

INTERNATIONAL CLASSIFICATION BENCHMARK CHANGES

Information Session

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let's connect

JS

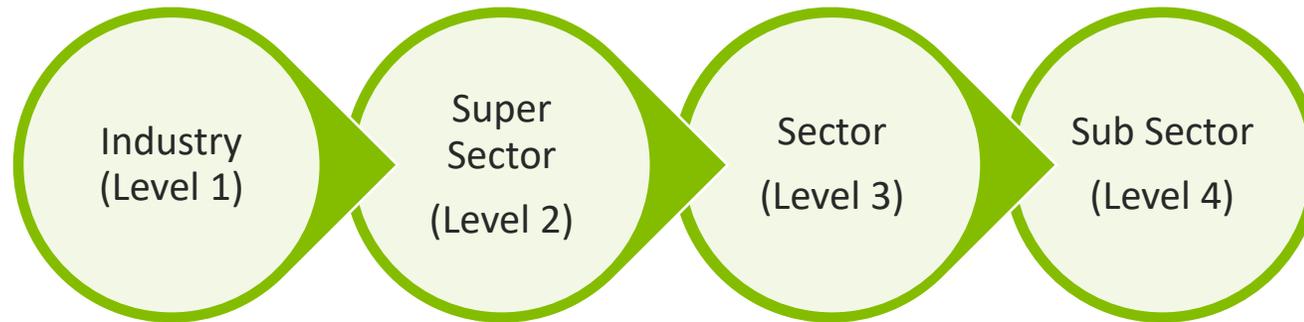
AGENDA

- Overview
- Key Project Milestones
- High Level Changes – Sector
- High Level Changes – Indices, Index Names and Codes
- Market Data Product Impacts
 - Equity Fixed Width Format Products
 - SENS Live and Non-Live Products
 - Live Indices Products
 - Non Live Indices Products
 - Indices CSV Format Products
- FTSE/JSE Index Series Impacts
- BDA Impacts
- High Level Deployment Plan

OVERVIEW

The Industry Classification Benchmark (ICB) is a globally recognized standard for categorising companies and securities operated and managed by FTSE Russell. ICB is widely used and adopted by various financial institutions such as London Stock Exchange, Johannesburg Stock Exchange, Athens Exchange, SIX Swiss Exchange, Cyprus Stock Exchanges, NYSE Euronext, NASDAQ OMX, Borsa Italiana, Boursa Kuwait, and CRSP, STOXX, and FTSE Russell indexes

ICB provides four levels of classification:



Consequently, the number of groupings increased across the four levels of classification. The new ICB framework assigns individual companies to aggregate industry groupings, and with increasing detail, to Sectors and Subsectors that represent the specialist area of business.

KEY PROJECT MILESTONES

While the readiness of all impacted clients is important to us, we will be reaching out to a representative set of clients to assess progress and readiness to meet an internal audit requirement.



Refer to the JSE ICB project webpage to access all hotlines, presentations, specifications and in some instances test data

[https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-\(icb\)](https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-(icb))

HIGH LEVEL CHANGES - SECTOR

The main Sector changes are as follows:

- Creation of a separate Real Estate Industry
- Expansion of the Telecommunications Industry
- Adoption of a new Consumer Discretionary/Staples framework
- Renaming of ICB Oil and Gas to ICB Energy

Level Groupings	Classification Group	Current ICB number groupings	Legacy ICB number of groupings	Change
1	Industry	11	10	+1
2	Supersector	20	19	+1
3	Sector	45	41	+4
4	Subsector	173	114	+59

For more information kindly refer to the following link:

<https://www.ftserussell.com/data/industry-classification-benchmark-icb>

Latest Instrument Mapping Spreadsheet published:

[JSE and NSX Instrument mapping to New ICB Structure 20210211.xls](#)

HIGH LEVEL CHANGES – INDICES, INDEX NAMES AND CODES

Over and above the sector changes, the below changes will also take place and that will impact both the Indices data provided by the live market data feed as well as the non-live market fixed width data record and CSV data file format products

This has been communicated before but we are specifically highlighting this in case these impacts were missed.

There are some updates to the original changes that must be noted.

