

Corporate & Commercial ALERT

28 JUNE 2023



CLIFFE DEKKER HOFMEYR

INCORPORATING
KIETI LAW LLP, KENYA

IN THIS ISSUE

"No frills" financial reporting disclosures: New amendments to JSE listings requirements

In furtherance of its *Cutting Red Tape Project*, the Johannesburg Stock Exchange (JSE) announced on 19 June 2023 that the Financial Sector Conduct Authority had approved certain amendments to the JSE Listings Requirements in respect of financial reporting disclosures, amongst other things.



FOR MORE
INSIGHT INTO
OUR EXPERTISE
AND SERVICES

“No frills” financial reporting disclosures: New amendments to JSE listings requirements

In furtherance of its *Cutting Red Tape Project*, the Johannesburg Stock Exchange (JSE) announced on 19 June 2023 that the Financial Sector Conduct Authority had approved certain amendments to the JSE Listings Requirements in respect of financial reporting disclosures, amongst other things.

We first had line sight of these proposed amendments in the JSE’s Consultation Paper in respect of the *Cutting Red Tape Project* published in March 2021. In this consultation paper, the JSE proposed the removal of the obligation on issuers to produce an abridged report in respect of their annual financial statements and publish the report on SENS simultaneously with the publication of their annual financial statements, in accordance with Paragraph 3.21(b) of the JSE Listings Requirements.

The JSE’s Financial Reporting Disclosures Explanatory Memorandum dated 14 February 2023 further expanded on the nature of the proposed amendments, and the accompanying amendment schedule set out the amendments to be made. In the explanatory memorandum, the JSE noted that the requirement to produce an abridged report, as per section 3.21(b) of the JSE Listings Requirements, adds no regulatory

benefit, but instead adds additional management time for issuers to prepare their full suite of financial results and also increases costs, not only in terms of internal resources, but external costs in terms of typesetting and auditors (in cases where the issuer decides to get its auditors to review those results).

In terms of the explanatory memorandum, the main features of the amendments aim to achieve the following:

- the simplification of the provisions in general;
- the removal of the previous obligation to always prepare an abridged report (which report follows the IFRS format applied to interim results, being IAS 34);
- limiting the need to prepare an IAS 34 format set of results only if the detailed audited annual financial statements are not available for public consumption electronically; and

CDH: Africa Corporate Guide

The CDH Africa Corporate Guide aims to simplify the requirements for incorporation and setting up in various African jurisdictions

[Click here to access the full guide](#)



“No frills” financial reporting disclosures: New amendments to JSE listings requirements

CONTINUED

- removal of the previous obligation to obtain an auditor’s opinion on interim results published where the previous set of annual results were accompanied by a modified opinion (according to the JSE, reviews rarely led to any change to the auditor’s position and provided no further information or comfort to investors).

The amendment schedule breaks the amendments down into five blocks, namely:

- **Block 1:** The scope and nature of the financial results to be announced by issuers.
- **Block 2:** The content of the results announcement.
- **Block 3:** Minimum contents of interim results, condensed financial statements and summary financial statements.
- **Block 4:** Minimum contents of annual financial statements, which includes annual reports.
- **Block 5:** Practice notes and guidance letters.

The nature of the amendments is extensive, with the introduction of several new definitions and provisions. These can be found on the JSE’s website and issuers, sponsors and advisors alike are encouraged to consider and absorb these new requirements, which will come into effect on 17 July 2023.

The objective of the JSE’s *Cutting Red Tape Project* is to reduce the red tape to facilitate a more enabling regulatory environment. When they were first proposed, the financial disclosure amendments appeared to be well received by market participants and commentators, as suggested by the feedback the JSE received during its consultation processes.

At a time when more issuers are opting to delist from the JSE, it will be interesting to see whether these “cutting red tape” initiatives will entice new listings and persuade current issuers to remain listed on the JSE.

