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Section 18
Dual Listings

**Scope of section**

This section deals with secondary and dual listings.

Secondary listings

General

18.1 Secondary listing status means that once an applicant is listed, it will only be required to comply with the listings requirements of the exchange where it has its primary listing, save as otherwise stated in the Requirements.

18.2 An applicant seeking a listing on the JSE must be listed on an approved exchange. An applicant not listed on an approved exchange will not qualify for a secondary listing on the JSE, but can apply for a primary listing on the JSE.

18.3 An applicant seeking a secondary listing on the JSE may decide whether it will seek a primary or secondary listing on the JSE. [[1]](#footnote-29)

18.4 The applicant must have the free float required by 3.17(a) on the South African share register or it must have in place arrangements, to the satisfaction of the clearing and settlement division of the JSE, to ensure that sufficient scrip is available on the South African share register.

18.5 An applicant for the main board must appoint and maintain a sponsor.

18.6 The applicant must confirm that it is in full compliance with all the listing requirements of its primary exchange. The JSE may request this confirmation from the primary exchange.

18.7 The JSE will not grant a secondary listing:

 (a) on the main board for an applicant that has a primary listing on a junior/secondary market of an exchange; or

 (b) if its securities are not listed in the country of incorporation, unless the applicant can demonstrate that the absence of such a listing is not due to any negative or problematic circumstances, events or regulatory issues.

 18.8 If the applicant is not incorporated in the country of an approved exchange, the applicant must inform the JSE for the JSE to familiarise itself with the laws of incorporation/company law of the applicant. The JSE may elect to require additional and prominent disclosure in the PLS regarding the laws of incorporation/company law applicable to the applicant.[[2]](#footnote-30)

 18.9 For an ALTX listing:

 (a) the applicant can either appoint a DA or sponsor; and

 (b) the need for directors to complete the Directors Induction Programme in terms of 21.3(b) and the lock- up provisions in terms of 21.3(c) do not apply.

PLS: General

18.10 An applicant must produce a PLS in compliance with the Requirements save as otherwise stated in the Requirements. Where the disclosure requirements of section 7 relate to continuing obligations, the JSE may allow the applicant to address it with reference to the listings requirements of the primary exchange

18.11 The applicant must disclose in the PLS headline earnings per share and diluted headline earnings per share together with an itemised reconciliation between headline earnings and the earnings used in the calculation.

18.12 The JSE will, for purposes of the PLS, accept financial information prepared in accordance with the following accounting frameworks:

 (a) IFRS;

 (b) IFRS as adopted by the European Union;

 (c) United Kingdom GAAP;

 (d) United States GAAP;

 (e) Australian GAAP; and

 (f) Canadian GAAP.

18.13 For purposes of the PLS, the JSE may accept additional financial information in terms of the accounting frameworks provided that:

 (a) it was prepared and issued in terms of the listings requirements of the primary exchange;

 (b) the extracts are in compliance with IAS 34; and

 (c) the PLS contains full details of the applicant’s accounting policies.

18.14 The applicant must engage with the JSE on the exact presentation of the financial information in the PLS.

18.15 The JSE may allow an applicant to modify the relevant Part I and II documents required, available on the JSE Forms Portal, for a new listing where full compliance would be in conflict with this section or the primary exchange.

18.16 The applicant must disclose in the PLS the differences between the provisions of the Requirements below and the regulatory/legislative framework of the primary exchange:[[3]](#footnote-31)

 (a) pre-emptive rights, ranking of securities in the same class, and expropriation rights in respect of securities;

 (b) transferability of securities and transfer of securities;

 (c) preferences, rights, limitations and other share terms;

 (d) special voting rights in respect of securities;

 (e) process dealing with amendment/s to the constitutional document of the issuer;

 (f) appointment and removal of directors;

 (g) authority to issue shares or other securities (general and specific);

 (h) disclosure of changes in beneficial ownership of securities;

 (i) regulation in respect of director’s interests in transactions;

 (j) regulation in respect of transactions (acquisitions and disposals) and related party transactions;

 (k) mandatory corporate governance provisions and the corporate governance code applied;

 (l) the pro-active monitoring process (if any) dealing with the review of financial statements of the issuer by the listing authority or any other relevant regulatory body. Further, confirmation will be required whether the applicant issuer has been subject to such review or not;

 (m) takeover laws applicable to the issuer; and

 (n) special disclosure requirements dealing with mining companies, such as the preparation of special reports dealing with reserves, life of mine and valuation of mining activities.

