



BOTSWANA STOCK EXCHANGE CIRCULAR

TO: The Public

From: Botswana Stock Exchange Limited (BSE)

Date: Tuesday 14 October 2025

**SUBJECT: INVITATION FOR COMMENTS ON THE PROPOSED CHANGES TO THE BSE
EQUITY LISTINGS REQUIREMENTS AND DEBT LISTINGS REQUIREMENTS**

1. As per practice and based on some market participants' feedback, the BSE is reviewing the BSE Equity Listings Requirements and the BSE Debt Listings Requirements.
2. The purpose of the review is to include amendments, additions, and clarifications intended to enhance regulatory compliance, improve market efficiency, and strengthen investor protection.
3. Market participants and the public are invited to review and submit written comments, if applicable, on the attached proposed revisions to the Listings Requirements (refer to annexures 1 & 2).
4. Written submissions should be made to the BSE's Listings and Trading Department at regulation@bse.co.bw on or before **Friday 31 October 2025**.

ANNEXURE 1 -PROPOSED REVISIONS TO THE BSE DEBT LISTINGS REQUIREMENTS		
Ref	Proposed Amendment	Comment/Rationale
1.0	Rename the BSE Listings & Trading Executive Committee to the BSE Regulatory Oversight Committee	Follows the renaming of the Board Sub-committees by the BSE Board
1.1	Original requirement: Public Noteholders 2.12 The minimum number of public shareholders shall be five (5) for all Debt Securities, in respect of which a listing is sought on the BSE Proposed amendment: Minimum Number of Noteholders 2.12 The minimum number of public noteholders shall be five (5) for all Debt Securities, in respect of which a listing is sought on the BSE New addition 2.13 In cases where the noteholder is an entity with more than five (5) ultimate beneficiaries, the above minimum noteholder requirement is waived	Correct reference of debt instrument investors as “Noteholders” as opposed to shareholders which is a reference to Equity Investors The minimum number of noteholders has been revised downward, as most issuances do not meet the threshold prescribed in Section 2.12. However, applying the look-through principle, the BSE has observed that many noteholders are entities representing more than five underlying beneficiaries.
1.2	New Addition Definition of Public Noteholders For the purposes of these Requirements, securities of a listed company will not be regarded as being held by a public noteholder if they are beneficially held, whether directly or indirectly by: a) its parent or associate companies or any subsidiaries or associates of its parent company; and, b) its directors who are holding office as directors of the company, their spouses, children and dependents; and, c) Key persons and their spouses, children and dependents; and, e) any party acting in concert with the parties set out in (a) to (d) above; f) any entity holding 10% or more of the shares of a listed company except where such shareholder is; (i) A Pension fund regulated by NBFIRA; (ii) an entity established under the Collective Investments Undertakings Act	New provision defining a Public Noteholder

	or any other listed investment fund regulated by the NBFIRA; or (iii) a registered holder of securities which are the subject of an Exchange Traded Fund or a depository receipt Programme listed on the Botswana Stock Exchange. The exemptions above will only be valid provided such entities do not act in concert with any other party.	
1.3	New Addition- Section 3.6 In the case of an issuance by private placement, an application for listing must be submitted to the BSE within fourteen (14) calendar days of the issuance.	The current listing requirements do not specify timelines for the listing of debt securities raised through private placements, with provisions only applying to public offers. L&T has observed significant delays in the listing of such securities post-issuance, with timelines ranging from two weeks to as long as five months in extreme cases
1.4	New Addition 3.14 (i) The disclosure document must include a section on how the Issuer has applied the applicable code of Corporate Governance.	An explicit statement is required from debt issuers confirming the adoption of the King III Code of Corporate Governance, along with the necessary disclosures included in the Disclosure Document
1.5	New Addition Section 3.12 (j) information on any legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the applicant issuer is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the applicant issuer's financial position, or an appropriate negative statement	Additional disclosure
1.6	New Addition Section 3.12 (k) a statement that the applicant issuer is – (i) in compliance with the provisions of the Companies Act or legislation of establishment, specifically relating to its incorporation. If a foreign applicant issuer, the statement must be made in respect of its laws of incorporation; and (ii) acting in conformity with its relevant constitutional documents	Additional disclosure
1.7	New additions under Definitions Municipal – refers to "Local Council". Municipal Bonds – refers to debt securities issued by Local Councils	New provisions for the listing of Municipal Bonds

	Local Council – shall have the same meaning as defined in the Local Government Act. Prominent influential person: shall have the same meaning as defined in the Financial Intelligence Act.	
1.8	New Addition Chapter 6 - Municipal Bonds Scope of Chapter 6.1 This chapter sets out the requirements for listing of Debt Securities issued by Municipals. Application Procedures 6.2 Municipals must comply with the requirements of chapter 1 to 4, as applicable. Continuing Obligations 6.2 Local councils are required to fulfil the continuing obligations as set out in Chapter 5 of these Requirements. The following requirements are also applicable for the Municipal Issuers: i) Annual audited financial statements must be submitted within four (4) months after the financial year end; ii) If audited by the Auditor General, Municipal issuers are not required to appoint a BAOA approved Auditor; iii) Municipal issuers must maintain a register of influential persons; a) A Municipal Issuer must have a current policy dealing with the disclosure and treatment of domestic prominent influential persons (i) at board level and (ii) for prescribed officers of the issuer in respect of any transactions/dealings by the issuer with domestic prominent influential persons. The policy must be available on the website of the issuer; b) A current register of such domestic prominent influential persons and the relationship with the issuer must be maintained by an issuer and must also be published on X-News on bi-annual basis and;	New provisions for the listing of Municipal Bonds