The changes are detailed in the **Indices Change spreadsheet** as published at the following link on the ICB webpage. The spreadsheet has multiple tabs with **details of new indices, terminated indices and index name and code changes.**

[March 2021 ICB Indices.xls](#)

Terminated Indices

- Small set of Indices will be terminated
- The list of these Indices are in the “Terminate Indices” tab

New Indices

- Small set of Indices will be introduced
- **The original list of these Indices are in the “New Indices” tab with the recent updates in the “Corrected New Indices” tab which is the latest**

Index Code and Name Changes

- A big range of Indices will undergo index code changes and some will also undergo Index name changes
- In addition, the index code is changing to 6 characters for these indices
- **The original list of Index name changes is in the “Name and Code Change” tab with the recent updates in the “Corrected Index mapping” tab**

Index Name Changes (Only)

- Small set of Indices will only undergo an Index name change
- The list of these Indices are in the “name change” tab

MARKET DATA PRODUCT IMPACTS – EQUITY FIXED WIDTH FORMAT PRODUCTS

Key sector impact is **field size increase** to the **sector and sub-sector** code fields from **four to eight characters**.

Sector and sub-sector code fields are included in a big range of data records so the impact is quite wide spread, but the impact per subscriber will vary, based on the number of subscribed data records.

The Sector field is a field in the leading portion of each data record (section 10 in Specs document) so the field position changes already happen early from the second field for all data records.

Changes also impact the sector sequence number field that provides subscribers with guidance on the order to display/print the sectors. This field is part of data records DS-04 and DS-05 (sections 11.2.4 and 11.2.5) and only impacts clients that subscribe to these records.

Latest specifications version is available on the JSE ICB project web section. There have been no changes since it was originally published.

[https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-\(icb\)](https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-(icb))

JSE originally provided a set of non-client specific test data records on the ICB project web section

[https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-\(icb\)](https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-(icb))

JSE is making client specific test data (i.e. E.zip and EE.zip) files available on the production IDP FTP server via the following test folder.

\Distribution\Members Test

Plus impacts explained in slide 5 where a small set of new Indices will be introduced, some indices will be terminated and there will be various index name and code changes

MARKET DATA PRODUCT IMPACTS – SENS LIVE AND NON LIVE PRODUCTS

Stock Exchange News Services (SENS) announcements for both the **JSE and NSX** are published via the real-time **Regulatory News Gateways** and form part of the **end of day SENS products**

Live Announcements currently include the **ICB SubSector field** as an **embedded tag within the NewsML of the EncodedText repeating block field** of the **News message**

There is **NO IMPACT to the News message** published via the real-time Gateways

ICB SubSector **field size** in News Announcements will **increase from four to eight characters** therefore ensure downstream systems cater for this. As it is a tagged field embedded within the NewsML e.g. New SubSector code for Gold Mining is 55103025

Specification updates as detailed in [Service Hotline 279/2020](#) published 15 December 2020

SENS Non-Live market data Product Specification [SENS End of Day Market Data Product Specifications.pdf](#)

MARKET DATA PRODUCT IMPACTS – LIVE INDICES PRODUCTS

FTSE Russell calculates intraday values for a number of FTSE/JSE Indices and makes the data available to the JSE who on distributes it to clients that subscribe to the live Indices Market Data Gateway. The bulk of the Indices disseminated in pulsed mode (updates disseminated at set frequencies) with a small set in true real-time mode.

There are a number of different changes to the Indices which range from Index code changes to Index names as well as introducing and terminating some Indices.

The changes have been previously communicated and we are now providing some updates to the original detail provided.

The changes are detailed in the Indices Changes spreadsheet as published at the following link on the ICB webpage. The spreadsheet has multiple tabs with details of terminated indices, name and code changes as well as new indices.

[March 2021 ICB Indices.xls](#)

Test data is being provided via the JSE CTS environment.

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MARKET DATA PRODUCT IMPACTS – NON LIVE INDICES PRODUCTS

FTSE Russell produce and provide CSV format data files to the JSE at the end of each day for all FTSE/JSE Indices.

The JSE in turn process the FTSE Russell data files and provide the data to clients into two formats - fixed width data record and CSV.

Currently, most of the FTSE/JSE Indices are provided in fixed width data record format with a smaller set provided in CSV file format. The CSV format set has since been expanded to cover most of the Indices.

The JSE CSV format Indices data files undergo minimal change (just filename changes) before onproviding them to clients.