 Additional disclosure may be required by the JSE where matters not covered in above are significant to providing an understanding of the differences between the regulatory and legislative frameworks applicable to an applicant issuer.

18.17 For a mineral applicant, the JSE will accept a CPR (as required by section 12) which has been prepared within the 12 months prior to listing on the JSE, provided that it has been prepared in accordance with SAMREC, Joint Ore Reserves Committee Code or National Instrument 43-101 and that there have either been no changes since that date or that any changes are reported on by the CP. Applicants who do not comply with the above must produce a new CPR in compliance with the prescribed codes.

Fast-track Listing

**General**

18.18 The applicant must comply with this section, save that a pre-listing announcement must be prepared and not a PLS.

18.19 If capital will be raised with the listing, the JSE must be consulted, and the applicant must confirm that such capital raising will comply with the requirements of the approved exchange.[[4]](#footnote-32)

18.20 An applicant must submit to the JSE:

 (a) the signed application for listing available on the JSE Forms Portal;[[5]](#footnote-33) and

 (b) for a listing on the main board, the latest audited financial statements for the preceding three years; or

 (b) for a listing on AltX, the latest audited financial statements.

 For purposes of (b) and (c), if more than nine months have elapsed since the last financial year-end, interim results must also be submitted.

Pre-listing announcement

18.21 The pre-listing announcement must comply with 18.22. The announcement must be released on SENS five business days before the date of listing. If there are any changes to the announcement prior to the date of listing, the JSE must be notified immediately and provide the details of such changes. If the changes are deemed material by the JSE, the JSE may delay the listing and an announcement must be released on SENS to that effect.[[6]](#footnote-34)

18.22 The pre-listing announcement must include the following:

 (a) name and address of the registered office (also in the Republic of South Africa if an external company);

 (b) the transfer office in the Republic of South Africa;

 (c) date and country of incorporation;

 (d) the approved exchange, equivalent board and date of admittance, as well as details on which other exchanges the securities of the applicant is listed;

 (e) confirmation whether a listing is sought on AltX or the main board and the reasons for seeking a secondary listing on the JSE;

 (f) listing date and timetable;

 (g) the number and class of securities in respect of which the applicant seeks a listing and disclosure of the number of treasury shares held, including details of any restriction as to the transfer of the securities;

 (h) the market capitalisation on date of application;

 (i) the full names and functions of the board of directors;

 (j) a brief description of its business (including its main country of operation);

 (k) details of the prospects of the applicant following the date of listing;

 (l) insofar as is known to the applicant, the name of any shareholder other than a director, that directly or indirectly, is beneficially interested in 5% or more of a class of securities issued by the applicant, together with the amount of such shareholder’s interest;

 (m) a statement by the board of directors of the applicant, that to the best of their knowledge and belief, the applicant has adhered to all legal and regulatory requirements of the approved exchange;

 (n) the website address of the applicant where any documents (such as financial information, competent person’s report, valuations reports and the like) or announcements which the applicant has made public over the last two years (in consequence of having its securities listed on an approved exchange), including its constitutional documents, are available;

 (o) disclosure of headline earnings per share and diluted headline earnings per share together with an itemised reconciliation between headline earnings and the earnings used in the calculation;

 (p) a description of any significant change in the financial or trading position of the applicant which has occurred since the end of the last financial period for which audited financial statements have been published;

 (q) a statement from the directors of the applicant that they have no reason to believe that the working capital available to the applicant or its group will be insufficient for at least twelve months from the date of listing;

 (r) the financial year-end; and

 (s) disclosure of the differences between the regulatory and legislative frameworks applicable to the applicant pursuant to […] above.[[7]](#footnote-35)

Continuing obligations

18.23 The continuing obligations of the primary exchange takes precedence, with the following exceptions:

 (a) the annual financial statements and any other communication with shareholders must identify the primary and secondary exchange venues;[[8]](#footnote-36)

 (b) any information released on another exchange, must also be released on SENS at the same time. If the JSE is closed, the information must be released through SENS at the commencement of business on the next business day.

