conjunction with [**The Issuer Regulation Guide April 2021.pdf**](#) as well as previous enforcement publications and censures imposed by the JSE, which are published on the JSE's website and available at the following link: [**Issuer Regulation - Investigations and Enforcement | JSE Client Portal**](#).

The Bulletin will be issued annually and forms part of the JSE's ongoing efforts to promote transparency, strengthen market integrity, and assist issuers, their directors and officers, sponsors, and advisers in understanding how the Listings Requirements are applied in practice, from an enforcement perspective.

2.2 Who will benefit from this Bulletin

The Investigations Unit encourages this Bulletin to be tabled with boards and relevant board sub-committees, in particular Risk and Governance Committees, given their oversight responsibilities in relation to disclosure, compliance and regulatory risk.

The Bulletin will also benefit listed companies, issuers whose instruments are listed on the JSE and individuals responsible for governance and compliance within the listed environment and who engage with the Listings Requirements and interact with the JSE regularly, including:

- ❖ Directors and officers of issuers;
- ❖ Members of board sub-committees, in particular risk and governance sub-committees;
- ❖ Company secretaries;
- ❖ Individual's responsible for compliance with the Listings Requirements; and
- ❖ Representatives of sponsors.

In addition to summarising enforcement outcomes and areas of non-compliance, this Bulletin draws out practical lessons from concluded investigations. Where issues arise repeatedly, key insights and examples of good practice are identified to assist the above interested parties in avoiding similar breaches. These insights are based on actual matters encountered by the JSE and reflect the governance, disclosure and oversight measures that would, in many cases, have prevented the contraventions described.

3. ENFORCEMENT

3.1 Overview of the period

During the period under review from 1 January 2025 to 31 December 2025, the Investigations Unit dealt with 150 investigations in total. This comprised of 43 investigations carried over from the previous year, and 107 new investigations initiated in 2025. Over the course of the year, 106 investigations were completed. As at 31 December 2025, 44 investigations remained ongoing. In addition, 19 matters were assessed at a pre-investigation stage during the period. Following initial assessment, these matters did not result in logged or formal investigations.

In several matters concluded during the period under review, regulated parties acknowledged compliance shortcomings, engaged constructively with the JSE, and implemented remedial measures to strengthen governance, disclosure controls and internal escalation processes. These steps included enhanced board oversight, revised internal procedures, targeted training and more robust engagement with sponsors and advisers.

While such positive actions do not negate contraventions of the Listings Requirements where they have occurred, they are relevant to the assessment of enforcement outcomes and reflect the importance of early accountability, corrective action and sustained compliance.

3.2 A snapshot of enforcement outcomes

During the period under review, the Investigations Unit concluded several matters resulting in a range of enforcement outcomes including public censures, private censures, suspended censures, financial penalties, regulatory referrals and disqualification of directors/officers.

Each matter referred to in this document has been considered by the JSE on its own facts and merits, having regard to the specific circumstances applicable to the case. The outcomes, sanctions, or regulatory guidance reflected herein do not constitute precedent, nor should they be relied upon to justify, anticipate, mitigate, or argue for the imposition or outcome of any future enforcement action. Any future matter will be assessed independently, and the JSE retains full discretion to determine the appropriate regulatory response based on the facts, seriousness, and impact of the conduct concerned, and in accordance with the Listings Requirements.

3.2.1 Public censures

During the period under review, the JSE imposed public censures in several matters where conduct was found to be inconsistent with the Listings Requirements. Public censures are imposed where transparency and deterrence are necessary to address serious non-compliance. They serve to publicly record the breach, publicly censure the relevant party for the conduct concerned, signal the importance of compliance with the Listings Requirements, and promote market integrity by informing investors and stakeholders of the JSE's enforcement actions. In this way, public censures support credible enforcement, accountability, and confidence in the regulatory framework. A record of public censures imposed by the JSE can be accessed at the following link: [**Issuer Regulation - Investigations and Enforcement | JSE Client Portal**](#).

(a) *Late disclosure of a material settlement agreement*

A public censure was imposed against a listed issuer for the late disclosure of the material terms of a settlement agreement concluded with shareholders. Although the issuer announced the withdrawal of its cautionary following the conclusion of the settlement, it failed to disclose the substantive terms of the agreement at that time.

