



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

PROPOSED NEW DEBT LISTING REQUIREMENTS

Last week, the Johannesburg Stock Exchange (JSE) released proposed new debt listing requirements. National Treasury has been working closely with the JSE to ensure that the new proposals bring about increased transparency and improved governance for SOEs, and complement government measures to strengthen SOE governance. SOE governance reform is at the centre of government's efforts to reignite growth in the economy and combat corruption.

Proposed measures include:

- **Procurement:**
 - o The issuer, if a quasi-governmental entity (most commonly provincial and local authorities/municipalities and state owned entities) must disclose its policy on the procurement of services and/or products (if it has one) on the applicant issuer's website.
 - o A register of procurement partners representing 10% or more of the annual procurement spend must be maintained and must be made available on the website of the applicant issuer when the applicant issuer publishes its annual financial statements. A negative statement must be made if there are no such procurement partners at that level.

- **Domestic prominent influential persons¹**
 - o The applicant issuer must have a policy dealing with the disclosure and treatment of domestic prominent influential persons at board level of directors of the applicant issuer and in respect of any transactions/dealings by the applicant issuer with domestic prominent influential persons.

¹ In terms of the Financial Intelligence Centre Act, a domestically influential person is the legal term for a "politically exposed person (PEP)", which is an individual or relation that holds a prominent political function (senior politicians), senior people in organisations that deal with the state, and heads of international organisations.



- o A register of such domestic prominent influential persons and the relationship with the applicant issuer must be maintained by the applicant issuer and must be made available on the website of the applicant issuer when the applicant issuer publishes its annual report.
- o The applicant issuer must have a policy dealing with the disclosure and treatment of loans and procurement with related parties and domestic prominent influential persons at board level, and executive management level of the applicant issuer.

- **Directors**

- o The applicant issuer must have a policy dealing with the nomination of directors of the applicant issuer, which must include (i) details of the fit and proper assessment to be undertaken in order to evaluate the suitability of candidates and (ii) the process involved when considering the nomination of domestic prominent influential persons as directors.
- o Any amendments to the policy dealing with the nomination of directors of the applicant issuer must be announced immediately.
- o A summary of the policy dealing with the nomination of directors of the applicant issuer must be disclosed in the placing document and may be incorporated by reference.
- o The policy dealing with the nomination of directors of the applicant issuer must be a document open for inspection.

Further details are available from the Johannesburg Stock Exchange <https://www.jse.co.za/current-companies/issuer-regulation>

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