Renounceable rights offer or non-renounceable rights offers[[1]](#footnote-1)

Specific requirements

5.22 The applicant must comply with all relevant conditions for listing set out in Section 4.

Ability to trade

5.23 The enforcement of the right of securities holders of the applicant issuer to subscribe for securities in the applicant must be done by means of:[[2]](#footnote-2)

(a) a renounceable rights offer to such securities holders, through the issue of a renounceable LA or other negotiable document, traded as “nil paid” rights for a period in accordance with the relevant corporate action timetable; or[[3]](#footnote-3)

(b) a non- renounceable rights offer to such securities holders for a period in accordance with the relevant corporate action timetable, provided the maximum discount at which the shares are to be offered does not exceed 10% of the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue was determined by the issuer.[[4]](#footnote-4)

The JSE should be consulted for a ruling if the applicant’s securities have not traded in such 30 business-day period.

5.24 [Repealed][[5]](#footnote-5)

5.25 [Repealed][[6]](#footnote-6)

Documents to be submitted to the JSE

5.26 The documents detailed in paragraph 16.15 in respect of a renounceable rights offer must be submitted to the JSE in accordance with the relevant timetable set out in the relevant corporate action timetable. The documents detailed in paragraph 16.16 in respect of a non-renounceable rights offer must be submitted to the JSE in accordance with the relevant corporate action timetable.[[7]](#footnote-7)

Documents to be published

5.27 The documents that require publication regarding a renounceable rights offer and non-renounceable rights offer are referred to in paragraphs 11.11 to 11.15 and the relevant corporate action timetable and must be actioned in accordance with the relevant corporate action timetable.[[8]](#footnote-8)

Renounceable rights offers[[9]](#footnote-9)

Specific requirements

5.28 LAs are to be issued in dematerialised form for the rights offer and must be renounceable. The JSE may, in exceptional circumstances, waive this requirement.

Underwriting

5.29 A rights offer need not be underwritten; however, if it is underwritten, the following must be complied with:[[10]](#footnote-10)

(a) the underwriter must submit sworn affidavits by at least two of its directors confirming that it has the financial resources to meet its commitments in terms of the underwriting; and

(b) the prospectus/pre-listing statement/circular must include a statement by the directors that they have made due and careful enquiry to confirm that the underwriter can meet its commitments in terms of the offer.

5.30 If the rights offer is not underwritten, it must not be conditional on a minimum subscription being received.

5.31 Any underwriting commission payable to a securities holder of the company effecting the rights offer must not be greater than the current market rate payable to independent underwriters. The applicant must present evidence to the JSE proving the reasonableness of the underwriting commission payable.

Excess security applications

5.32 A rights offer may include the right to apply for excess securities, subject to such right being transferable upon renunciation of the LAs.

5.33 In the event of a rights offer including the right to apply for excess securities, applications having been received for such excess securities and there being an excess of securities available for allocation, the pool of such excess securities should be allocated equitably, taking cognisance of the number of securities held by the securities holder just prior to such allocation, including securities taken up as a result of the rights offer, and the number of excess securities applied for by such securities holder. Non-equitable allocations of excess securities will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 securities.

General

5.34 Unless circumstances are such as to warrant a concession being granted, the JSE will require the LAs to be listed.

5.35 Forms of instruction in respect of LAs must be sent to certificated holders, in terms of which: Form A (Instruction to Sell) and Form B (Form of Renunciation) must require the signature of the offeree(s); Form C (Registration Application Form) must require the signature of the renouncee(s); and Form D (Documents of Title) must not require a signature.

5.36 [Repealed][[11]](#footnote-11)

5.37 [Repealed][[12]](#footnote-12)

Claw-back offers

Specific requirements

5.38 The requirements of paragraphs 5.28 to 5.37 in respect of rights offers apply equally to claw-back offers.

Renounceable rights offers and non-renounceable rights offers[[13]](#footnote-13)

11.10 (a) The applicant and the issuer in a renounceable rights offer are required to comply with the actions in the relevant corporate action timetable, including the production and publication of all announcements and documents detailed therein. All documents must be submitted to and approved by the JSE. [[14]](#footnote-14)

(b) The applicant and the issuer in a non-renounceable rights offer are required to comply with the actions in the relevant corporate action timetable, including the production and publication of all announcements and documents detailed therein. All documents must be submitted to and approved by the JSE.