 (c) it must publish, in its interim and year-end results, headline earnings per share and diluted headline earnings per share together with an itemised reconciliation between headline earnings and the earnings used in the calculation;

 (d) its interim and year-end results must be prepared and published in compliance with the acceptable accounting frameworks of the primary exchange;[[9]](#footnote-37)

 (e) where there are notifications dealing with:

 (i) changes of beneficial ownership in the issuer; or

 (ii) dealings in securities in the issuer by directors and those closely related to the directors,

 as may be prescribed by local legislation, the listings requirements of the exchange where it has its primary listing or otherwise, such changes and dealings must be announced within 48 hours after receipt of such notice or such notice being made available, through SENS; and[[10]](#footnote-38)

 (f) issuers must comply with the corporate actions timetables. Issuers must notify the JSE in advance of corporate actions to ensure that the JSE can accommodate the processing thereof for shareholders on the South African share register.[[11]](#footnote-39)

18.24 The following applies to issuers that are not listed on an approved exchange:

 (a) The applicant issuer must submit details of the volume and value of securities traded (over the previous 24 months), on all exchanges where it has a listing, in order for the JSE to consider the applicant issuer’s continued secondary listing status. This information must be submitted to the JSE, together with the applicant issuer’s annual financial statements in terms of the [Appendix 1 to Section 11] or by no later than four months from the financial year-end of the applicant issuer.[[12]](#footnote-40)

 (b) If both the volume and value of securities traded on the JSE exceeded 50% of the total volume and total value of those securities (over the previous 24 months) traded on all exchanges where the applicant issuer has a listing, then the applicant issuer's listing status on the JSE may be converted to a primary listing. The converse would apply when both the volume and value of securities traded on the JSE was 50% or below.[[13]](#footnote-41)

18.25 The applicant issuer must notify the JSE and release an announcement on SENS of any suspension or removal of listing on any other exchange on which it has securities listed.[[14]](#footnote-42)

Dual listings

18.26 An issuer with a dual listing must immediately notify the JSE, in writing, of any suspension or removal of listing on any other exchange on which it has securities listed.[[15]](#footnote-43)

18.27 An issuer may only transfer its primary listing from the JSE to another exchange and maintain a secondary listing on the JSE provided the following has been complied with:[[16]](#footnote-44)

 (a) the other exchange must be an approved exchange;

 (b) the issuer complies with this Section for purposes of the secondary listing; and

 (b) a majority of the votes of all shareholders, excluding any controlling shareholder, its associates and any party acting in concert, must be cast in favour of such a resolution. The resolution must be accompanied by a comparison explaining to shareholders the key regulatory and disclosure differences applied by the JSE and the new primary exchange.

18.28 If an applicant issuer has been granted permission to transfer, it must ensure that the securities will be accepted for transfer, without delay, if presented in any of the centres in which the securities are listed.

18.29 A secondary listing onto another exchange only requires the approval of the issuer’s directors.

Dual listed company structure

18.30 The conditions for listing set out in this section must be complied with in respect of each company comprising the DLC structure.

18.31 Transactions necessary to constitute the DLC structure or between companies comprising the DLC structure will not be regarded as related party transactions.

18.32 Variations to any agreement governing the relationship between the companies comprising the DLC structure must be approved by the shareholders of each company.

18.33 With respect to any calculations/categorisations/measurements in terms of the Listings Requirements applicable to either company comprising the DLC structure, the DLC will be regarded as one combined entity.

18.34 Common accounting policies must be used for the companies comprising the DLC structure.

18.35 Annual financial statements must be published for the merged DLC structure in accordance with IFRS or other accounting frameworks in terms of 18.12.

18.36 Interim financial information, on an equivalent basis to 18.35, on the merged DLC structure must be published.

18.37 Where an announcement is required, it must be released in accordance with the relevant exchange’s requirements and simultaneously on both the JSE and the foreign exchange(s).

**[Add Depositary Receipts once approved by the FSCA]**

1. [↑](#footnote-ref-29)
2. [↑](#footnote-ref-30)
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