



The JSE Limited Listings Requirements

BULLETIN 1 of 2008

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Dear Subscriber

Please note that the existing Section 19 in your binder has been amended. These changes become effective from the 26 May 2008.

Section 19: Specialist Securities

Scope of section

This section sets out the Listings Requirements relating to specialist securities.

The main headings of this section are:

- 19.1 Warrants
- 19.22 Asset Backed Securities
- 19.46 Exchange Traded Funds

Warrants

Definitions

19.1 In these Listings Requirements for the listing of warrants, unless the contrary intention appears, the following terms shall have the meanings assigned to them below:

“company” means a company whose securities are listed by the JSE or on an exchange acceptable to the JSE and in respect of which warrants are issued and which company complies with the requirements as set out in the Listings Requirements for these warrants;

“covered” means in relation to an issue of warrants, that the underlying securities are held for the duration of the warrant issue by an independent

Section 19 issued in its entirety with effect from 26 May 2008.

Please note that par numbers throughout Section 19 were renumbered and re-arranged with effect from 26 May 2008.

custodian acceptable to the JSE, for the benefit of warrant holders, and “uncovered” means in relation to an issue of warrants that the underlying securities are not so held by a custodian;

“cover rate” or “strike ratio” means the ratio that determines the number of warrants required to be exercised in relation to the underlying security/ies provided that, in respect of call warrants, no warrant may on exercise thereof entitle the warrant holder to delivery of more than one underlying security and, in respect of put warrants, no warrant shall on exercise thereof oblige the warrant holder to deliver more than one underlying security;

“exercise price” or “strike price” means the price payable by the warrant holder in respect of each warrant on exercise of the warrant;

“expiry date” or “final exercise date” means the last day on which a warrant may be exercised;

“final exercise date” – see “expiry date”;

“guarantor” means a third party that complies with the requirements set out in these warrant Listings Requirements, and that provides an unconditional and irrevocable guarantee in favour of the warrant holders that the guarantor will honour the obligations of the issuer in the event that the issuer fails to fulfil its obligations in accordance with the terms of the issue of the warrants;

“sponsor” means the sponsor of the issuer of the warrants;

“strike price” – see “exercise price”; and

“strike ratio” – see “cover rate”.

“barrier/stop-loss level” means, in respect of any day, an amount equal to the level of the underlying security published on such day. The timing of the barrier/stop loss or knock-out event can be of one of the following:

- (1) “end of day warrant” means that the issuer will use the close of trade prices on any given trading day to determine if the warrant barrier/stop loss or knock-out level has been breached.
- (2) “intra day warrant” means that the barrier/stop loss or knock-out level may be breached at any time during a trading day.

General

19.2 Once application has been made to and approval granted by the JSE, the warrants will be traded in the same manner as any other securities on the JSE trading system. If trading in a company’s securities, which is the underlying asset of a warrant, is suspended by the JSE, the listing of the relevant warrants will also be suspended.

19.3 Warrant trades will be settled through Strate Warrants must be freely transferable, and each warrant holder shall be required to appoint a CSDP or broker who will maintain an electronic record of ownership of the respective warrant.

19.4 Upon exercise, the applicant issuer is responsible for settlement and not the JSE nor any other exchange.

“barrier/stop-loss level” definition inserted with effect from 26 May 2008.

19.2 amended with effect from 26 May 2008.

19.4 amended with effect from 26 May 2008.

19.5 Warrants may be suspended if the applicant issuer does not comply with the Listing Requirements.

Criteria for the applicant issuer

19.6 The applicant issuer is the entity that must make application to the JSE for the listing of a warrant issue, and must meet the following criteria:

- (a) it must be a member of the JSE, Life Offices' Association of South Africa, Council of South African Banks, Merchant Bankers' Association, Bond Exchange of South Africa or any other person in South Africa or elsewhere, whether natural or juristic, in good standing and acceptable to the JSE;
- (b) it must prove to the JSE that it has the relevant expertise to issue warrants or has access to such expertise;
- (c) it must satisfy the JSE that it will establish a secondary market in warrants and endeavour to maintain it;
- (d) the applicant issuer must disclose to the JSE any material dealings that it is aware of, other than in the ordinary course of business, undertaken by it or its associates in the securities in respect of which warrants are to be issued during the six week period prior to the date of formal application for a listing of the warrants concerned;
- (e) in the case of a covered warrant issue, it must provide the JSE with proof:
 - (i) that the underlying securities are to be held by an independent custodian in South Africa, acceptable to the JSE, for the benefit of warrant holders throughout the duration of the warrant issue; and
 - (ii) that it has warranted to the custodian for the benefit of the warrant.
- (f) in the case of an uncovered warrant issue, it must either:
 - (i) satisfy the JSE:
 - (1) that it has net tangible assets of not less than R2 billion in jurisdictions acceptable to the JSE; and
 - (2) undertake that, throughout the duration of the warrant issue, it will maintain at least R2 billion of its assets in the above-mentioned jurisdictions; or
 - (ii) provide a guarantee in a form acceptable to the JSE from a third party that is acceptable to the JSE and complies with the provisions set out in paragraph 19.6(f)(i) above. If the guarantor is not resident in South Africa, the guarantee must state that South African law governs the guarantee and that the guarantor accepts the non-exclusive jurisdiction of the South African courts.