Rights offers and claw-back offers

11.11 Issuers seeking a listing for securities issued by way of a rights offer/claw-back offer or a non-renounceable rights offer are required to comply with the actions in the relevant corporate action timetable.[[15]](#footnote-15)

11.12 [Repealed][[16]](#footnote-16)

11.13 If a pre-listing statement is not required in terms of Section 6, a circular should be sent to shareholders containing the information required by the following paragraphs of Section 7:[[17]](#footnote-17)

|  |  |
| --- | --- |
| **Paragraph** | **Nature of statement** |
| 7.A.1 | Name, address and incorporation |
| 7.A.4 or 7.A.5 | Share capital of the company |
| 7.B.1 | Directors and management[[18]](#footnote-18)# |
| 7.B.9 | Directors remuneration# |
| 7.B.17(b) | Preliminary expenses and issue expenses |
| 7.B.20 | Directors’ interests in securities |
| 7.B.22 | Responsibility statement |
| 7.B.23 | Responsibility of directors, managers and advisers |
| 7.C.14 | Market value of securities |
| 7.C.16 | Rights offers |
| 7.D.2 | Description of business |
| 7.D.5 | Prospects |
| Stand alone | An explanation, including supporting information (if any), of the intended use of the funds |
| 7.G.1 | Documents and consents to be available for inspection |

Renounceable Rights Offers – LAs[[19]](#footnote-19)

11.14 the following information must be included, inter alia, on the LA:

(a) the salient details of the corporate action must be printed on the front page of the LA;

(b) the instructions in respect of acceptance and payment, sale and renunciation and registration; and

(c) where excess securities are made available, the application form must be printed in a different colour to the LA.

11.15 In addition, the circular should contain details of all Category 2 transactions, as described in paragraph 9.15, not previously notified to shareholders by way of a circular.[[20]](#footnote-20)

Renounceable rights offers, claw-back offers and renounceable offers[[21]](#footnote-21)

16.15 The following information is required to be submitted to and approved by the JSE before listing/transaction approval will be granted:

(a) the circular or pre-listing statement;

(b) the information with respect to any underwriting described in paragraph 16.10(g);

(c) the application for listing complying with Schedule 2 Form A1– (a);[[22]](#footnote-22)

(d) the provisional LAs;

(e) copies of any exchange control (refer to paragraph 16.26) approvals required;

(f) certified copies of any experts’ consents (refer to paragraph 7.F.10) appearing in the circular or pre-listing statement; and

(g) the appropriate documentation and listing fee as published and available on the JSE website, [www.jse.co.za](http://www.jse.co.za), per Section 17.

Non-renounceable rights offers

16.16 The following information is required to be submitted to and approved by the JSE before listing/transaction approval will be granted:[[23]](#footnote-23)

(a) the circular;

(b) the application for listing complying with Schedule 2 Form A1- (b);

(c) copies of any exchange control (refer to paragraph 16.26) approvals required; and

(e) the appropriate documentation and listing fee as published and available on the JSE website, [www.jse.co.za](http://www.jse.co.za), per Section 17.

7.C.16 In the case of a rights offer, the following information must be disclosed in the circular:

(a) purpose of the rights offer;

(b) the amount to be raised by means of the rights offer and the number of securities that are proposed to be issued;

(c) the terms of the offer;

(d) whether any directors, prescribed officers and/or company secretary of the issuer will follow their rights in relation to the rights offer;[[24]](#footnote-24)

(e) if underwritten, details of the underwriter and the statement referred to in paragraph 5.29. The underwriting commission must be clearly stated;[[25]](#footnote-25)

(f) where the underwriter is a company, the following information must be furnished:

(i) the place and date of incorporation and registered number of the company;

(ii) the names of the directors of the company;

(iii) the name of the company secretary;[[26]](#footnote-26)

(iv) the bankers to the company; and

(v) the authorised and issued share capital of the company;

(g) details regarding the proposed listing of the LAs, the subsequent listing of the new securities and the amount payable in respect of listing fees;

(h) details regarding the LAs such as:

(i) acceptance;

(ii) renunciation; and

(iii) payment (payment must be made in South African currency); and

(i) a statement regarding exchange controls as agreed to by the South African Reserve Bank.