	c) Any amendments to the policy dealing with disclosure and treatment of domestic prominent influential persons must be announced immediately. Any instances of deviations from the policy dealing with the disclosure and treatment of domestic prominent influential persons must be announced on X-News immediately together with reasons for the deviation. iv) Municipal issuers must publish on X-News all procurement decisions; a) A Municipal Issuer must have a policy dealing with procurement of services and/or products, this policy must be current and published on the issuer's website. If the issuer does not have a policy, details must be included explaining the statutory and/or regulatory framework the issuer is subjected to as justification for not having a separate policy; b) A current register of procurement of services and/or products representing 10% or more of the annual procurement spend of the issuer must be maintained by the issuer and must also be published on X-News on bi-annual basis. The register must disclose at least the following: I. Parties to the agreement; II. Brief description as to the nature of the agreement; III. Date of the agreement and duration; and IV. Total value of the agreement for the duration period. c) A negative statement must be made if there are no such procurement partners at that level and; d) Any amendments to the policy dealing with procurement must be announced immediately. Any instances of deviations from the policy dealing with the procurement of services and/or products must be announced on X-	
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	News immediately together with reasons for the deviation	
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ANNEXURE 2 -PROPOSED REVISIONS TO THE BSE EQUITY LISTINGS REQUIREMENTS		
Ref	Proposed Amendment	Comment/Rationale
1.0	Rename the BSE Regulatory Oversight Committee to the BSE Regulatory Oversight Committee	Follows the renaming of the Board Sub-committees by the BSE Board
1.1	Define the term "Corporate Action" under definition: New addition: an action taken by an issuer or any other entity or third party which affects the holders of securities in terms of entitlements or notifications	New provision for the definition of Corporate Action
1.2	Amend section 7.5 (a)(ii) Original requirement: Send a circular to its shareholders containing the information required in Chapter 4. Proposed Amendment Send a circular to its shareholders containing the information required in Chapter 4 <u>within 60 days from the publication of the announcement above.</u>	A publication timeline for the Related Party Transaction Circular has been introduced, as the current Requirements are silent on this aspect
	Amend 6.12 (a) (ii) Original Requirement Within 28 days, dispatch a circular to shareholders containing a notice of general meeting to obtain their approval and any agreement effecting the transaction must be conditional upon such approval being obtained Proposed Amendment <u>Within 60 days,</u> dispatch a circular to shareholders containing a notice of general meeting to obtain their approval and any agreement effecting the transaction must be conditional upon such approval being obtained	The timeline for circular publication has been extended to allow sufficient time for the preparation of the circular and supporting documents, as well as for the BSE's review and approval process.
1.4	Amend Section 5.9 Circulation of Annual Report Original Requirement Every listed company shall, within six months after the end of each financial year and at least twenty-one days before the date of the annual general meeting, distribute to all shareholders and	Revised the Annual Report publication timeliness to 10 working days to align with the second schedule of Companies Act

	submit to the BSE for publication on X-News. Proposed Amendment: Every listed company shall, within six months after the end of each financial year and <u>not less than 10 working days</u> before the date of the annual general meeting, distribute to all shareholders and submit to the BSE for publication on X-News:	
1.6	<u>Amend section 5.6 (d)</u> Original Requirement In the instance where an issuer restates previously published results, for whatever reason, they must submit a restatement notification to the BSE containing details of the restatement and the reasons therefore. Such notification must be submitted within 24 hours from the restated results being published on X-NEWS Proposed Announcement In the instance where an issuer restates previously published results, for whatever reason, they must publish a restatement notification on X-News containing details of the restatement and the reasons thereof. A notification, complying with BSE Guidelines must be submitted within 24 hours from the restated results being published on X-NEWS	The requirement has been revised to include the additional submission of the restatement notification to the BSE, in addition to its publication on X-News
1.7	Amend section 5A.3 (e)- X-News File Sizes Original Requirement (e) The file size must not exceed 5 megabytes Proposed Amendment e) The file size must not exceed <u>25 megabytes</u>	The allowable file size for X-News publications has been increased to accommodate larger documents and improve the efficiency of information dissemination
1.8	Amend 2.9 (f)- Main Board Free Float Original Requirement 30% of each class of securities shall be held by the public Proposed Amendment <u>20%</u> of each class of securities shall be held by the public	This requirement was initially introduced to stimulate market liquidity. However, despite compliance by all other issuers, except for one issuer, liquidity levels for instruments listed on the Exchange have not significantly improved. This is largely attributable to the concentration of investors, primarily pension funds, which typically adopt a long-term buy-and-hold strategy, thereby limiting secondary market activity

		The BSE's major competitors within Africa have adopted lower free float requirements, enhancing their appeal to issuers and encouraging market participation. For example: Johannesburg Stock Exchange-10% Nigerian Stock Exchange-20% The Egyptian Exchange-25% Stock Exchange Mauritius-25% Nairobi Securities Exchange -25% These relatively lower free float thresholds across African exchanges reflect a regional trend toward balancing liquidity objectives with issuer flexibility. Aligning the BSE's requirements with these evolving standards would enhance its competitiveness within the continent's capital markets
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