The fixed format data products are provided as data records via four different data files (I.zip, SI.zip, AI.zip and III15.zip).

In addition to the FTSE original data provided in the fixed width format data records, the JSE also currently produces and provides additional reference, earning yield and reference value-add data.

In the interest of simplifying the process effort and help shorten the availability times, and standardising the format to one industry familiar format, the JSE has decided to decommission all Indices fixed width format in favour of the CSV data file format.

Plus impacts explained in slide 5 where a small set of new Indices will be introduced, some indices will be terminated and there will be various index name and code changes

MARKET DATA PRODUCT IMPACTS – INDICES FIXED WIDTH FORMAT PRODUCTS

The key impact to the fixed width format data records is **field size increase** to the Sub-sector Code (ICB Sub-Sector, New ICB Sub-Sector, and Closing ICB Sub-Sector) fields.

The Sub-sector code field is included in a big range of data records so the impact is quite wide spread.

Because of the impact to the data records, and taking into account the JSE intent to migrate away from fixed width data records, the JSE has decided **not to widen the sector specific fields and to rather decommission them all in the fixed width data records** by making them all filler fields.

Instead, the JSE will, and has already started, providing all the Sector changes in CSV data file equivalents for all current data records i.e. all CSV data files will be ICB ready.

This will impact all impacted data records provided via the I.zip, SI.zip, AI.zip and III15.zip data files.

Clients that make use of ICB data must instead obtain this data from the Indices CSV data files that are covered in the next section.

JSE is making client specific test data (i.e. I.zip, etc.) files available on the production IDP FTP server via the following test folder:

\Distribution\Members Test

Plus impacts explained in slide 5 where a small set of new Indices will be introduced, some indices will be terminated and there will be various index name and code changes

MARKET DATA PRODUCT IMPACTS – INDICES CSV FORMAT PRODUCTS

As stated, certain Indices data is already made available as CSV format data files as per the below list.

As per the format migration intent, CSV data file equivalents for all the fixed width data records that currently don't have an equivalent CSV format, will be made available as part of this overall ICB change.

In addition, equivalents of the Indices 15:00 Intraday Snapshot, value-add statistics and reference data records and Earning Yield data will be made available as separate new CSV format data files.

Test data files and specifications for all the Intraday Snapshot, value-add statistics and reference data and Earnings Yields CSV data files will be provided in due course in the IDP test folders.

Clients that make use of sub-sector data will have to access the sector data from 23 March 2021 from the CSV format data files as they will not be available in the fixed width format data records from 23 March 2021.

JSE is making common CSV test data files (in various sub-folders) available on the production IDP FTP server via the following test folder:

\Distribution\Members Test

Plus impacts explained in slide 5 where a small set of new Indices will be introduced, some indices will be terminated and there will be various index name and code changes

- | | | | | |
|----------------------------|---------------------------|--------------------------|------------------------------------|-----------------------------------|
| 1. Core | 9. SWIX All Share | 17. All Africa 30 | 25. Equally Weighted Financial 15 | 33. Responsible Investment |
| 2. Capped Top 40 | 10. SWIX Top 40 | 18. All Africa 30 Rand | 26. Equally Weighted Industrial 25 | 34. Responsible Investment Top 30 |
| 3. Capped All Share | 11. Capped SWIX All Share | 19. All Africa 40 | 27. Equally Weighted Resources 10 | 35. Sharia All Share |
| 4. Factor | 12. Capped SWIX Top 40 | 20. All Africa 40 Rand | 28. Exchange Rates | 36. Style |
| 5. Preference Share | 13. RAFI All Share | 21. Capped Industrial 25 | 29. Minimum Variance All Share | 37. SWIX All Share Sector |
| 6. Equally Weighted Top 40 | 14. RAFI Capped All Share | 22. Capped Property | 30. Minimum Variance Top 40 | 38. Top 40 Risk Target |
| 7. Dividend Plus | 15. RAFI Top 40 | 23. Capped Sharia Top 40 | 31. Property | |
| 8. Top 40 Dividend | 16. RAFI 40 Net TRI | 24. Core Net TRI | 32. Resource 10 Capped | |

