



Johannesburg
Stock Exchange

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

www.jse.co.za

SERVICE HOTLINE

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FURTHER T + 3 ENHANCEMENTS TO BDA

With the imminent move to the new T+3 settlement cycle on 11 July 2016, we would like to remind users of the BDA system of a number of system enhancements that will be introduced from the go-live date.

Securities Lending and Borrowing

The Swift Messages for loans and collateral have been switched on again and can be used when creating a loan of collateral transaction. Remember that additional Swift costs will be incurred if these messages are used.

Account Transfers and Portfolio Moves

SWIFT Messages

The Swift messages for this functionality will be switched on allowing for the automation of the transfer of shares at the CSDPs. Additional Swift costs will be incurred if these messages are used.

Record Date

It is no longer possible to do External Transfers and Portfolio Moves on Record Date. Please note that BDA will not stop these transfers from occurring, so users are advised to take note of their actions.

Corporate Actions - Fractions

The rounding down of fractions and a cash payout will be introduced over the next year. A view of the fraction payout may be viewed on the BDA screen FTENQ which was introduced in T+3 phase 1. This screen is found on MENUL on BDA. A Minimum fraction amount of R20.00 was agreed to by brokers at the Broker Forum and this will be set for all brokers.

Market / Service:

BDA

Environment(s):

BDA Production

Additional Information:

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

Deal Management

A new warning message will be displayed when a user creates a transaction on DLDIR, DLPRE and DLADJ where the price is more than 10% away from the previous close. The user will have to make a decision to either process at that price (by pressing PF9), or to correct the price by pressing PF6.

This change will not apply to the uploads. The price validation must be built into the check before the data is uploaded to BDA.

Reports

The following reports have been changed to cater for the T+3 settlement cycle:

- PDSETL - SETTLEMENT DETAILS;
- PDSETS - SETTLEMENT SUMMARY; and
- PJSETB - JSET ACCOUNT BALANCES.

Examples of the current and new formats of the reports are included with this Hotline.

Failed Trade Management Processing (FTMP)

FTMP Suspended Screens

Three additional screens will be impacted when BDA suspends the functionality of certain screens at the start of the failed trade management process. In addition to the screens covered in the training, the following three screens will also be suspended:

- CSHAL Cash Allocation screen will be suspended as it can change the nature of position.
- RTREL The Real Time Release screen has the ability to release trades for the day before (which could impact the calculations).
- SDALL The Same Day Allocation screen also has the ability to release trades booked on the trading system for the previous day.

FTMP Contract Notes

Contract notes generated by the failed trade management process will not initially be automatically triggered, as was anticipated. They must be triggered via the BCNTL screen. This issue will be fixed as soon as possible after the go-live date.

FTMP Transactions on the Statements

The Failed Trade Management Process in BDA makes use of the current Deal Adjustment functionality and therefore if the adjustment is within the same month it will not appear on the client's statement. Only if the dates of the transaction cross the BDA month-end will they be seen on the statements.

FTMP Corporate Action Processing

Two new accounts will be loaded on BDA for the management of Corporate Actions on Contra trades in the FTM process. They are both account type "CL". The accounts are:

- 40174
- 40176

Cash and share entitlements for the contra leg where the account type is “Proprietary” or “Controlled” will be posted to these accounts. A credit will be posted to 40176 and a debit to 40174. Please note:

- No automatic settlement will be running on these accounts.
- No automatic contras will be done on these accounts.
- Members can manually contra deals booked to these accounts.
- The same rules that are applied to account type CL for SFA have been included on these accounts.

Once the issue is resolved DLXOPs or journals should be done between 40176 and the client account. A cash receipt must be processed to 40174 or demat holdings brought in to generate float for a stock account or to be allocated to the purchase on the client’s account.