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**MARKET NOTICE**Johannesburg  
Stock ExchangeTel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)

**Number:** 297A/2015  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

**Date:** 12 May 2015

**SUBJECT:** PROPOSED AMENDMENTS TO THE EQUITIES RULES AND DIRECTIVES – BEE SECURITIES

**Name and Surname:** Shaun Davies  
**Designation:** Director: Market Regulation

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Members are advised that the proposed amendments to the JSE equities rules and directives, attached as Annexure A, were adopted by the JSE executive committee on 11 May 2015.

The purpose of the proposed amendments is to enable the issuers of BEE securities to elect an alternative means of ensuring the eligibility of prospective beneficial owners of BEE securities, prior to their being permitted to purchase BEE securities through a member of the exchange.

The JSE equities rules and directives presently contain provisions that cater for the trading in BEE securities by eligible persons and such rules require that members ensure that a BEE contract has been signed by the prospective beneficial owner of BEE securities, prior to their entering an order for the purchase of such BEE securities. If the prospective beneficial owner is a juristic person, it is a further requirement that members obtain a BEE certificate that has been issued by an accredited verification agency, which certifies that the person in respect of whom it has been issued qualifies as a BEE compliant person. The onus is thus on members to obtain the prescribed documents, depending on the nature of the client, that evidence the eligibility of the prospective beneficial owner of BEE securities, prior to entering an order to purchase BEE securities on their behalf.

The attached amendments to the equities rules and directives are proposed in order to accommodate an alternative means of ensuring appropriate access to the BEE segment of the JSE. Issuers of BEE securities will, in terms of the proposed amendments, be able to elect the means of determining the eligibility of potential investors that is to be adopted prior to listing their BEE security. The alternative means of ensuring eligibility of the prospective beneficial owners of BEE securities involves either the BEE issuer themselves or their appointed agent performing the task of verifying that the prospective beneficial owner of BEE securities qualifies as a BEE compliant person and providing confirmation of this eligibility to the member, upon request. The member in this instance is required to obtain

confirmation from the relevant party that has undertaken the verification process that such has been concluded and that the prospective beneficial owner is indeed a BEE compliant person, prior to entering an order to purchase BEE securities on their behalf. Detail as to the party from whom the confirmation of eligibility will be obtained, the form that this confirmation will take and any other necessary operational processes will be communicated to members by way of the JSE Gazettes referred to in the amended directives.

Unless written objections are lodged within 10 days of this notice, in terms of rule 2.60.3, the proposed amendments to the rules will be submitted to the registrar for his approval.

Should you have any queries regarding this notice, please contact Paul Hartzenberg on (011) 520 7584 or at [paulh@jse.co.za](mailto:paulh@jse.co.za)

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