FTSE/JSE INDEX SERIES IMPACTS

Any questions must be sent to
INDICES@JSE.CO.ZA



FTSE/JSE INDEX SERIES IMPACTS - BACKGROUND

- Each company in the ICB universe is allocated to the Sub-sector that most closely represents the nature of its business. This allocation is determined by the company's primary source of revenue and other publicly available information
- FTSE Russell enhanced the structure to reflect increased detail and greater flexibility
- The new ICB structure classification is envisaged to be implemented at the **March 2021** Index Review
- The sub-sector code will be expanded from the current 4 digits to **8 digits**
- Links to the latest ICA notice and Indices Change Spreadsheet published:
 - [Changes to ICB SA Sector Indices Updated.pdf](#)
 - [March 2021 ICB Indices.xls](#)

FTSE/JSE INDEX SERIES IMPACTS

- The FTSE/JSE All Share Index (J203) is currently split into 10 ICB Industry indices, i.e. one for each Industry, and 40 Sector indices, according to the ICB structure
- The ICB structure is also used to define the FTSE/JSE SA Sector Indices (SA Resources, SA Industrials and SA Financials)
- The new ICB Industry and Sector indices will be launched with new names and index codes that correspond to the new ICB structure

New-ICB-(11-Industries)α	Current-ICB-(10-Industries)α
Technologyα	Technologyα
Telecommunicationsα	Telecommunicationsα
Health-Careα	Health-Careα
Financialsα	Financialsα
Real-Estateα	α
Consumer-Discretionaryα	Consumer-Servicesα
Consumer-Staplesα	Consumer-Goodsα
Industrialsα	Industrialsα
Basic-Materialsα	Basic-Materialsα
Energyα	Oil-and-Gasα
Utilitiesα	Utilitiesα

FTSE/JSE INDEX SERIES IMPACTS

As a result of enhancements to the FTSE Russell Industry Classification Benchmark, the following changes are envisaged for the FTSE/JSE Africa Index Series:

- ICB Industry Indices: Replacement of existing 10 industry indices with 11 new indices, with codes and names representative of the enhanced structure
- ICB Sector Indices: Replacement of existing 40 sector indices with 44 new indices, with codes and names representative of the enhanced structure (excl Non-equity Investment Instrument)
- ICB Sub-Sector Indices: Decommissioning of 5 existing sub-sector indices
- SA Sector Indices: Definition changes to SA Sector (Financials, Industrials, Resources) to maintain existing logical classification

FTSE/JSE INDEX SERIES IMPACTS

The below sub-sector indices will be decommissioned when the enhanced ICB structure comes into effect:

- FTSE/JSE Gold Mining Index (J150)
- FTSE/JSE Coal Mining Index (J151)
- FTSE/JSE Diamonds & Gemstones Index (J152)
- FTSE/JSE Platinum & Precious Metals (J153)
- FTSE/JSE General Mining (J154)

FTSE/JSE INDEX SERIES IMPACTS

SA SECTOR INDICES: DEFINITION CHANGES

The SA Sector classification is mapped directly to the current global ICB methodology as follows:

- SA Resources: ICB Industries Oil & Gas (0001) and Basic Materials (1000)
- SA Financials: ICB Industry Financials (8000)
- SA Industrials: All remaining companies

With the enhanced ICB structure, the SA sector indices will be defined as follows:

- SA Resources: ICB Industries Basic Materials (55) and Energy (60)
- SA Financials: ICB Industries Financials (30) and Real Estate (35)
- SA Industrials: All remaining companies

The SA sector indices will therefore remain with the same name and index codes and will continue to be comparable after implementation.

BDA IMPACTS

Any questions must be sent to
CUSTOMERSUPPORT@JSE.CO.ZA

```
OPTN: MAIN          BCS/A:  MAIN MENU    (BROKER)          24FEB21 11:02:59
ACTN:              JSE           592

OPTION      DESCRIPTION
MENUA      GENERAL MAINTENANCE
MENUB      ACCOUNT MAINTENANCE
MENUC      DEALS AND DEAL ADJUSTMENTS
MEND       FINANCIAL DATA
MENE       CREDIT CONTROL
MENUF      FLOAT CONTROL
MENG       SCRIP RECEIPTS & CONTRAS
MENUH      SCRIP REGISTRATION
MENUI      SCRIP MOVEMENTS & DELIVERY
MENUJ      REINSTATE DEAL,SCRIP RECORD
MENUK      OPEN POSITIONS & HISTORY
MENUL      ENTITLEMENT DATA
MENUM      MONEY MARKET
MENUN      ADMINISTRATION
MENUO      SECURITY
MENUP      PORTFOLIO DATA
MENUQ      ELECTRONIC CASH PAYMENTS

PF1/13 HELP PF2/14 RETURN PF4/16 MAIN MENU PF12/24 QUIT (ONL.DTE 24FEB DB 995)
Te  R 3 C 8 VJSEJL18
```