The settlement agreement included, among other matters, a specific repurchase of shares and the introduction of minority shareholder protections, which constituted material information requiring immediate disclosure in terms of the Listings Requirements. Full disclosure was only made approximately two months later, following continued engagement with the JSE. The JSE found that the delay deprived shareholders of access to important information and undermined market integrity. A public censure and a fine of R500 000 (five hundred thousand rand), wholly suspended for a period of five (5) years subject to compliance with the Listings Requirements, were imposed.

Key insight: Issuers must assess disclosure obligations based on the material substance of an agreement, not only the type and form of the announcement. Where an agreement gives rise to material consequences, the full material terms must be disclosed immediately upon conclusion. Withdrawing a cautionary announcement does not satisfy disclosure requirements if material information remains undisclosed, and partial or delayed disclosure undermines market transparency.

(b) *Implementation of a Category 1 transaction without shareholder approval*

A public censure and fine were imposed against a listed issuer for implementing a Category 1 transaction without first obtaining shareholder approval, as required under the Listings Requirements. The transaction involved the disposal of a substantial interest in a subsidiary and represented a significant proportion of the Company's market capitalisation.

Despite having undertaken to distribute a circular and seek shareholder approval, the transaction was partially implemented prior to compliance with these requirements. The JSE found this conduct to be unacceptable, as it deprived shareholders of the opportunity to consider and vote on a transaction with a material impact on their interests. A public censure and a fine of R5 000 000 (five million rand) were imposed.

Key insight: Issuers must not implement, whether in whole or in part, a Category 1 transaction without first complying with the shareholder approval requirements in the Listings Requirements. Undertakings to seek shareholder approval do not permit the early execution of a transaction. Any implementation prior to shareholder approval undermines shareholder rights and the integrity of the approval process. Category 1 transactions must be presented to shareholders in advance and in full, to enable their informed consideration and voting.

(c) *Misrepresentation of a director's qualifications*

A public censure was imposed against a former independent non-executive director of a listed issuer, for falsely representing a particular qualification. The inaccurate information was disclosed to the market through SENS announcements and published reports.

Following an extensive investigation, the director admitted that the particular qualification was not held. The JSE found that the misrepresentation constituted a serious breach of the Listings Requirements and fundamental principles of integrity, transparency and corporate governance. A public censure, a fine of R500 000 (five hundred thousand rand), and disqualification from holding office as a director or officer of a JSE listed company for a period of ten (10) years were imposed.

Key insight: Directors are held to the highest standards of honesty and integrity. Any misrepresentation of qualifications, experience or credentials is regarded as serious misconduct and a material breach of the Listings Requirements. Such conduct fundamentally undermines market confidence and corporate governance standards.

3.2.2 Suspended censures

During the period under review, the JSE imposed several censures that were wholly suspended and not made public, subject to compliance with the Listings Requirements during the applicable suspension periods. These matters involved breaches of continuing obligations, primarily relating to disclosure standards and the performance of key gatekeeping roles.

Suspended censures are used to reinforce compliance by making the enforcement of the sanction conditional on improved conduct. They are intended to prompt corrective action and sustained adherence to the Listings Requirements, while preserving the JSE's ability to activate a public censure and/or a fine if further non-compliance occurs during the period of suspension. In this way, suspended censures support proportionate and credible enforcement and ongoing supervisory oversight.

(a) ***Failure by sponsors to exercise due care and independence***

Suspended public censures were imposed on two sponsors for failures in the discharge of their obligations under the Listings Requirements, arising from their involvement in the publication of a withdrawal of cautionary announcement by an issuer. In these matters, the sponsors were found not to have exercised the requisite degree of due care, skill, and professional scepticism, including in relation to ensuring that disclosures were complete, accurate, and compliant. The JSE determined that the sponsors' conduct fell short of the standards required to safeguard market integrity and investor confidence. In each case, a public censure and a fine of R100 000 (one hundred thousand rand) were imposed, both of which were wholly suspended for a period of five (5) years, subject to the condition that no similar breach occurs during the suspension period.

Key insight: Sponsors are required to exercise independent, critical judgement and ongoing professional scepticism in all aspects of their advisory role. Regardless of the nature of the transaction or disclosure,

sponsors must, at all times, actively interrogate information provided by issuers, ensure that disclosures are complete, accurate, and fully compliant with the Listings Requirements.