New 19.5 inserted with effect from 26 May 2008

Existing 19.5 renumbered 19.6 and amended with effect from 26 May 2008

19.6(d) deleted with effect from 26 May 2008.

19.6(e) to 19.6(g) renumbered 19.6(d) to 19.6(f) accordingly with effect from 26 May 2008.

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- (g) The JSE may instruct an issuer to appoint an independent sponsor (the JSE's decision in this regard will be taken after consultation with the issuer).

Basic Parameters for underlying securities

19.7 Warrants may only be issued in respect of a company that complies with the following criteria:

- (a) the securities in respect of which the warrants are issued must be listed on the JSE or on any other exchange that is acceptable to the JSE; and
- (b) the company's securities must have a liquidity rating of 1 or 2 in terms of the rules relating to trading on the JSE trading system; or on any other that the JSE may decide.

Basic Parameters for Index and Index Product Warrants

- 19.8 (a) it must be issued over an index or index product acceptable to the JSE; and
- (b) the index warrants must be cash settled upon exercise.

Other

19.9 The JSE may allow the listing of warrants over any other underlying financial instrument/product acceptable to the JSE.

Basic parameters for warrants

19.10 Warrants:

- (a) may not expire sooner than three months or later than eight years after the date of issue unless otherwise agreed by the JSE;
- (b) together with all other warrants issued in respect of a company, must not exceed 25% of the issued share capital of the company if the warrant issue is uncovered, or 10% of the issued share capital of the company if the warrant issue is covered;
- (c) issued in respect of a company may not exceed 5% of the issued share capital of such company;
- (d) must be scrip settled in accordance with the terms of the warrant issue, provided that the issuer may provide for a cash alternative;
- (e) must be issued at a strike ratio acceptable to the JSE;
- (f) may be "covered" or "uncovered".

19.11 A basket warrant is a contract for the purchase or sale of securities, which comprise a defined group of securities where the component securities.

19.6(g) inserted with effect from 26 May 2008.

19.7 renumbered and amended with effect from 26 May 2008.

* **unless** a new listing as a result of an unbundling.

19.8 and 19.9 inserted with effect from 26 May 2008.

Sections 19.6 to 19.10 renumbered with effect from 26 May 2008.

19.10(a) amended with effect from 26 May 2008.

19.10(e) amended with effect from 26 May 2008.

are individually delivered upon settlement, in proportion to their weighting in the group, and in terms of which:

- (a) the constituents in the basket must comply with 19.7(b)
- (b) the suspension or termination of a security in the basket will not automatically lead to the suspension or termination of the warrant, but the calculation agent will make an adjustment to the warrant, subject to JSE approval; and
- (c) the applicant issuer of a basket warrant is exempt from the obligation of informing any of the companies whose securities form part of the basket that their securities form part of such basket.

19.12 The JSE will allow applicant issuers to list barrier warrants. The JSE will also allow applicant issuers to list intra day barrier warrants, provided the following conditions are met by the applicant issuer:

- (a) the applicant issuer must make an offer price after the barrier/stop loss or knock-out level has been breached in 1 million warrants at 1 cent and agree to contra any purchases that may result;
- (b) immediately after the barrier/stop loss or knock-out level has been reached, the issuer must e-mail the JSE Corporate Actions team (corporateactions@jse.co.za) and telephone a member of the Corporate Actions Team with a request to suspend the relevant warrant/s. Communications by the issuer to the JSE may only be made by a duly authorised representative of the issuer; and
- (c) these conditions must be stated in the pricing supplement and the formal application.

Requirements for Warrants Programme

19.13 The warrant issue documentation outlined in 19.15, must include:

- (a) in respect of the applicant issuer:
 - (i) its full name;
 - (ii) its place and date of incorporation;
 - (iii) the full names and addresses of its directors;
 - (iv) its audited income statements and balance sheets for the last two completed financial years.¹ Where more than nine months have elapsed since the end of the financial year to which the last published annual financial statements relate, an interim report containing the income statement and balance sheet, covering at least the first six months following the end of that financial year, must be included in the documentation. If such an interim report is unaudited, that fact must be stated;
 - (v) a description of any material changes in the financial or trading position of the applicant issuer since the end of the last financial

19.11(a) inserted with effect from 26 May 2008.

19.12 amended with effect from 26 May 2008.

19.13, previously 19.10, renumbered and amended with effect from 26 May 2008

¹ The applicant issuer shall, on request, make available to warrant holders a copy of the current annual report of the applicant issuer (copies must at all times be available at the office of the sponsor and transfer secretary of the issuer).