[Akhona Mgwaba and André de Lange](#)



The graphic features a gold diagonal stripe across a light blue background. At the top left, it displays the logo for 'The LEGAL 500 EMEA'. Below the logo, the text reads: 'Corporate, Commercial/M&A 2023 Rankings'. Underneath, it states: 'Corporate & Commercial practice is ranked in Tier 1.' and 'CDH Kenya's Corporate & Commercial practice is ranked in Tier 3.' It then lists 'Leading Individuals: Willem Jacobs | David Pinnock', 'Recommended Lawyers: Vivien Chaplin | Peter Hesselting Justine Krige | Sammy Ndolo David Thompson | Roxanna Valayathum Njeri Wagacha', 'Next Generation Lawyers: Justine Krige', and 'Hall of Fame: Ian Hayes'.

OUR TEAM

For more information about our Corporate & Commercial practice and services in South Africa and Kenya, please contact:



Ian Hayes

Practice Head & Director:
Corporate & Commercial
T +27 (0)11 562 1593
M +27 (0)83 326 4826
E ian.hayes@cdhlegal.com



David Thompson

Deputy Practice Head & Director:
Corporate & Commercial
T +27 (0)21 481 6335
M +27 (0)82 882 5655
E david.thompson@cdhlegal.com



Sammy Ndolo

Managing Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E sammy.ndolo@cdhlegal.com

Kate Anderson

Director:
Corporate & Commercial
T +27 (0)11 562 1105
M +27 (0)82 418 3784
E kate.anderson@cdhlegal.com

Tessa Brewis

Director:
Corporate & Commercial
T +27 (0)21 481 6324
M +27 (0)83 717 9360
E tessa.brewis@cdhlegal.com

Vivien Chaplin

Director:
Corporate & Commercial
T +27 (0)11 562 1556
M +27 (0)82 411 1305
E vivien.chaplin@cdhlegal.com

Clem Daniel

Director:
Corporate & Commercial
T +27 (0)11 562 1073
M +27 (0)82 418 5924
E clem.daniel@cdhlegal.com

Andrew Giliam

Director:
Corporate & Commercial
T +27 (0)21 481 6363
M +27 (0)83 359 7069
E andrew.giliam@cdhlegal.com

John Gillmer

Joint Sector Head: Private Equity
Director: Corporate & Commercial
T +27 (0)21 405 6004
M +27 (0)82 330 4902
E john.gillmer@cdhlegal.com

Allan Hannie

Director:
Corporate & Commercial
T +27 (0)21 405 6010
E allan.hannie@cdhlegal.com

Peter Hesselning

Director:
Corporate & Commercial
T +27 (0)21 405 6009
M +27 (0)82 883 3131
E peter.hesselning@cdhlegal.com

Quintin Honey

Director:
Corporate & Commercial
T +27 (0)11 562 1166
M +27 (0)83 652 0151
E quintin.honey@cdhlegal.com

Willem Jacobs

Director:
Corporate & Commercial
T +27 (0)11 562 1555
M +27 (0)83 326 8971
E willem.jacobs@cdhlegal.com

Brian Jennings

Director:
Corporate & Commercial
T +27 (0)11 562 1866
M +27 (0)82 787 9497
E brian.jennings@cdhlegal.com

Rachel Kelly

Director:
Corporate & Commercial
T +27 (0)11 562 1165
M +27 (0)82 788 0367
E rachel.kelly@cdhlegal.com

Yaniv Kleitman

Director:
Corporate & Commercial
T +27 (0)11 562 1219
M +27 (0)72 279 1260
E yaniv.kleitman@cdhlegal.com

Justine Krige

Director:
Corporate & Commercial
T +27 (0)21 481 6379
M +27 (0)82 479 8552
E justine.krige@cdhlegal.com

Dane Kruger

Director:
Corporate & Commercial
T +27 (0)21 481 6362
M +27 (0)74 914 1402
E dane.kruger@cdhlegal.com

André de Lange

Sector Head: Agriculture, Aquaculture
& Fishing Sector
Director: Corporate & Commercial
T +27 (0)21 405 6165
M +27 (0)82 781 5858
E andre.delange@cdhlegal.com