(b) *Late disclosure of the resignation of external auditors*

A suspended public censure was imposed on an issuer for failing to timeously inform the JSE and the market of the resignation of its external auditors, as required under the Listings Requirements. The resignation was only announced several business days after it had occurred, resulting in delayed disclosure of information that is relevant to shareholders and the market. The JSE found that the issuer did not comply with its continuing obligations to provide prompt notification of changes affecting its auditors. Considering mitigating factors presented by the issuer, the JSE imposed a public censure wholly suspended for a period of three (3) years, subject to the issuer not being found in breach of similar provisions during the suspension period.

Key insight: Issuers have a strict and ongoing obligation to disclose material developments promptly. Changes affecting an issuer's external auditors are inherently significant to shareholders and the market, and delays in disclosure undermine transparency and informed decision-making. Issuers must ensure that they have effective internal processes to enable immediate identification and timely reporting of such events to their sponsors, the JSE and the market.

3.2.3 Private censures

During the period under review, certain matters were resolved through the imposition of private censures. These matters involved breaches of the Listings Requirements which, having regard to their specific facts and circumstances, were not considered to warrant public sanction. The decision to impose a private censure in these instances was informed by factors such as the nature and extent of the breach, the absence of material market prejudice, remedial action taken, and the overall conduct of the relevant parties.

Private censures should not be regarded as indicative of how similar matters will necessarily be addressed in future. Each matter is assessed on its own merits and conduct of a comparable nature may result in public enforcement action where the circumstances so warrant.

The use of private censures in appropriate cases forms part of a proportionate and risk-based enforcement approach, while reinforcing the expectation of full compliance with the Listings Requirements. The following non-exhaustive types of issues were addressed through private censures during the period:

- Late disclosure by a secondary-listed issuer, where an announcement was published on the issuer’s primary exchange but not simultaneously released on SENS.
- Failures by sponsors to properly guide and advise issuers on the application of the Listings Requirements, resulting in the publication of non-compliant SENS announcements.
- Director dealings involving the pledging of shares as security through related corporate vehicles, where clearance to deal was not obtained and disclosure was only made after a substantial period had elapsed following the transactions.
- Late disclosure of amendments to internal policies by an interest rate issuer, where announcements were delayed pending the conclusion of internal governance and approval processes.
- Deficiencies in director appointment processes resulting in inaccurate disclosures to the market.
- Late disclosure of dealings by directors and prescribed officers, including delayed announcements relating to acceptances of awards under share incentive and bonus schemes and subsequent disposals of vested shares to settle tax obligations.
- Late disclosure of dealings by prescribed officers, including circumstances where the individual ceased to be a prescribed officer shortly after the transaction.
- Delayed announcement of a Category 2 disposal transaction, where disclosure was incorrectly deferred pending bondholder consent that was procedural in nature and not a substantive condition to the transaction.
- Sponsor conduct failures, including instances where sponsors did not adequately review transaction documentation or failed to exercise due care and skill when approving non-compliant SENS announcements relating to share repurchases.
- Late disclosure of dealings during a closed period by a prescribed officer, where clearance was not obtained and which involved a negligible number of securities.

Key insight: The matters resolved through private censures illustrate that compliance failures often arise from routine processes rather than complex transactions. Delays, inaccuracies, or procedural oversights, whether in disclosures, director dealings, sponsor reviews, or approval processes, can cumulatively erode market integrity. Issuers are reminded that compliance with the Listings Requirements must be embedded

into day-to-day operations and decision-making. Internal processes, timing challenges or judgements about materiality do not remove the responsibility to make timely and accurate disclosures.

3.2.4 Referral to other regulators

During the period under review, the Investigations Unit referred certain matters to other regulatory authorities where issues identified during the investigations either fell outside the JSE's enforcement mandate or overlapped with the regulatory mandates of other authorities, and therefore required consideration under separate legislative frameworks. These referrals were made for the independent consideration of the following relevant regulators:

- The Financial Sector Conduct Authority (FSCA) in relation to potential contraventions of the Financial Markets Act, including concerns relating to misleading disclosures, possible insider trading, and the dissemination of price sensitive information.
- The Independent Regulatory Board for Auditors (IRBA) where matters raised questions regarding the appropriateness of audit opinions and compliance with applicable auditing and financial reporting standards.
- The Companies and Intellectual Property Commission (CIPC) where complaints involved alleged non-compliance with the Companies Act arising from court proceedings or governance-related findings.
- The Takeover Regulation Panel (TRP) where matters related to affected transactions, including the exercise of appraisal rights under section 164 of the Companies Act.