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- period for which annual financial statements have been published, or an appropriate negative statement;
- (vi) information on any legal or arbitration proceedings, including any such proceedings that are pending or threatened of which the issuer is aware, that may have, or have had, a material effect on its financial position, or an appropriate negative statement;
 - (vii) a credit rating granted by an agency independent of the applicant issuer; and a statement that it will submit a new credit rating on an annual basis or as and when it is amended (copies must at all times be available at the office of the applicant issuer);
 - (viii) a description of the rights of the warrant holders in the event of the liquidation of the applicant issuer;
 - (ix) a description of how the proceeds generated from the issuing of the warrant will be used by the applicant issuer;
 - (x) a statement that the JSE's approval of the listing of the warrants is not to be taken in any way as an indication of the merits of the applicant issuer or of the warrants, that the JSE has not verified the accuracy and truth of the contents of the warrant documentation and that to the extent permitted by law, the JSE will not be liable for any claim of whatever kind;
 - (xi) a statement that claims against the JSE Guarantee Fund may only be made in respect of trading in warrants on the JSE and in accordance with the terms of the rules of the Guarantee Fund, and can in no way relate to a default by the applicant issuer of its obligations in terms of the issue of warrants by the applicant issuer; and
 - (xii) any other details that the JSE may deem appropriate.
- (b) the names and addresses of the advisors and transfer secretaries to the issue;
 - (c) in respect of any guarantor, the matters listed in 19.13(a)(i) to (xii);
 - (d) details of the company in respect of which the warrants will be issued, including:
 - (i) any relevant recently published information relating to the company; and
 - (ii) any other information the JSE may deem appropriate.
 - (e) a statement that the warrant programme and pricing supplement are available on the issuer's website;
 - (f) a statement detailing the risks of investing in warrants. This should include details of the trading risk as well as the risk of the applicant issuer not being able to fulfil its obligations, notwithstanding the fact that the applicant issuer will have been obliged to comply with these Listings Requirements. Every issue document will contain a similar risk statement to the following on the front of the document:

"Prospective purchasers of any warrants should ensure that they understand fully the nature of the warrants and the extent of their exposure to risks, and that they consider the suitability of the warrants as an

19.13(e) and (f) inserted with effect from 26 May 2008.

investment in the light of their own circumstances and financial position. Warrants involve a high degree of risk, including the risk of their expiring worthless. Potential investors should be prepared to sustain a total loss of their investment in warrants. The warrants represent general, unsecured, unsubordinated, contractual obligations of the issuer and rank pari passu in all respects with each other. Purchasers are reminded that the warrants constitute obligations of the issuer only and of no other person. Therefore, potential purchasers should understand that they are relying on the credit worthiness of the issuer.”

Requirements for Pricing Supplement

19.14 The terms of the warrant issue must include:

- (i) the strike price and strike ratio;
- (ii) the expiry date;
- (iii) the procedure to be followed in the event of an exercise of a warrant;
- (iv) the procedure in the event that a warrant holder fails to exercise the warrant holder's rights prior to the expiry date;
- (v) in the event of the issuer providing for a cash payment where any one or more warrant holders fail to exercise their rights under the warrants prior to the expiry date, a statement that payment will be made through Strate on the PD;
- (vi) the marketing period (if any), which may not exceed 10 business days after the date of approval by the JSE, the expected listing date, the expiry date of the issue and the expected termination date of listing of the warrants, as well as the code under which the warrants will trade;
- (vii) how corporate actions in the company or affecting the company (including its liquidation) will influence the rights of the warrant holders;
- (viii) any tax implications;
- (ix) whether or not the warrant holders will receive any dividends declared by the company;
- (x) the effect of any corporate actions or restructuring by the applicant issuer; and
- (xi) a statement that any change in the terms of the warrants must be approved by at least 75% of the warrant holders present, whether in person or by proxy, and voting, excluding the votes of the applicant issuer, any guarantor and their associates.

Documentation to be submitted to the JSE

19.15 The documentation to be submitted to the JSE by the applicant issuer must include the following:

- (a) a warrant programme to be approved by the JSE and a pricing supplement for subsequent applications;

19.15, previously 19.11, renumbered and amended with effect from 26 May 2008.

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- (b) a draft of the announcement referred to in 19.19 (a) and the warrant issue documentation;
 - (c) in the case of a covered warrant, the items referred to in paragraph 19.6 (e);
 - (d) in the case of an uncovered warrant, the items referred to in paragraph 19.6 (f);
 - (e) an application letter;
 - (f) exchange control approval;
 - (g) applicable listing fees; and
 - (h) such other information as may be requested by the JSE.
- 19.16 The JSE requires warrant issuers to make use of a warrant programme (that is a standard warrant programme detailing the terms and conditions that are common to all subsequent warrant issues unless specifically excluded in the supplementary warrant documentation) in terms of which:
- (a) the warrant programme is to be updated by the applicant issuer and approved by the JSE on an annual basis;
 - (b) the warrant programme must adhere to the Listings Requirements; and
 - (c) the supplementary documents submitted under the warrant programme must adhere to the Listings Requirements.
- The warrant programme documentation must be submitted within six months after the financial year end of the warrant issuer.
- The JSE may allow certain information that is of a generic nature to be included in the warrant programme which can then be cross referenced in the pricing supplement.
- 19.17 The contents of the warrant issue documentation for index and index product warrants must include:
- (i) a description of the index, including the name of the publisher of the index, its date of establishment and how it is compiled;
 - (ii) the identity of the party that sponsors and/or calculates the index;
 - (iii) an explanation of the computation of the index;
 - (iv) the frequency with which the index is updated and published;
 - (v) the provisions in the event of modification and discontinuance of the index;
 - (vi) the historic highs and lows of the index for the last five years;
 - (vii) the closing spot level or closing price at the last practicable date;
 - (viii) confirmation that the warrant will be cash settled upon exercise; and
 - (ix) authority to use the index from the party that sponsors and/or calculates the index.

19.16, previously 19.17, renumbered and amended with effect from 26 May 2008.

19.17, previously 19.7(c), renumbered and amended with effect from 26 May 2008.

