



Johannesburg
Stock Exchange

Tel: +27 11 520 7000
Fax: +27 11 520 8584

www.jse.co.za

SERVICE HOTLINE

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CURRENCY AND EQUITY DERIVATIVES ZERO FEES GUIDELINES

Introduction

This notice sets to outline the scenarios or circumstances under which zero fees would be applied to trades in the Currency and Equity Derivatives Markets on the JSE.

Process

To request zero fees, an email must be sent to the Client Services Center: zerofee@jse.co.za. When a request is submitted, the member needs to provide as much information as possible, including the JSE reference numbers for all trades which pertain to that transaction.

For any queries please contact Client Service Centre: +27 11 520 7777

Request submission deadline

Zero fee requests are to be submitted within one hour of the trade booking time. Unless zero fees are requested on the day of the transaction, no zero fees will be applied retrospectively.

Please see a list of trades that qualify for zero fees below:

1. Error Trades

Trade booked in error and reversed

What to zero:	Exclude from stats
Incorrect leg and reversal leg	Yes

2. Allocations, Assigns and Tripartite

Trades allocated to the incorrect client or assigned to the incorrect Member

What to zero:	Exclude from stats
Initial Client or Member leg to which the trade was allocated, assigned or tripartite and reversal leg	Yes

Market / Service:

JSE Derivative Market

- Currency Derivatives
- Equity Derivatives

Environment(s):

Production

Additional Information:

If you have any queries about this announcement, please contact +27 11 520 7777 or customersupport@jse.co.za

Issued By:

Capital Markets

3. Position Transfers

Transfer of client positions for the same legal entity from one member to another or from a registered account to another within the same member firm

What to zero:	Exclude from stats
All trades are to be zero rated	Yes

4. Intra Day Trades (Currency Derivatives Market)

A client trades in and out on the same day, in the same contract and expiry

What to zero:	Exclude from stats
One leg is zero rated; this will be the lesser in quantity of the two legs.	No

5. Cross Market Trades (Currency and Commodity Derivatives Market)

Trades in the Commodity Derivatives Market and hedged in the Currency Derivatives market

What to zero:	Exclude from stats
When exiting the strategy , the trade leg will be zero rated	No

6. Clearing Member Deal Management (Currency Derivatives Market)

Clearing member accepts, assigns and allocates trades on behalf of member clients

What to zero:	Exclude from stats
Deal managed leg on principle account will be zero rated	No

7. Cross Currency Trades

Cross Currency trade consisting of two different currency contracts in the same expiry.

What to zero:	Exclude from stats
One leg is zero rated; this will be the lesser in quantity of the two legs.	No

Members are requested to adhere to the following conditions for zero fee requests:

- The Zero Fee Request Form must be completed and attached to an e-mail sent to zerofee@jse.co.za;
- The request must include an exchange reference number;
- All requests must include a detailed reason or explanation for the request;
- Zero fees need to be requested on the same day that the trades were booked;
- Zero fee requests cannot be submitted on behalf of third parties;
- Zero fee requests must be sent to the exchange within one hour of the trade booking time;
- Zero fee requests for trades booked between 17:00 and 17:30 should be sent to the exchange immediately;
- The cut off times for zero fee requests are
 - Currency Derivatives Market: 17:30
 - Equity derivatives Market: 18:00
- Late requests will be considered at the JSE's discretion, assuming that there is sound reasoning behind the member not having submitted the request timeously. Such requests will be subject to a minimum rebate of R500.00 incl. VAT due to administrative and bank transaction costs. Late requests are:
 - Requests submitted on the following trade day for the Currency and Equity Derivatives market

The following are some scenarios which will not be considered for zero fees:


1. If a particular trade has a zero fee, this trade cannot be accumulated with a trade that does not have a zero fee. If the member accumulates these trades, the JSE will not be able to zero the resultant trade leg since it contains both billable and non-billable quantities.
2. All mandatory or clearly beneficial corporate actions in stocks will be handled by the JSE. Portfolio adjustments due to non-mandatory corporate actions will not be considered for zero fees.
3. Roll trades – Currency Derivatives and Equity Derivatives Market Reported trades
Members have the ability to roll trades using several functionalities provided for on Nutron. Using these functionalities will automatically zero fee the near leg; therefore members should not need to request manual zero fee for roll trades.

a. Central Order book roll trades:

Roll overs can be done through the spread window on the central order book.

- If the holder has a long position: In order to sell the near leg and buy the far leg, you would need to place the order on the Bid of the spread window.
- If the holder has a short position: In order to buy the near leg and sell the far leg, you would need to place the order on the Offer of the spread window.