These referrals form part of a coordinated regulatory approach and do not imply findings or outcomes by the receiving authorities.

4. THEMATIC INSTANCES OF NON-COMPLIANCE DURING THE PERIOD UNDER REVIEW

The matters outlined below are drawn from investigations concluded during the period under review. For each theme identified, this Bulletin highlights key insights intended to assist interested parties in identifying practical steps to prevent similar contraventions. These themes are not exhaustive but reflect the control failures most frequently observed in concluded investigations.

4.1 Directors' dealings

Contraventions of the directors' dealings provisions of the Listings Requirements take various forms, including:

- late announcement of dealings, in some cases delayed by several months or years;
- directors and prescribed officers failing to obtain the required clearance prior to dealing;
- lack of awareness of closed or prohibited periods;
- prescribed officers not appreciating that they fall within the scope of the dealings provisions;
- reliance on historic or previously granted clearance for subsequent dealings;
- inadequate understanding of the disclosure obligations relating to share awards, vesting and disposals under share incentive scheme plans; and
- failure by directors to advise associates and investment managers of their obligations to notify the director of dealings and, where required, obtain pre-clearance.

Key insight: Compliance failures in this area are rarely the result of a single omission. They typically reflect insufficient governance frameworks around director and senior executive share dealings. Clearance to deal is transaction specific, time sensitive, and must be actively managed. Issuers are required to ensure that all directors, prescribed officers, company secretaries, and relevant individuals (current and newly appointed), receive appropriate training, supported by clear procedures and effective monitoring. Regular reminders to directors may also assist in preventing these types of breaches. Sponsors must explain the responsibilities under the Listings Requirements to all directors, and issuers must ensure that directors receive ongoing guidance on their obligations in terms of the Listings Requirements.

4.2 Announcements

An area of non-compliance relates to the late publication of SENS announcements required under the Listings Requirements. Common examples include delayed or no announcements concerning:

- category 2 transactions;
- small related party transactions;
- appointment, resignation, or termination of auditors; and
- changes to the board, including appointments and resignations of directors, prescribed officers and company secretaries.

In many cases, the delay does not stem from uncertainty about whether disclosure is required, but from administrative deficiencies and internal delays in escalation, approval, or coordination between management, company secretaries and sponsors.

Key insight: Timeous disclosure is a cornerstone of a fair and orderly market. Issuers should ensure that internal escalation and approval processes are sufficiently robust to allow required announcements to be released as prescribed by the Listings Requirements. Furthermore, issuers should critically review whether their disclosure processes allow announcements to be prepared and released promptly once a decision is taken or an obligation arises and issuers should engage proactively with their sponsors to support timely assessment, preparation and release of required disclosures.

4.3 Sponsor obligations

Investigations have highlighted instances where sponsors appear to have adopted a largely administrative or “postbox” role, rather than actively guiding issuers on the application and interpretation of the Listings Requirements. This includes situations where:

- submissions or responses on behalf of issuers are relayed to the JSE without evidence of meaningful analysis or challenge by the sponsor;
- a failure to exercise independent judgement or to adequately interrogate disclosures and representations made by issuers before publication on SENS; and
- failure to notify the JSE when they become aware that an issuer has breached, or may have breached, the Listings Requirements.

Key insight: Sponsors play a critical gatekeeping role in the listed environment. Their responsibilities extend beyond the transmission of information and include independent judgement, active engagement with issuers, which includes subjecting issuer disclosures and conduct to appropriate scrutiny and addressing deficiencies or concerns in a timely manner. A purely administrative or “postbox” approach is inconsistent with the responsibilities imposed by the Listings Requirements and sponsors have an obligation to escalate concerns to the JSE where appropriate.

4.4 Appointment of audit firms

The JSE has encountered instances where issuers appoint audit firms that do not meet the eligibility requirements set out in the Listings Requirements. This includes instances where:

- the audit firm has not undergone a firm-wide IRBA inspection; and/or
- the firm does not comprise at least three individually registered assurance auditors.

In some instances, issuers have relied on assumptions or incomplete confirmations rather than conducting a full eligibility assessment. In addition, Audit Committees have, in some instances, approved the suitability of appointed auditors without sufficient verification that the applicable eligibility requirements had been met.