Increases in issue size of existing warrants (Changes to existing warrants)

- 19.18 Applicant issuers may increase the issue size of existing warrants subject to the following:
- (a) the warrants, together with all other warrants issued in respect of a company must be in compliance with paragraph 19.10 (b) and (c);
 - (b) the relevant fees payable in 19.21 are paid;
 - (c) an application and confirmation that the application complies with the Listings Requirements;
 - (d) a memorandum, submitted to the JSE, detailing that the increase in the warrant issue size complies with the Listings Requirements and that all warrants issued are to be listed; and
 - (e) an increase in issue size may not take place for warrants with less than 3 months until their expiry date.

Announcements

- 19.19 An applicant issuer must publish the following:
- (a) an announcement, which is to be made immediately after the JSE has approved an application for listing, containing:
 - (i) the information referred to in paragraph 19.13(a)(i) and (ii) in respect of the issuer and any guarantor (if the warrant is uncovered);
 - (ii) the period of marketing (if applicable) and the expected listing date;
 - (iii) the salient terms of the warrant issue, including, but not limited to, the expiry date, the strike price and the strike ratio;
 - (iv) a statement that JSE approval for the listing has been granted;
 - (v) the code under which the warrants will trade and the ISIN;
 - (vi) a statement that warrants trades will be settled via Strate; and
 - (vii) confirmation that the warrant issue documentation can be found on the issuer's website.
 - (b) an announcement, which is to be made at least 10 business days prior to the expiry date, containing:
 - (i) the expiry date;
 - (ii) the date of payment for, and delivery of, the underlying security;
 - (iii) any special arrangements (e.g. cash payment or non-election);
 - (iv) a statement that the warrants will be settled via Strate; and
 - (v) such other information as the JSE may deem appropriate.
- 19.20 An applicant issuer must announce any corporate action or restructuring in the underlying security, provided it affects the listed warrant. The announcement is to be made at least 10 business days prior to the Record date of the relevant corporate action.

19.18, previously 19.13, renumbered and amended with effect from 26 May 2008.

19.19, previously 19.9, renumbered and amended with effect from 26 May 2008.

New 19.20 inserted with effect from 26 May 2008.

Initial and annual listings fees

19.21 A new applicant issuer will be charged R342 000 (including VAT) before the initial listing of warrant(s). On the initial submission of warrant documents, a documentation fee of R5 130 (including VAT) is payable. In addition, an annual listings fee shall be paid in February of each year whilst the warrants are listed. The annual listings fee shall be R17 100 (including VAT) per warrant for an applicant issuer with more than 10 warrants issued, and R28 500 (including VAT) per warrant for an issuer with less than 10 warrants issued. No issuer will be required to pay more than R798 000 (including VAT) in respect of annual listing fees, as detailed above.

Asset Backed Securities

19.22 This section sets out the requirements for the listing of Asset Backed Securities (“ABS”) including securitisation issues, as defined. ABS will be listed in the Investment product sector of the Main Board.

Definitions

19.23 In these Listings Requirements for the listing of ABS, unless the contrary intention appears, the following terms shall have the meanings assigned to them below:

“asset backed securities” or “ABS” means securities backed by assets, which at the time of the relevant issue, are evidenced by agreements. The assets are intended to produce funds to be applied towards interest payments due on the securities, if applicable, and for the repayment of principal on maturity except those securities in whole or in part, on real property or other physical assets;²

“entity” means a company registered pursuant to the Companies Act, a public company registered as a bank pursuant to the Banks Act, a private company registered pursuant to the Companies Act which is a subsidiary of a public company registered pursuant to the Companies Act, of which the equity of such public company may or may not be listed on the JSE, a trust registered pursuant to the Trust Property Control Act or a company or trust which, in addition to its registration pursuant to the relevant act, is also registered under regulations enforced by the Financial Services Board;

“issuer” mean an entity or an SPV that issues asset backed securities;

“principal amount” means the capital amount of an asset backed security payable on the redemption date by way of a structured pre-approved, audited and rated amortisation of the note;

“securitisation” means a structure incorporating a diversified pool of cash generating assets usually purchased by an SPV / SPE, funded by the issuance of asset backed securities by such SPV / SPE; and

New 19.21 inserted with effect from 26 May 2008.

19.22 to 19.67, previously 19.19 to 19.64, renumbered with effect from 26 May 2008.

² This means that asset backed securities may not be listed over physical assets.

“SPV or SPE” means a special purpose vehicle / entity set up to issue the asset backed securities.

General

- 19.24 Due to the complex nature of ABS’ the JSE must be consulted at an early stage before formal application for listing is made. Depending on the nature and structure of any particular issue, the requirements set out in the following paragraphs may be modified or additional requirements may apply.
- 19.25 Once application has been made to, and approval granted by, the JSE in relation to an issue of ABS, those ABS will be listed by the JSE and traded on the JSE trading system. The trading system will identify each issue of ABS that are listed, as well as the applicant issuer and the salient terms of the issue. ABS will be traded in the same manner as any other securities on the JSE trading system. The JSE will only in extraordinary circumstances suspend the listing of an ABS and not necessarily on the suspension of the underlying security or failure of performance on the underlying asset class.
- 19.26 ABS trades will be settled through Strate and must be freely transferable.
- 19.27 Applicant issuers of Asset Backed Securities need not comply with Section 8 (Financial Information), Section 9 (Transactions), Section 10 (Transactions with Related Parties).