7.C.16 In the case of a rights offer, the following information must be disclosed in the circular:

(a) purpose of the rights offer;

(b) the amount to be raised by means of the rights offer and the number of securities that are proposed to be issued;

(c) the terms of the offer;

(d) whether any directors, prescribed officers and/or company secretary of the issuer will follow their rights in relation to the rights offer;[[27]](#footnote-27)

(e) if underwritten, details of the underwriter and the statement referred to in paragraph 5.29. The underwriting commission must be clearly stated;[[28]](#footnote-28)

(f) where the underwriter is a company, the following information must be furnished:

(i) the place and date of incorporation and registered number of the company;

(ii) the names of the directors of the company;

(iii) the name of the company secretary;[[29]](#footnote-29)

(iv) the bankers to the company; and

(v) the authorised and issued share capital of the company;

(g) details regarding the proposed listing of the LAs, the subsequent listing of the new securities and the amount payable in respect of listing fees;

(h) details regarding the LAs such as:

(i) acceptance;

(ii) renunciation; and

(iii) payment (payment must be made in South African currency); and

(i) a statement regarding exchange controls as agreed to by the South African Reserve Bank.

7.C.16 In the case of a rights offer, the following information must be disclosed in the circular:

(a) purpose of the rights offer;

(b) the amount to be raised by means of the rights offer and the number of securities that are proposed to be issued;

(c) the terms of the offer;

(d) whether any directors, prescribed officers and/or company secretary of the issuer will follow their rights in relation to the rights offer;[[30]](#footnote-30)

(e) if underwritten, details of the underwriter and the statement referred to in paragraph 5.29. The underwriting commission must be clearly stated;[[31]](#footnote-31)

(f) where the underwriter is a company, the following information must be furnished:

(i) the place and date of incorporation and registered number of the company;

(ii) the names of the directors of the company;

(iii) the name of the company secretary;[[32]](#footnote-32)

(iv) the bankers to the company; and

(v) the authorised and issued share capital of the company;

(g) details regarding the proposed listing of the LAs, the subsequent listing of the new securities and the amount payable in respect of listing fees;

(h) details regarding the LAs such as:

(i) acceptance;

(ii) renunciation; and

(iii) payment (payment must be made in South African currency); and

(i) a statement regarding exchange controls as agreed to by the South African Reserve Bank.

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)
7. [↑](#footnote-ref-7)
8. [↑](#footnote-ref-8)
9. [↑](#footnote-ref-9)
10. [↑](#footnote-ref-10)
11. [↑](#footnote-ref-11)
12. [↑](#footnote-ref-12)
13. [↑](#footnote-ref-13)
14. [↑](#footnote-ref-14)
15. [↑](#footnote-ref-15)
16. [↑](#footnote-ref-16)
17. [↑](#footnote-ref-17)
18. # The items above must only be included in circulars if there is any direct change in respect of such disclosure items, if not, an appropriate negative statement must be included. [↑](#footnote-ref-18)
19. . [↑](#footnote-ref-19)
20. [↑](#footnote-ref-20)
21. [↑](#footnote-ref-21)
22. [↑](#footnote-ref-22)
23. [↑](#footnote-ref-23)
24. [↑](#footnote-ref-24)
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26. [↑](#footnote-ref-26)
27. [↑](#footnote-ref-27)
28. [↑](#footnote-ref-28)
29. [↑](#footnote-ref-29)
30. 7.C.16(d) introduced with effect from 1 June 2022. [↑](#footnote-ref-30)
31. 7.C.16(e) amended with effect from 1 April 2010. [↑](#footnote-ref-31)
32. 7.C.16(f)(iii) amended with effect from 30 September 2014. [↑](#footnote-ref-32)