Key insight: Audit firm eligibility is not a procedural formality. Boards and Audit Committees must satisfy themselves, before appointment, that the proposed audit firm fully complies with the Listings Requirements. Reliance on assumptions or incomplete confirmations is not sufficient. Failure to do so may give rise to enforcement action and may adversely affect confidence in the integrity and reliability of an issuer's financial reporting.

4.5 Trading statements

The JSE has observed instances where issuers publish trading statements one day, or even only hours, before the release of the related financial results. A trading statement is intended to alert shareholders and the market, as soon as reasonable certainty is obtained, that the issuer's financial performance is expected to differ materially from previously published results. Where no compelling reason for the timing exists, such late publication undermines the purpose of a trading statement and does not provide meaningful advance warning to the market.

Key insight: Trading statements are designed as early warning disclosures, not as formalities immediately preceding financial results announcements. Issuers should assess, as performance information becomes available, whether the trading statement trigger has been met and publish such statements as soon as reasonable certainty exists. Publishing trading statements immediately before results, absent exceptional circumstances, is generally inconsistent with the intended purpose of the Listings Requirements.

4.6 Secondary listed issuers: late publication of announcements on SENS

A number of secondary-listed issuers have cited the rules of their primary exchange as justification for not publishing announcements on SENS timeously or simultaneously with the primary exchange, particularly where the information is price sensitive. In many cases, the JSE has determined that simultaneous publication was possible and that delays resulted from a misinterpretation or overly cautious application of the primary exchange rules.

Key insight: Secondary listed issuers remain subject to specific continuing obligations prescribed by the Listings Requirements and cannot defer or delay SENS disclosures on the basis of the primary exchange rules. All information, including price sensitive information must be released simultaneously on all relevant exchanges unless the JSE has agreed otherwise. Misinterpretation or overly cautious application of the primary exchange requirements does not justify delayed publication on SENS. Delays in publishing price sensitive information on SENS can result in an uneven flow of information across markets, creating the risk that some investors trade on information that others do not yet have. Issuers should seek guidance from their sponsors and the JSE upfront before disclosure decisions are made and not after.

4.7 Issuers of debt and specialist securities

Issuers of debt and specialist securities publish late or incomplete announcements in relation to their continuing obligations. Common problem areas include the late or no announcement of:

- credit rating changes;
- board or governance changes;
- amendments to policies or programme documentation;
- pricing supplements;
- availability of financial statements; and
- price sensitive information disclosed through other channels prior to a SENS publication.

Key insight: Debt and specialist security instruments trade on the basis of timely, accurate and complete disclosure and issuers are expected to apply disclosure standards with the same rigour as those applicable to equity issuers. To address recurring delays and deficiencies, issuers should ensure that continuing obligation triggers are clearly identified and accountability and processes for announcements are defined to ensure that disclosures are not deferred due to internal approvals or parallel communications. Robust internal controls,

disclosure calendars, and early engagement with the JSE where uncertainty exists are critical to ensuring that information which may influence pricing or investment decisions is released promptly and in compliance with the Listings Requirements.

4.8 Key takeaways

The JSE notes that the themes highlighted above indicates ongoing weaknesses in compliance and oversight. While some contraventions may appear technical in isolation, the emergence of recurring non-compliance themes increases regulatory risk. Accordingly, the JSE will take these themes into account when determining its regulatory priorities and its assessment of regulatory risk, on a case-by-case basis. Issuers and sponsors are therefore expected to address these matters proactively.

5. GENERAL OBSERVATIONS AND GUIDANCE

Not all instances of incorrect application of the Listings Requirements warrant formal investigative or enforcement action. However, through investigations, correspondence and guidance issued, the Investigations Unit has identified recurring areas where the Listings Requirements are not being applied correctly. The observations set out below are drawn from multiple matters and engagements and are presented on a general basis. In many instances these issues appear to arise from misinterpretation rather than from deliberate non-compliance. Addressing these issues proactively supports the integrity of the Listings Requirements and helps strengthen market integrity.