BDA IMPACTS

Online Display

- INSTM (detail panel) changes...
 - Sector Code now caters for 8 characters

```
OPTN: INSTM          BCS/A: DISPLAY/UPDATE INSTRUMENT MASTER      24FEB21 10:53:14
ACTN:                                     JSE           592
BRK:   INSTR.CDE:  E NPN           1
ISSUING COMPANY...:  NASPERS LIMITED
DESCRIPTION.....:  -N- ORDINARY SHARES OF 2 CENTS EACH

SHORT NAME.....:  NASPERS-N-          REPORT NAME.:  NASPERS LTD -N-
TRANSFER SECRETARY:  LINK LINK MARKET SERVICES SA (PTY) LTD
CHARGE STRUCTURE...:  01   ORD AND PEF EQUITY SHARES (CENTS)
BOARD/SECTOR CODE.:  J 1010 1020   CONSUMER DIGI
COUNTRY CODE.....:  RSA   SOUTH AFRICA
FORM K INDICATOR...:  N
NOMINAL PRICE.....:  2.00           TRANSFERABLE RAND IND...:  Y
MST PCNT FACTOR...:  0.00000       CERTIFICATION ALLOWED...:  Y
EQUITY DATA: TYPE.:  OS   ORDINARY SHARES, IN CENTS      TRANSFER DEED REQUIRED...:  Y
                    PRICE:  317683.00 C                   STOCK EXCHANGE IND.....:  J

INSTRUMENT ISIN...:  ZAE0000015889   JET DATE.....:  19960419
EFFECTIVE FROM...:  19980817 TO:    99999999   STATUS:  C
ELEC TRADE DTE...:  20011203       DEMATERIALISED DTE:  20011112
PF1 HELP          PF2 RETURN        PF4 MENU          PF5 TSECM        PF12 QUIT
Te█              R 3 C 8 VJSEJL18
```

BDA IMPACTS

Online Display

- Table T.EBD - TRADING BOARD DESCRIPTION
 - Displays board descriptions

```
OPTN: T.EBD          BCS/A:  GENERAL TABLE MAINTENANCE          24FEB21  11:08:32
ACTN:
TABLE: TRADING BOARD DESCRIPTION          START BROWSING FROM:
                                           INCL  DEACTIVATED  :  N
F BRK BOARD          DESCRIPTION          PREFIX DES
-   A                ALT-X BOARD          A-
-   B                AFRICA BOARD          B-
-   D                DCM BOARD            D-
-   E                BEE BOARD            E-
-   J                JSE MAIN BOARD
-   N                NAMIBIA MAIN BOARD
-   V                VCM BOARD            V-
```

Points to Note:

- There will be a difference in the appearance of data displayed due to the ICB Sector Code changes, particularly on :
 - **Portfolio Models (DMOD)**
 - **Portfolio Summary (SMPF)**

BDA IMPACTS

Client Statements (XCLISM and XCLISN)

- XML Client Statement changes...
 - Sector Code tag increase from 34 to 38 characters for 8 character sector code
 - Filler at end of file reduced by 4 characters

Test files to the Service Providers delayed, but expected week of
21 – 26 February 2021

```
BROWSE      BBAP.SPRD.XCLISN.BRK084
Command ==>
..<ScrpHld>
....<Scrp>
.....<Name>NEPI ROCKCASTLE PLC</Name>
.....<SecCde>J35101010</SecCde>
.....<OpBal>1</OpBal>
.....<ClPrce>9055.00</ClPrce>
.....<ClBal>1</ClBal>
....</Scrp>
..</ScrpHld>
```

Reports

- Report layout changes for PACDLH report ...
 - Current layout: JSE CODE (4 character incl. BOARD-IND), ' - ' SECTOR NAME.
 - New layout: ICB-CODE X(8), ' - ' BOARD X(1), '- ' SECTOR NAME.