Sponsor

- 19.28 An issuer or arranger of ABS must comply with the provisions of paragraphs 2.2 to 2.6 in Section 2 regarding the appointment of a sponsor.

Criteria for listing of Asset Backed Securities

- 19.29 An issue of ABS must:
- (a) have committed capital (to be received from the issue) of at least R 50 million prior to listing;³
 - (b) be issued through a SPV that has the quality of insolvency remoteness from the arranger;
 - (c) have assets that are held by a trust, administrated by independent trustees representing the interest of the holders of the ABS. A separate trust is required with respect to the issuance of ABS relating to a different composition of assets;
 - (d) have a management agreement with a service provider and an arrangement for an alternative service provider over the life of the structure if so required;
 - (e) have a liquidity facility in place in order to service cash flows to investors as provided for in the offering circular in the event of corporate actions, interest payments or any other receivables resulting in cash flow from the underlying assets.

³ It really refers to the nominal value of the issue. We would require the issue to be worth R50 mill prior to an offer being made to the public.

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- 19.30 Where the underlying assets are equity in nature the ABS must:
- (a) have underlying assets that are listed on the JSE, unless otherwise determined by the JSE;
 - (b) be fully covered at all times; and
 - (c) have underlying assets which are minority interests and must not confer legal or management control of the listed companies.
- 19.31 Where the underlying assets are debt and/or securitisation listings the ABS must have a credit rating, with respect to the underlying assets, issued by an independent rating agency that must be reviewed annually.
- 19.32 Where the underlying assets are securitisation listing the ABS must have a credit rating issued by an independent rating agency with respect to the quality of the listed ABS acceptable to the JSE, which rating is to be reviewed annually, or else the applicant issuer must satisfy the JSE that adequate insurance policies are in place, with insurance companies acceptable to the JSE, as an alternative to such credit rating.⁴
- 19.33 The arranger must:
- (a) satisfy the JSE that it has the relevant expertise to arrange an issue of ABS or has access to such expertise; and
 - (b) satisfy the JSE that a secondary market in the Asset Backed Securities will be established and maintained.
- 19.34 In the instance where the performance of the ABS is guaranteed (by means of a guarantee or an over-the-counter derivative), the guarantor must comply with the following criteria:
- (a) it must be a member of the JSE, Life Offices' Association of South Africa, Council of South African Banks, Merchant Bankers' Association, South African Futures Exchange, Bond Exchange of South Africa or any other person in South Africa or elsewhere, whether natural or juristic, in good standing and acceptable to the JSE;
 - (b) it must prove to the JSE that it has the relevant expertise to issue the ABS or has access to such expertise;
 - (c) the guarantor must disclose to the JSE any material dealings, including those of a corporate finance nature, other than in the ordinary course of business, by it or its associates in the securities in respect of which ABS are to be issued during the six week period prior to the date of formal application for listing of the ABS; and
 - (d) It must either:
 - (i) satisfy the JSE:
 - (1) that it has net tangible assets of not less than R2 billion in jurisdictions acceptable to the JSE; or
 - (2) undertake that, throughout the duration of that issue, it will maintain at least R2 billion of its assets in the above-mentioned jurisdictions; or

19.27(a) amended with effect from 15 October 2007 and renumbered 19.30(a) with effect from 26 May 2008.

⁴ Securitisation issues will only have one or the other. If there is an insurance policy, there is no need for a credit rating.

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- (ii) provide a guarantee in a form acceptable to the JSE from a third party that is acceptable to the JSE. If such guarantor is not resident in South Africa, the guarantee must state that South African law governs the guarantee and that the guarantor accepts the non-exclusive jurisdiction of the South African courts.

Compliance with the Listings Requirements

19.35 A company with or seeking a listing of ABS on the JSE is required to comply with and satisfy all applicable Listings Requirements, as detailed below and as modified by the provisions set out below.

Continuing obligations

19.36 The SPV is required to comply with Section 3 of the Listings Requirements subject to the following exclusions and additions:

(a) **Exclusions**

Issuers of Asset Backed Securities need not comply with the following continuing obligations:

Paragraph

3.15 to 3.25	Interim, quarterly and provisional reports
3.28	Voting rights
3.29 to 3.31	Pre-emptive rights
3.32 and 3.33	Waiver of Pre-emptive rights
3.34	Profit warranties
3.35 and 3.36	Issues by a major subsidiary other than on listing
3.37 to 3.41	Shareholder spread
3.42 and 3.43	Notification

(b) **Additions**

(i) The following continuing obligations are applicable to a listing of ABS:

- (1) the SPV must supply the JSE with an annual report of the trustees showing the current holding of assets in the trust and detailing all dealings relating to the assets in the trust for the last financial year ended; and
- (2) the JSE must be informed immediately and a SENS announcement must be published in the event of any changes relating to the contractual arrangements of parties involved in the structure of the ABS.

(ii) The following continuing obligations are applicable to a listing of "Debt" ABS:

- (1) at least one credit rating by an independent agency must be published annually unless an appropriate insurance policy is in place.

(iii) The following continuing obligations are applicable to a listing of "securitised" ABS:

- (1) the SPV must supply the JSE with information on the performance of the underlying assets such as percentage defaults and any additional relevant information that may be required by the JSE on a quarterly basis;

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- (2) At least one credit rating by an independent agency must be published annually with respect to the different tranches of Securitised ABS; and
 - (3) a report from an auditor is required that he/she/it is satisfied that, on the basis of the information presented to him/her/it by the SPV, there has been compliance with the relevant provisions of the schedule of the Banks Act 1990 with regard to the conduct of the securitisation scheme.