5.1 Observation 1: seeking guidance from the JSE after the fact

Guidance provided by the JSE is intended to provide certainty or direction before a proposed course of action is taken. The Investigations Unit has encountered instances where guidance was sought after the relevant transaction or disclosure has already occurred, seemingly with the expectation that favourable guidance would retrospectively validate the decision taken. Guidance obtained after the fact does not remedy a breach. Compliance with the Listings Requirements is assessed at the time the relevant action is taken.

Guidance: Where there is uncertainty regarding the application of the Listings Requirements, issuers and sponsors should seek guidance from the JSE *before* implementing the proposed action.

5.2 Observation 2: associate dealings versus indirect beneficial dealings by directors

There is a distinction between an indirect beneficial dealing by a director (through another entity) versus a dealing by an associate of a director. Paragraph 6.77 of the Listings Requirements distinguishes between indirect beneficial dealings by a director and dealings by associates of a director. An indirect beneficial dealing arises where the director retains an economic interest in the securities, whether held directly or indirectly through a controlled vehicle, such as a wholly owned company or similar legal entity or structure where the director exercises control. In such cases, the dealing is regarded as a dealing by the director, notwithstanding that the securities are not held in the director's own name. By contrast, a dealing by an associate occurs where the associate is a separate legal or natural person who trades for their own beneficial account, and the director derives no direct economic benefit from the dealing. Disclosure in these circumstances is required solely by virtue of the relationship or association with the director, to address considerations of proximity, influence, and market transparency.

Guidance: Indirect beneficial dealings by directors are treated as director dealings and are subject to stricter requirements, including prior clearance and compliance with the prohibited period restrictions. Dealings by associates are distinct and are disclosed because of the relationship only and do not require clearance or trigger prohibited period restrictions. It is therefore important that transactions are correctly classified from the outset. The JSE acknowledges that certain ownership structures or transactions may involve complexity and may require assessment on a case-by-case basis. Where there is any uncertainty as to the appropriate classification, issuers and sponsors should engage the JSE for guidance before proceeding.

5.3 Observation 3: incorrect application of related party obligations

The Listings Requirements contain specific and stringent provisions governing transactions and arrangements with related parties. These requirements are intended to safeguard the market against circumstances where a related party may derive an advantage from its position or exert undue influence over the issuer's decision-making. The Investigations Unit has encountered transactions/agreements involving related parties that proceeded without the required approvals or disclosures, on the basis that they were considered "*administrative*", or "*immaterial*" or "*at arm's length*". This approach reflects a misapplication of the related party framework. Transactions with related parties often involve matters that are material to investors' assessment of the company or that require the exercise of voting or investment decisions, and must therefore be disclosed and, where applicable, approved in accordance with the Listings Requirements.

Guidance: All transactions, agreements and arrangements involving related parties must be assessed against the Listings Requirements and applicable thresholds. Where there is uncertainty regarding classification, disclosure, or approval requirements, issuers should seek guidance from their sponsors or the JSE before proceeding.

5.4 Observation 4: reliance on previous guidance provided

Guidance is provided based on the specific facts and circumstances presented at the time of the request. The Investigations Unit has observed instances where reliance was placed on previous guidance provided by the JSE despite material changes in the underlying facts, circumstances or transaction structure or changes to the application and interpretation of the relevant provisions of the Listings Requirements over time. Previous guidance does not remain applicable where the factual context has changed in a material respect, or where subsequent amendments to, or developments in the interpretation of, the Listings Requirements affect the regulatory position.

Guidance: Where material factual circumstances have evolved, or where relevant provisions of the Listings Requirements have been amended or applied differently since specific guidance was provided, issuers and sponsors should confirm whether the existing guidance remains appropriate or whether new guidance should be sought.

6. MANAGING EXPECTATIONS

6.1 Understanding the investigations process

The Investigations Unit has previously published a guidance document titled “**Understanding JSE Investigations and the Imposition of Censures**”, which sets out the investigations process, the procedural steps followed by the Investigations Unit, and the framework applied when determining enforcement outcomes. Experience has shown, however, that this process is not always well understood by issuers, sponsors, and other market participants. Readers seeking a detailed explanation of the investigation’s framework, including the various stages of an investigation and the rights and obligations of regulated parties, are encouraged to refer to this document.

6.2 Factors influencing the duration of investigations

One of the most common concerns raised by issuers, sponsors, and other market participants relates to uncertainty around the investigations process. These concerns frequently include questions such as:

- Why is the process taking so long?
- Does an absence of communication indicate that the matter has been abandoned?
- Why are there multiple exchanges of correspondence, particularly where parties have indicated that they have nothing further to submit?

