

## SERVICE HOTLINE

**Number:** 012/2025  
**Date:** 24 February 2025

**Name and Surname:** Thembi Mda-Maluleka  
**Designation:** Head - Bonds, Currencies and Interest Rate Derivatives

## UPDATE ON THE ZARONIA PROJECT

### February 2025: Update 1

The JSE would like to provide a general update on the above project.

#### **Background to the project:**

On 13 September 2024 SARB provided the JSE with the **Joint Communication 6 of 2024** ([Joint Communication 6 of 2024 - Preparations towards the transition from JIBAR to ZARONIA \(resbank.co.za\)](#)) document on preparations towards the transition from JIBAR to ZARONIA.

The Prudential Authority (PA) and Financial Sector Conduct Authority (FSCA), jointly referred to as “the Authorities” have published a communication which, inter alia, sets out their expectations that financial institutions’ senior executives and boards understand the risks associated with the transition from JIBAR to ZARONIA and are taking appropriate action so that financial institutions may transition to alternative rates ahead of the final JIBAR cessation.

The Authorities expectation includes “[board-approved plans and assessments](#)” that should consider an appropriately wide range of scenarios and impacts and, as a minimum, certain factors, including the establishment of an enterprise-wide JIBAR transition programme across businesses and functions to manage the transition risks associated with JIBAR-related exposures. The Authorities will, through targeted supervisory engagements, monitor the risks associated with JIBAR cessation and transition, and consider appropriate next steps to be communicated in due course.

#### **MARKETS / SERVICES:**

- Equity Market
- Equity Derivatives Market
- Interest Rate Derivatives Market
- Currency Derivatives Market
- Commodity Derivatives Market
- Bond Market
- Bond ETP Market
- JSE Broker Deal Accounting (BDA)
- Real Time Clearing (RTC)
- Colocation
- International Access Point (IAP)
- EOD Information Subscribers
- Live Information Subscribers

#### **ENVIRONMENT:**

Production

#### **ADDITIONAL INFORMATION:**

If you have any queries about this announcement, please contact the Client Service Centre on +27 11 520 7777 or [customersupport@jse.co.za](mailto:customersupport@jse.co.za)

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### **Impact to the Cash Bond Market:**

Technology changes are required to ingest and store ZARONIA to calculate daily compounded coupon rates for ZARONIA linked instruments, cater for listing of new ZARONIA linked floating rate notes (FRN), step-up/down events and coupon reset process, trading and changes to market data products.

The changes on the Nutron trading functionality are limited to the provision for trading on the ZARONIA linked instruments and the calculation of the accrued interest based on the ZARONIA coupon rates.

### **Client User Acceptance Testing:**

As from **18 March 2025**, the Nutron Bonds/IRD Customer Test Environment (CTS) will be available to all market participants to download, begin connectivity and commence full functional client user acceptance testing. Market participants will have until **8 May 2025** to complete their client UAT.

Members who actively transact in the FRN instruments, will be mandated to participate in client UAT and provide sign off based on the following:

- Market participants to ensure sufficient testing is conducted in line with BAU activities,
- Perform regression Testing: Test existing trading functionality
- Trading on a ZARONIA linked FRN.

Trading is limited to the Nutron trading front-end. The testing expectation is to:

- Submit trades on ZARONIA linked FRNs
- Verifying the Accrued Interest calculation

### **Connectivity Details:**

Trading Members and all Software Providers can download the Customer Test Environment (CTS) Nutron Version at: <https://clientportal.jse.co.za/tools/nutron-api-files>. (Nutron Test Repo v05048)

The IRD Customer Test Environment (CTS) Nutron connectivity details are as follows:

IP Address: 196.216.153.101

Port: 2269

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### **Market Dress Rehearsal and Go-live Dates:**

Members are mandated to successfully participate in one of the following Market Dress Rehearsals (MDR):

- Market Dress Rehearsals:
  - Saturday 29 March 2025
  - Saturday 12 April 2025
- Go-live prep weekend: Saturday 17 May 2025
- Go-live date: Monday 19 May 2025

The purpose of MDR's:

- This is not a full functional test, but rather a connectivity and limited functionality test.
- Members are required to successfully connect to the new IRD Nutron environment and to book trades, either against other members or to clients.
- Sign off will be required via email upon successful participation (connectivity and testing) in one MDR.

**Dress Rehearsals scope:** The dress rehearsal activities are limited to connectivity and submitting trades on ZARONIA linked FRNs. The FRN instrument list will be provided by the JSE but there will not be any trade confirmations from Strate due to Strate not being able to participate in a dress rehearsal.

Please refer queries pertaining to this hotline or the project to [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)