



South African Reserve Bank

Financial Surveillance Department

2014-02-27

Exchange Control Circular No. 13/2014

Offshore secondary listings and depository receipt programmes

Authorised Dealers are advised that companies listed on the JSE Limited may secondary list and/or list depository receipt programmes on foreign exchanges to facilitate both local and offshore foreign direct investment expansions.

In view of the aforementioned, a new sub-section (v) has been added to Section G.(K) of the Exchange Control Rulings:

“(v) Offshore secondary listings and depository receipt programmes

Authorised Dealers may permit South African listed companies, to secondary list on foreign exchanges and/or list depository receipt programmes in the offshore market, subject to receiving the following confirmations:

- (a) Admission to trade on the offshore exchange;
- (b) the shares/securities will be traded for cash only to non-residents and qualifying institutional investors subject to their foreign portfolio investment limits;
- (c) South African residents would hold their shares/securities and settle via the JSE register, whereas non-residents would hold their shares/securities and settle via the offshore secondary register;

- (d) the proposed shares/securities comprising the secondary listing will form part of the locally listed company's share capital;
- (e) South Africa must remain the place of effective management for the locally listed company and under no circumstances may the company re-domicile;
- (f) the locally listed company will continue to be regulated in accordance with the rules and regulations of the JSE;
- (g) the locally listed company will remain a South African incorporated company; and
- (h) of the ratio between the company's shares listed on the JSE and the offshore exchange as a proportion of the locally issued shares. The envisaged percentage non-resident shareholding in the company post the secondary listing on the foreign exchange.

Authorised Dealers must report annually to the Financial Surveillance Department details of the above-mentioned authorities granted."

Replacement pages of the Exchange Control Rulings incorporating the relevant amendments are attached hereto.



Head of Department