Conditions for Listing

19.37 An issuer of Asset Backed Securities need only comply with the following provisions of Section 4 with respect to conditions for listing:

Paragraph

4.1 to 4.2	Introduction
4.3 to 4.5	Discretion of the JSE
4.6 to 4.7	Applicant to be duly incorporated
4.8 to 4.10	Directors
4.14 to 4.16	Status of securities
4.17	Transferability of securities

Methods and Procedures of Bringing Securities to Listing

19.38 An issuer of Equity ABS need not comply with the provisions of Section 5 regarding Methods and Procedures of Bringing Securities to Listing.

Pre-listing Statements

19.39 An issuer of ABS must include the following in the pre-listing statement/prospectus:

- (a) the following requirements of Section 6 as follows:

Paragraph

6.1	Requirements for pre-listings statements
6.6 to 6.9	Form and content
6.11 and 6.12	Formal approval
6.13 and 6.14	Supplementary pre-listing statements
6.18	Omission of material contracts from disclosure
6.19 and 6.20	Issues not requiring pre-listing statements

- (b) further disclosure as follows:

- (i) in respect of the applicant issuer:

- (1) its full name;
- (2) its place and date of incorporation;
- (3) the full names and addresses of its directors;
- (4) a statement that the JSE's approval of the listing of the Asset Backed Securities is not to be taken in any way as an indication of the merits of the applicant issuer or of the

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- Fund, that the JSE has not verified the accuracy and truth of the contents of the documentation and that to the extent permitted by law, the JSE will not be liable for any claim of whatever kind;
- (5) a statement that claims against the JSE Guarantee Fund may only be made in respect of trading in ABS's on the JSE and in accordance with the terms of the rules of the Guarantee Fund, and can in no way relate to the issue of ABS's by the applicant issuer; and
 - (6) and any other details that the JSE may deem appropriate;
 - (ii) the names and addresses of the advisors and transfer secretaries to the issue;
 - (iii) an explanation of the tax implications on the structure and on the security holder;
 - (iv) every issue document will contain a similar risk statement on the front of the document:

"Prospective purchasers of any Asset Backed Securities should ensure that they understand fully the nature of the product and the extent of their exposure to risks, and that they consider the suitability of Asset Backed Securities as an investment in light of their own circumstances and financial position"; and
 - (v) in respect of any guarantor the matters listed in paragraph 19.31 (a) to (d) must be provided;
- (c) with regard to the underlying assets used to back ABS the following must be disclosed:
- (i) the legal jurisdiction(s) to which the assets are subject;
 - (ii) the type(s) of assets;
 - (iii) the expiry or maturity date(s) of the assets;
 - (iv) the amount of the assets;
 - (v) an indication of significant representations and warranties given to the issuer relating to the assets;
 - (vi) the method of origination or creation of the assets;
 - (vii) a description of the principal insurance policies, including the names, and where appropriate, the addresses and a brief description of the providers. Any concentration with one insurer should be disclosed if it is material to the transaction;
 - (viii) any relationship between the applicant issuer, guarantor and obligor, if any, must be included. The principal terms and conditions of the obligations must be stated;
 - (ix) the information required by paragraph 19.10 (d) (i) and (ii) should be included in respect of the underlying equity securities;
 - (x) the provisions in the event of modifications and/or discontinuance of securities that make up the assets of the issuer; and
 - (xi) the closing spot price of all the securities within the asset pool;

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- (d) additional information is required with regard to debt and securitisation ABS as follows:
- (i) for loans and credit agreements, the principal lending criteria and extent to which loans may be included which do not meet these criteria;
 - (ii) for loans and credit agreements, any rights or obligations to make further advances;
 - (iii) an indication of significant representations and warranties given to the issuer relating to the assets;
 - (iv) the method of origination or creation of the assets;
 - (v) any rights to substitute the assets and a description of the assets that they may be substituted for;
 - (vi) where the assets consist of obligations of 10 or fewer obligors or where an obligor accounts for 10% or more of the assets, so far as the applicant issuer is aware and/or is able to ascertain from information published by the obligor(s), the information required in respect of each obligor will be the same as that which would be required if it were itself the applicant issuer of the securities to be listed, unless it is already listed on a stock exchange, or the obligations are guaranteed by an entity listed on a stock exchange, in which case only the name, address, country of incorporation, nature of business and name of the exchange on which its securities are listed must be disclosed in respect of the obligor and the guarantor (if applicable). Any relationship between the applicant issuer, guarantor and obligor, if any, must be included. The principal terms and conditions of the obligations must be stated, except where the obligations are debt securities listed on a stock exchange;
 - (vii) where the assets consist of obligations of more than 10 obligors, or where an obligor accounts for less than 10% of the assets the general characteristics and descriptions of the obligors must be given;
 - (viii) a professional opinion regarding the tax liability, if any, incurred by the structure must be given;
 - (ix) credit rating information relating to the underlying assets (if possible) and the credit rating of the security to be issued by an independent rating agency; and
 - (x) a description of the different tranches of securities issued (if applicable) and the effect of default and possible cash flows relating to each tranche of the securities;
- (e) a description of the structure of the transaction;
- (f) an explanation of the flow of funds (if any) stating:
- (i) how the cash flow from the assets is expected to meet the issuer's obligations to holders of the securities;
 - (ii) an indication of any investment parameters for the investment of temporary liquidity surpluses that may occur; and
 - (iii) any fees payable by the issuer;

