



# INSIGHT

**Amanda Markman**  
Head, JSE Sponsor Services  
Tamela

## THE ROAD AHEAD FOR JSE'S SIMPLIFICATION PROJECT AND THE BEE SEGMENT

The Johannesburg Stock Exchange's (JSE) Simplification Project is an important step towards reversing a period of decline in listings and increase in delistings (apart from 2024), but it marks only one milestone on a long journey.

The project is aimed at simplifying the JSE Listing Requirements, using plain language to allow for better understanding and application of the requirements by listed companies, sponsors, shareholders and investors. It commenced with a public consultation process in September 2023, but was itself part of a greater JSE Listings Review which commenced in May 2022.

Following this process – which was completed in October 2024 – a formal application was made to the Financial Sector Conduct Authority (FSCA), and the proposal was published in the Government Gazette for a further and final round of public consultation. This process closed on 14 May 2025, with public comments from the FSCA received on 6 June 2025. The JSE will seek approval from the FSCA to adopt the new listings requirements once these comments have been addressed. But while regulatory reform is necessary, it is not sufficient on its own to shift long-established trends.

The capital markets landscape has fundamentally shifted, with businesses increasingly turning to private equity, venture capital and mezzanine debt to meet funding needs and avoid the burden of public disclosure and compliance. Retail investors are expected to follow this trend initiated by institutional investors.

For the JSE to regain its allure, simplification must be part of a broader market reinvention strategy to reverse the increasing concentration in stock markets with indices dominated by a few companies.

With extensive involvement in the black economic empowerment (BEE) segment, Tamela has gained deep insight into the challenges related to interpreting and meeting the various listing requirements and making them fit for purpose.

A Tamela-led engagement with the JSE regarding the BEE segment was initiated in 2021. In fact, Tamela was involved with the introduction of BEE-verification as far back as 2015. Tamela advised MTN Zakhele in the 2016 unwind of MTN Zakhele, as well as reinvestment into MTN Zakhele Futhi. At the time, the JSE was determined to house those types of securities in what was called Section 19, asset-backed securities (ABS), which was rather like fitting a square peg into a round hole.

The Section 19 ABS regulations were not always fit for purpose, and required several rulings and dispensations from the JSE to gain clarity on exactly how those BEE segment companies should operate within that framework.

Engaging with the JSE was aimed at obtaining clarity for BEE entities, particularly ABSs such as MTN Zakhele Futhi, SAB Zenzele Kabili and Yebo Yethu, which are essentially companies that hold

shares in another entity.

Tamela wanted to start looking at companies that were operational but had similar restrictions placed on them as those ABS companies in terms of tradability of shares and being restricted to BEE individuals and entities, as well as other restrictions created by the underlying companies that needed the BEE credentials.

In addition, many of these companies only had non-executive directors and no employees – with company secretarial, finance and administrative functions being outsourced.

Other aspects that need to be fleshed out include:

(i) the concept of “verified for one, verified for all”, allowing for a central database of BEE-verified individuals and entities that all schemes and companies can tap into. This is being developed on individual exchanges by JIS for the JSE, Singular for I-Ex

(ii) a global and streamlined set of guidelines as to which individuals and entities qualify as Black

(iii) funds of BEE stocks providing diversification and liquidity in terms of industry exposure and length of schemes

(iv) the establishment of a market maker for BEE schemes to improve liquidity

(v) allowing Black fund managers to participate in B-BBEE schemes, which will go some way towards unlocking additional liquidity

We quickly learnt that what looks good at first glance is not always easy to apply. While the Simplification Project is aimed at streamlining processes and reducing red tape, everyone will need to wrap their heads around the changes to the requirements and regulations. The true test will come once we apply it to continuing obligations, transactions and corporate actions.

Fortunately, help is at hand. Tamela, in collaboration with Keith Rayner, has produced the annual JSE Guide since 2019. Formally known as the Tamela JSE Listings Requirements and Related Regulatory Guideline and Notes, it is designed to help market participants, company executives and corporate finance professionals to navigate the JSE Listings Requirements, specifically equity issuers.

The handbook was conceptualised as a practical guide to the key aspects of the JSE's rules and regulations, referencing the relevant sections and guidance within the JSE Listings Requirements, as well as its interaction with other regulations – particularly the Companies Act and Takeover Regulation Panel.

Looking beyond the Simplification Project, the next step will be to determine how to push forward with the other initiatives. 

