

Johannesburg Stock Exchange changes listing rules to attract more firms

South Africa's premier bourse the Johannesburg Stock Exchange (JSE) said on Thursday it was implementing measures to amend listing requirements for companies in order to attract more firms to the country's stock market.



Source: Reuters.

The JSE has been hit by a wave of de-listings in the last two years and has seen minimal initial public offerings, prompting questions from investors on its relevance.

JSE's chief executive officer, Leila Fourie said last year the delistings the JSE had seen were usually at the "fringes", referring to small and mid-cap companies that have mainly delisted from the exchange.

The bourse has also seen surging competition from smaller exchanges which are more nimble in terms of workforce and technology.

"It is our ongoing objective to create an enabling environment for listing on the JSE as we take into account international best practices," said Andre Visser, director of Issuer Regulation at the JSE.

As part of the measures, JSE will bring down the free float - tradeable shares of a company - requirement from 20% to 10%, JSE said, adding that it was in line with the measures taken by the UK and European stock exchanges.

The JSE will also amend its special purpose acquisition companies (Spacs) rules "to align with international leading markets to ensure the attractiveness and competitiveness of Spacs," it said, without elaborating on the changes.

Spacs are firms with no business operations which merge with a private company to take it public.

It also eased rules for financial-reporting disclosures and said it would also change debt-instrument listing rules.

The rules "will go a long way in providing a conducive and internationally competitive environment for capital raising," Visser said.

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