BDA IMPACTS

Dissemination (DISSEM)

- Card Codes changes for **Broker** Dissemination are:
 - CC 92 (Instrument) - ICB Sector Code (8 characters) included at end of record
 - Filler reduced by 8 characters
 - CC 95 (PFV Balances) - ICB Sector Code (8 characters) included at end of record
 - Filler reduced by 8 characters
 - CC 96 (PFV Holdings) - ICB Sector Code (8 characters) included at end of record
 - Filler reduced by 8 characters

2nd cut of generic test files are currently on the JSE Website

BDA IMPACTS

Dissemination (DISINS)

- Card Codes changes for **Institutional** Dissemination are:
 - **CC 92** (Instrument) - ICB Sector Code (8 characters) included at end of record
 - Filler reduced by 8 characters
 - **CC 95** (PFV Balances) - ICB Sector Code (8 characters) included at end of record
 - Filler reduced by 8 characters
 - **CC 96** (PFV Holdings) - ICB Sector Code (8 characters) included at end of record
 - Filler reduced by 8 characters

2nd cut of test files will be sent directly to impacted Institutions

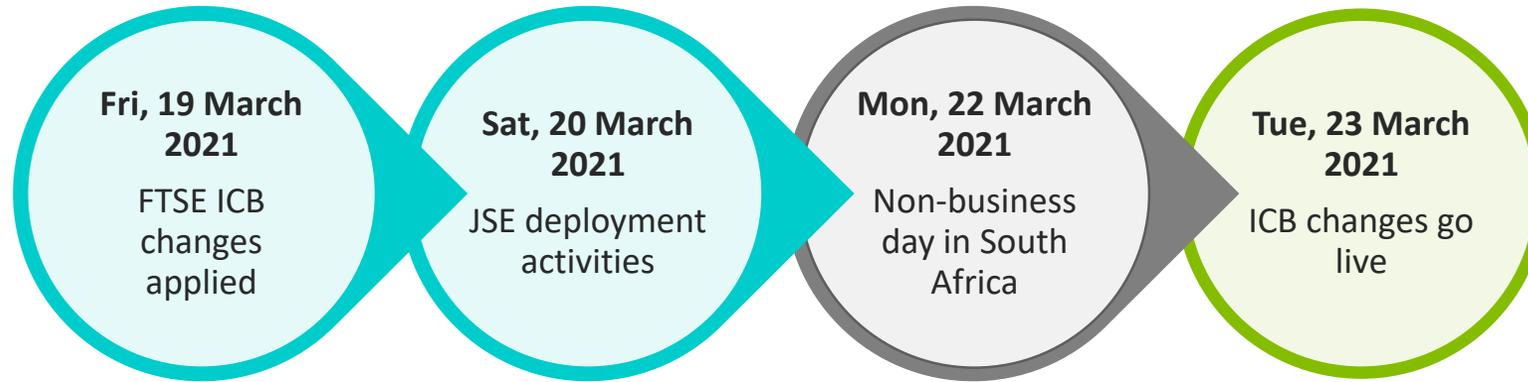
HIGH LEVEL DEPLOYMENT PLAN

ANY QUESTIONS MUST BE SENT TO
CUSTOMERSUPPORT@JSE.CO.ZA

HIGH LEVEL DEPLOYMENT PLAN

The final go live cut-over activities will commence on Friday evening 19 March 2021 post the batch runs.

...



- Strate will deploy JSE FTSE CR

- BDA code changes will be deployed to incorporate new 8 character Sector Code (iOCO | EOH)
- JSE internal systems code changes will be deployed

- Changes to the Live Indices Market Data Gateway will come through at start of the market
- Changes to the Non-Live Market Equity Data products will come through at the end of the day
- Changes to the Non-Live Indices Market Data products will come through from 3pm and the bulk at the end of the day

THE PRESENTATION WILL BE MADE AVAILABLE
ON THE ICB PROJECT SECTION ON JSE WEBSITE

[HTTPS://CLIENTPORTAL.JSE.CO.ZA/TECHNICAL-LIBRARY/INDUSTRY-CLASSIFICATION-BENCHMARK-\(ICB\)](https://clientportal.jse.co.za/technical-library/industry-classification-benchmark-(icb))

THE END