	Buy the Spread	Sell the Spread
Bid	Far leg	Near leg
Offer	Near leg	Far leg



Instrument	QtyB	Bid	/ Offer	QtyO
DEC16/MAR17 \$ / R	1 000	0.2239	/ 0.2431	1 000
DEC16/JUN17 \$ / R	1 000	0.4868	/ 0.5112	1 000
DEC16/SEP17 \$ / R	500	0.7310	/ 0.7725	500
DEC16/DEC17 \$ / R	0	0.0000	/ 0.0000	0
DEC16/MAR18 \$ / R	0	0.0000	/ 0.0000	0
DEC16/JUN18 \$ / R	0	0.0000	/ 0.0000	0

b. Roll Forward:

Used by clients/members where they have an existing position and want to roll their position forward with another member or client:

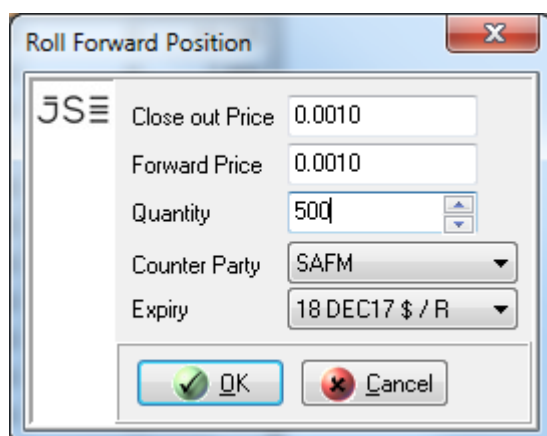
- I. Open the View Consolidated Members Position file, highlight the position that you want to roll forward and click on the “Roll forward” button.



Member	Prin	Contract	Open	Buy	Sell	Current
SAFM	SAFM	19 DEC16 \$ / R	0	500	500	0
SAFM	SAFM	18 SEP17 \$ / R	0	500	500	0

Close Roll Forward Roll Over Pause Refresh Filter Trace Position

- II. Complete the Roll Forward Position screen. Certain fields will be pre-populated with the correct information i.e. Quantity and Expiry.



JS

Close out Price 0.0010

Forward Price 0.0010

Quantity 500

Counter Party SAFM

Expiry 18 DEC17 \$ / R

OK Cancel

c. To roll forward an existing position on a sub-account:

- i. Open the View Con Position file, highlight the position that you want to roll forward, and click on the “Roll forward” button.

Member	Prin	Contract	Open	Buy	Sell	Current
SAFM	SAFM	19 DEC16 \$ / R	0	500	500	0
SAFM	SAFM	18 SEP17 \$ / R	0	500	500	0

- ii. Complete the Roll Forward Position screen. Certain fields will be pre-populated with the correct information i.e. Quantity and Expiry.

Roll Forward Position

Close out Price: 0.0010

Forward Price: 0.0010

Quantity: 500

Counter Party: SAFM

Expiry: 18 DEC17 \$ / R

OK Cancel

d. Bulk Roll Over Upload functionality:

- I. Complete the Derivatives Bulk Roll Over Upload spreadsheet with the relevant roll over details.
- II. Once the spreadsheet is completed, save in a desired location.
- III. Open the Derivatives View Con Positions screen.
- IV. Click on Roll Over Upload.

Member	Prin	Master Client	Contract	Open	Buy	Sell	Current	Call/Put	IdInstr	IdDatesCol	IdStrike	True Name	IsCume
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V. Select Change XLS

Member	Principal	Dealer	CounterParty	Buy/Sell	Qty	SubAcc	Capacity	ReferenceOne	ContractOne	PriceOne	ReferenceTwo	ContractTwo	PriceTwo
SAFM	SAFM	ELA	RMBE	SELL	50		P	Roll1	19 DEC16 \$ / R	15	REF2	13 MAR17 \$ / R	15.3
SAFM	SAFM	ELA	RMBE	SELL	50		P	Roll2	19 DEC16 \$ / R	15	REF2	13 MAR17 \$ / R	15.3

Buttons: Submit, Change XLS, Close

- VI. Find and select the Bulk Roll over spreadsheet which you have already completed and saved
- VII. Once the entries have been checked and are correct, click on Submit.
- VIII. The trades file will update in the Derivatives trades view, and all near legs will automatically be zero rated.

* Please note that should you have the “Must confirm Report only Member/Client trades” ticked under user configuration. This will ensure that the trades filter through to the unmatched file and will need to be accepted. If this is not the case, and the trades are between you and your client, the trades will automatically be matched and filtered through to the trades file

4. Trade Cancellation & Correction – EDM Reported Trades:

Members have the ability to Cancel and correct all Reported Trades including JSE CFDs that have erroneously been reported on the Nutron front end. This process is done by using the Reported Trade Cancel functionality which creates an equal and opposite Trade that will offset the original Trade. This Functionality can only be used on the day the trades are booked.

This functionality is available on the EDM view trades window:

Ref No	Ref No 2	Member	Dealer	Prin	Master Client	Time
000000081	000000081	AHSM	SIM	AHSM		14:29:14

Buttons: Close, Insert, Delete, Edit, Accept, Pause, Refresh, Filter, Report Only Upload, On-Screen Trade Bust, **Reported Trade Cancel**

The process is as follows:

- I. The Original Reported Trade legs will be cancelled by creating an equal-and-opposite Reported Trade
- II. The unmatched equal-and-opposite Reported Trade leg will be created and displayed on the 'View EDM Unmatched Trades' window
- III. The Counterparty must accept the unmatched equal-and-opposite Reported Trade Leg on the 'View EDM Unmatched Trades' window, if it is a Member to Member Reported Trade
- IV. The equal-and-opposite Trade legs will be created and displayed on the 'View EDM Trades' window once the counterparty has accepted the unmatched equal-and-opposite Trade leg.
- V. Zero fees will be applied automatically to the trades.