These concerns are understandable. The investigations process is not always visible to the market, and it is therefore important to provide clarity on why certain matters require extended periods to conclude.

Investigations necessarily involve several procedural, evidentiary, and regulatory steps to ensure that outcomes are fair, accurate, and defensible. These steps typically include:

- the collection, review, and analysis of relevant information obtained from records, documents, transactions and other evidentiary sources;
- engagement with multiple parties, which may include issuers, directors, prescribed officers, sponsors, advisers, auditors, or other relevant stakeholders;
- legal assessment/opinion of the facts against the applicable provisions of the Listings Requirements; and
- internal regulatory deliberation and review prior to the formulation of findings or decisions.

In addition, investigations are often extended by factors that are outside the direct control of the JSE. These include, among others:

- **Legal representation:** Parties are entitled to seek legal advice and representation. Legal advisers often require time to review documentation, consult with clients, and prepare considered responses.
- **Requests for extensions:** Requests for additional time to respond to information requests, preliminary views, findings or decisions are frequently received and, where reasonable, are granted in the interests of procedural fairness.
- **Governance and approval processes:** Certain responses require consideration or approval by boards, board sub-committees, or senior management, which can introduce unavoidable timing constraints.

- **Complexity of matters:** Some investigations involve intricate transactions, layered corporate structures, multiple parties, or extended factual histories that require careful reconstruction and analysis.
- **Third-party information:** Investigations may depend on information from third parties, such as auditors, counterparties, professional advisers, or other regulators. Delays in receiving such information may impact overall timelines.
- **Volume of information:** Large volumes of documentation or data may need to be reviewed, verified, and cross-referenced to establish an accurate and complete factual record.
- **Evolving facts:** New or additional information may emerge during an investigation, necessitating further enquiries or additional engagement with relevant parties.
- **Procedural fairness requirements:** The investigations process is conducted in accordance with principles of due process, including providing parties with an opportunity to respond to allegations or preliminary findings before final conclusions are reached.

While the Investigations Unit seeks to conclude investigations as efficiently as possible, the time required to do so is often influenced by the complexity of the issues under consideration, the conduct and responsiveness of the parties involved, and the need to ensure that decisions are robust, consistent, and procedurally fair.

6.3 Commitment of the Investigations Unit

While investigations may take time, they are managed with a clear focus on timeliness, rigour, and accountability. The Investigations Unit recognises the importance of dealing with matters as efficiently as possible and taking prompt action where the facts permit. Each matter is allocated to a specific investigator, progress is monitored on an ongoing basis, and issues are escalated where required. Extensions are considered on their merits but are not open-ended, and matters are not permitted to remain unresolved indefinitely. The Investigations Unit also recognises the importance of appropriate communication and will continue to improve engagement with parties who have a direct interest in the outcome of an investigation, while preserving the integrity and fairness of the process and confidentiality constraints.

6.4 Independence of the investigations and enforcement process

Investigations are conducted independently within the Issuer Regulation Division. The JSE Limited's board, executive management and commercial teams, are not involved in decision making, and have no insight into

individual investigations or enforcement decisions. Appropriate internal safeguards are maintained to manage conflicts of interest. For more information on these internal safeguards, see the Issuer Regulation ***Conflicts of Interest Policy***.

7. CLOSING REMARKS

The Investigations Unit will continue to apply the Listings Requirements consistently and, where appropriate, take enforcement action to address non-compliance. This approach remains focused on maintaining market integrity and ensuring that shareholders have timely access to accurate and complete information.

The matters outlined in this Bulletin highlight weaknesses in areas where governance, disclosure controls and oversight may be strengthened. In many instances, the contraventions identified could have been avoided through stronger internal processes, clearer accountability and earlier engagement with sponsors and the JSE. These findings offer interested parties a practical reference point and an opportunity to reflect on existing practices, enhance their own internal processes and proactively mitigate similar risks going forward.

While this Bulletin draws attention to themes observed across a range of investigations, it also demonstrates that improved compliance is achievable. Issuers who invest in strong governance processes, maintain a clear understanding of their continuing obligations and disclosure requirements, and engage proactively with sponsors and the JSE are better positioned to manage risk and prevent avoidable contraventions.

— End of Bulletin —