Jaco Meyer

Director:
Corporate & Commercial
T +27 (0)11 562 1749
M +27 (0)83 477 8352
E jaco.meyer@cdhlegal.com

OUR TEAM

For more information about our Corporate & Commercial practice and services in South Africa and Kenya, please contact:

Tessmerica Moodley

Director:
Corporate & Commercial
T +27 (0)21 481 6397
M +27 (0)73 401 2488
E tessmerica.moodley@cdhlegal.com

Anita Moolman

Director:
Corporate & Commercial
T +27 (0)11 562 1376
M +27 (0)72 252 1079
E anita.moolman@cdhlegal.com

Wayne Murray

Director:
Corporate & Commercial
T +27 (0)21 405 6018
M +27 (0)79 691 0137
E wayne.murray@cdhlegal.com

Francis Newham

Executive Consultant:
Corporate & Commercial
T +27 (0)21 481 6326
M +27 (0)82 458 7728
E francis.newham@cdhlegal.com

David Pinnock

Joint Sector Head: Private Equity
Director: Corporate & Commercial
T +27 (0)11 562 1400
M +27 (0)83 675 2110
E david.pinnock@cdhlegal.com

Allan Reid

Joint Sector Head: Mining & Minerals
Director: Corporate & Commercial
T +27 (0)11 562 1222
M +27 (0)82 854 9687
E allan.reid@cdhlegal.com

Jess Reid

Director:
Corporate & Commercial
T +27 (0)11 562 1128
M +27 (0)83 571 6987
E jess.reid@cdhlegal.com

Megan Rodgers

Sector Head: Oil & Gas
Director: Corporate & Commercial
T +27 (0)21 481 6429
M +27 (0)79 877 8870
E megan.rodgers@cdhlegal.com

Ludwig Smith

Director:
Corporate & Commercial
T +27 (0)11 562 1500
M +27 (0)79 877 2891
E ludwig.smith@cdhlegal.com

Tamarin Tosen

Director:
Corporate & Commercial
T +27 (0)11 562 1310
M +27 (0)72 026 3806
E tamarin.tosen@cdhlegal.com

Roxanna Valayathum

Director:
Corporate & Commercial
T +27 (0)11 562 1122
M +27 (0)72 464 0515
E roxanna.valayathum@cdhlegal.com

Roux van der Merwe

Director:
Corporate & Commercial
T +27 (0)11 562 1199
M +27 (0)82 559 6406
E roux.vandermerwe@cdhlegal.com

Andrew van Niekerk

Head: Projects & Infrastructure
Director: Corporate & Commercial
T +27 (0)21 481 6491
M +27 (0)76 371 3462
E andrew.vanniekerk@cdhlegal.com

Njeri Wagacha

Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E njeri.wagacha@cdhlegal.com

Charl Williams

Director:
Corporate & Commercial
T +27 (0)21 405 6037
M +27 (0)82 829 4175
E charl.williams@cdhlegal.com

Christelle Wood

Director:
Corporate & Commercial
T +27 (0)11 562 1372
M +27 (0)83 498 2850
E christelle.wood@cdhlegal.com

Emma Hewitt

Practice Development Director:
Corporate & Commercial
T +27 (0)11 562 1635
E emma.hewitt@cdhlegal.com



BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

PLEASE NOTE

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa.

Dx 154 Randburg and Dx 42 Johannesburg.

T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.

T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

NAIROBI

Merchant Square, 3rd floor, Block D, Riverside Drive, Nairobi, Kenya. P.O. Box 22602-00505, Nairobi, Kenya.

T +254 731 086 649 | +254 204 409 918 | +254 710 560 114

E cdhkenya@cdhlegal.com

STELLENBOSCH

14 Louw Street, Stellenbosch Central, Stellenbosch, 7600.

T +27 (0)21 481 6400 E cdhstellenbosch@cdhlegal.com

©2023 12447/JUNE