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- (g) the name, address, description and significant business activities of the administrator or equivalent, (if any) together with a summary of the administrator's responsibilities and a summary of the provisions relating to the termination of the appointment of the administrator and the appointment of an alternative administrator;
 - (h) the names and addresses and brief description of:
 - (i) any parties that participate in the structure by providing a form of performance guarantee on the securities; and
 - (ii) any other party involved in the structure;
 - (i) additional information is required for securitisation ABS regarding an explanation of the flow of funds stating:
 - (i) information on any credit enhancements, an indication of where material potential liquidity shortfalls are expected to occur and the availability of any liquidity supports and indication of provisions to cover interest and liquidity shortfall risks;
 - (ii) how payments are collected in respect of the assets;
 - (iii) the order of priority of payments made by the issuer to the holders of the class of debt securities in question;
 - (iv) detail of any other arrangements upon which payments of interest and principal to investors are dependent;
 - (v) information regarding the accumulation of surpluses in the issuer; and
 - (vi) details of any subordinated debt finance;
 - (j) the names, addresses and brief description of any swap counter parties and any providers of other material forms of enhancement; and
 - (k) the names, addresses and brief description of the banks with which the main bank accounts relating to the transaction are held.

Circulars

19.40 An issuer of Asset Backed Securities must comply with the provisions of Section 11 with regard to circulars as follows:

Paragraph	Nature of statement
11.1	Contents of all circulars and pre-listing statements
11.2	Formal approval
11.43	Embargo placed on company announcements/circulars
11.44	Name and logo of a sponsor

Announcements

19.41 The applicant issuer must publish an announcement, which is to be made immediately after the JSE has approved an application for listing, containing:

- (a) the information referred to in paragraph 19.10 (a) (i) to (xiii) in respect of the applicant issuer;
- (b) the period of marketing (if applicable) and the expected date of listing;

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- (c) a statement that JSE approval for the listing has been granted;
 - (d) the code under which the ABS will trade; and
 - (e) places where copies of the ABS offer circular can be obtained.
- 19.42 The issuer will also be required to make an announcement should there be any changes in the constituent shares of the asset pool relating to a corporate action or otherwise. Such announcement must be made through SENS.

Documents to be submitted to the JSE

- 19.43 The following documentation must be submitted to the JSE via a sponsor:
- (a) a specimen share certificate;
 - (b) with regard to debt and securitisation ABS, the approval of the Registrar of Banks with regard to the scheme not being viewed as “the business of a bank”; and
 - (c) such other information as may be requested by the JSE.

Initial and annual listings fees

- 19.44 The initial fees payable, as determined by the JSE from time to time, are available on the JSE’s website “www.jse.co.za”.
- 19.45 The annual fees payable, as determined by the JSE from time to time, are available on the JSE’s website “www.jse.co.za”.

Exchange Traded Funds

- 19.46 This section sets out the requirements for the listing of Exchange Traded Funds (ETFs) as defined. ETFs will be listed in the Traded Index Funds sector of the Main Board.

General

- 19.47 Once application has been made to, and approval granted by the JSE in relation to the issue of an ETF, those securities will be listed by the JSE and traded on the trading system of the JSE. ETFs will be traded in the same manner as any other securities on the JSE trading system.
- 19.48 ETF trades will be settled through Strate and must be freely transferable.

Sponsor

- 19.49 An applicant issuer of ETFs must comply with the provisions of Section 2 regarding the appointment of a sponsor.

Criteria for listing

- 19.50 ETFs must:
- (a) be open ended in nature;

19.41 amended with effect from 15 October 2007 and renumbered 19.44 with effect from 26 May 2008.
19.42 amended with effect from 15 October 2007 and renumbered 19.45 with effect from 26 May 2008.

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- (b) be issued over an index acceptable to the JSE; and
(c) be fully covered at all times.
- 19.51 The applicant issuer must:
(a) prove to the JSE that it has the relevant expertise to issue ETFs or has access to such expertise; and
(b) satisfy the JSE that a secondary market in the ETF will be established and maintained.
- 19.52 The structure of the ETF must be satisfactory to the JSE.
- 19.53 In the case of ETFs that make provision for distributions to shareholders, such distributions must be made on at least an annual basis. Such distributions must be announced in accordance with the requirements stipulated in Section 3 relating to dividends.
- 19.54 An applicant issuer with or seeking a listing of an ETF on the JSE is required to comply with and satisfy all applicable Listings Requirements detailed below and as modified by the provisions set out below.

Continuing obligations

- 19.55 The applicant issuer is required to comply with Section 3 of the Listings Requirements subject to the following exclusions:

Paragraph

3.15 to 3.25	Interim, quarterly and provisional reports
3.28	Voting rights
3.29 to 3.31	Pre-emptive rights
3.32 and 3.33	Waiver of Pre-emptive rights
3.34	Profit warranties
3.35 and 3.36	Issues by a major subsidiary other than on listing
3.37 to 3.41	Shareholder spread
3.42 and 3.43	Notification

Conditions for Listing

- 19.56 An applicant issuer of ETFs must comply with Section 18, in the case of a dual listed applicant issuer and the following provisions of Section 4 with respect to conditions for listing:

Paragraph

4.1 to 4.2	Introduction
4.3 to 4.5	Discretion of the JSE
4.6 to 4.7	Applicant to be duly incorporated
4.8 to 4.10	Directors
4.14 to 4.16	Status of securities
4.17	Transferability of securities

Methods of Bringing Securities to Listing

- 19.57 An applicant issuer of ETFs need not comply with the provisions of Section 5 regarding Methods and Procedures of Bringing Securities to Listing.

