
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 398A/2021**Relates to:**

- Equity Market
- Equity Derivatives Market
- Commodity Derivatives Market
- Currency Derivatives Market
- Interest Rate Derivatives Market
- Bond Market
- Bond ETP Market

Date: 7 September 2021**SUBJECT:** NEW ETF DISTRIBUTION TEMPLATE - IMPLEMENTATION**Name and Surname:** Carike Palmer**Designation:** Manager - Corporate Actions and Reference Data - Information Services

Dear ETF Issuer/Sponsor,

ETF Issuers and Sponsors are herewith referred to the Special ASISA ETF Standing Committee Meeting held on 29 July 2021 and the follow-up workshop held on 31 August 2021 regarding the new ETF Distribution template.

Attached is an example of the completed template as discussed during the workshop, where the following changes/inclusions were proposed (note the data used is dummy data):

- The change to the format of the distribution table.
- The inclusion of the below specific data lines which are not to be removed from the table:
 - Distribution Source type (local / foreign SA listed / foreign not SA listed)
 - Net Distribution Reinvested
 - Source of Funds (Country Code)
 - Subject to Foreign Withholding tax
 - Gross Foreign Rate (cents per unit)
 - Foreign Tax % withheld at source
 - Foreign Tax amount per unit
 - DTA with Source Country
 - Foreign Tax Reclaim %
 - Portfolio/Management Cost
 - Interest Expense

- Other costs
 - Gross ZA Distribution (Cents per unit)
 - Gross Local Rate (cents per unit)
 - SA Withholding Tax %
 - SA Withholding Tax amount per unit
 - Local Net Rate
- Specific attention is drawn to the below data lines, which are specifically applicable to non-exempt South African shareholders:
 - Gross Local Rate (cents per unit)
 - SA Withholding Tax %
 - SA Withholding Tax amount per unit
 - Local Net Rate
 - In the case of REIT distributions, The Net rate will equal the gross rate under the section “Applicable to non-exempt South African shareholders”.
 - The REIT distribution Net rate for non-resident shareholders must be indicated within a note.
 - Distributions of Tax Reclaims are to be indicated in a separate column, with the specific heading “Tax Reclaim”.
 - Dividend distribution under section 64N of the Income Act, must be clearly indicated in relation to the DTA application as per below:
 - Dividend (64N =/ \leq DTA)
 - Dividend (64N $>$ DTA)

In addition to the workshop, the JSE Corporate Action Consultant team facilitated various individual sessions with each Issuer and their administrators/sponsors, requesting them to conduct an impact assessment to their systems and processes. Confirmation received from the various ETF Issuers was that they will be able to comply with this requirement and no objections were raised.

The JSE will therefore be implementing this change and ETF Issuers/Sponsors are kindly requested to use the new ETF Distribution template for all ETF distribution announcements, starting from the period ending September 2021. Draft announcements can be sent to the JSE Consultants at CAConsultant@jse.co.za for review before the announcement are submitted on SENS.

Thank you for your commitment in implementing this change and assisting us to grow this market together.

Should you have any queries please regarding this Market Notice please e-mail CAConsultant@jse.co.za

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notice>