Pre-listing statements

19.58 An applicant issuer of ETFs must include the following in a pre-listing statement/prospectus:

(a) the following requirements of Section 6:

Paragraph

6.1	Requirements for pre-listings statements
6.6 to 6.9	Form and content
6.11 and 6.12	Formal approval
6.13 and 6.14	Supplementary pre-listing statements
6.18	Omission of material contracts from disclosure
6.19 and 6.20	Issues not requiring pre-listing statements

(b) additional disclosure as follows:

(i) in respect of the applicant issuer:

- (1) its full name;
- (2) its place and date of incorporation;
- (3) the full names and addresses of its directors;
- (4) a statement that the JSE's approval of the listing of the is not to be taken in any way as an indication of the merits of the issuer or of the ETF, that the JSE has not verified the accuracy and truth of the contents of the ETF documentation and that to the extent permitted by law, the JSE will not be liable for any claim of whatever kind;
- (5) a statement that claims against the JSE Guarantee Fund may only be made in respect of trading in ETFs on the JSE and in accordance with the terms of the rules of the Guarantee Fund, and can in no way relate to the issue of ETFs by an applicant issuer; and
- (6) any other details that the JSE may deem appropriate;

(ii) the names and addresses of the advisors and transfer secretaries to the issue;

(iii) a professional opinion regarding the effect of Capital Gains Tax on the Fund and the security holder;

(iv) every document issued will contain a similar risk statement on the front of the document:

"Prospective purchasers of any Exchange Traded Funds should ensure that they understand fully the nature of the Exchange Traded Fund and the extent of their exposure to risks, and that they consider the suitability of the Exchange Traded Fund as an investment in the light of their own circumstances and financial position";

(v) details of all parties involved in the ETF structure and must also give an indication of the cost ratio applicable to the ETF;

(vi) a description of the index, including the name of the publisher of the index, its date of establishment and how it is compiled;

(vii) a description of the constituent stocks (if applicable);

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- (viii) the identity of the party that sponsors and/or calculates the index;
 - (ix) an explanation of the computation of the index;
 - (x) the frequency with which the index is updated and published;
 - (xi) the provisions in the event of modification and discontinuance of the index; and
 - (xii) the authority to use the index from the party that sponsors and/or calculates the index;
- (c) an applicant issuer of ETFs must comply with the relevant paragraphs of Section 7 regarding listing particulars.

Circulars

19.59 An issuer of ETFs must comply with the following provisions of Section 11 with regard to circulars:

Paragraph

- 11.1 Contents of all circulars and pre-listing statements
- 11.2 Formal approval
- 11.43 Embargo placed on company announcements/circulars
- 11.44 Name and logo of a sponsor

Announcements

19.60 The applicant issuer must publish an announcement immediately after the JSE has approved an application for listing, containing:

- (a) the information referred to in paragraph 19.10 (a) (i) and (ii) in respect of the applicant issuer;
- (b) the period of marketing (if applicable) and the expected listing date;
- (c) a statement that JSE approval for the listing has been granted;
- (d) the code under which the ETF will trade; and
- (e) places where copies of the ETF issue documentation can be obtained.

19.61 The issuer will also be required to make an announcement should there be a change in the constituent shares in the underlying index. Such announcement must be made through SENS and posted on the applicant issuers website.

Daily Publication

19.62 The applicant issuer must publish the following details on its website each day:

- (a) the net asset value (nav) of the security;
- (b) the accrued reserves distributable to ETF holders, if applicable;
- (c) the index level for the preceding day;
- (d) the fair value of the ETF based on the index level for the preceding day; and
- (e) the costs incurred in the ETF;

19.63 The applicant issuer must also publish the following details on its website each day:

- (a) the constitution of the index basket which an investor wishing to subscribe in specie must deliver on the following trading day;
- (b) the cash amount which an investor wishing to subscribe in specie must deliver on the following trading day; and
- (c) the cash amount which a holder wishing to redeem in specie (i.e. exercise his delivery rights) must submit together with his surrender form.

Documents to be submitted to the JSE

19.64 The following documentation must be submitted to the JSE via a sponsor:

- (a) the approval of the Exchange Control Department of the South African Reserve Bank;
- (b) the ETF offering circular;
- (c) a specimen share certificate; and
- (d) such other information as may be requested by the JSE.

Increases and redemptions in issue size of existing ETFs

19.65 Applicant issuers may increase the issue size of existing ETFs subject to the submission of a memorandum detailing the specific terms of the increase in issue size.

The appointment of market makers

19.66 An applicant issuer shall, prior to the listing of the ETF, be required to appoint a market-maker and such duly appointed market-maker must undertake to maintain a secondary market in the ETF.

Initial and annual listings fees

19.67 The relevant fees payable, as determined by the JSE from time to time, are available on the JSE's website "www.jse.co.za".

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19.64 amended with effect from 15 October 2007 and renumbered 19.67 with effect from 26 May 2008