



Johannesburg  
Stock Exchange

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

[www.jse.co.za](http://www.jse.co.za)

## SERVICE HOTLINE

**REFERENCE NUMBER: 145/2016**

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### T+3 OUTSTANDING ISSUES IN BDA

During the SIT and UAT test phases of the T+3 project, a number of items were raised either through the broker forum sessions or through testing. It was felt that these items are not significant enough to warrant impacting the T + 3 timelines and a decision was made to address these items as soon as possible after the T+3 implementation.

Below is the list of items raised with a short description.

#### **Auto generation of real-time contract notes for FTMP**

For go-live and until this is addressed, it will be necessary to tag the contract notes generated by the Failed Trade Management Process, using the BDA on-line function BCNTL.

#### **Blocking of the transfer of securities on Record Date - External Account Transfers and Portfolio Moves**

The market timelines initially allowed for external Account Transfers and Portfolio Moves of shares that were on Record Date - provided they were transferred before 9am. The times were recently amended so as not to allow the transfer of securities on Record Date but this change has not been implemented in BDA as yet.

#### **Treatment of the PT Account (Put Through Account) in the SFA Calculation**

BDA will be amended to treat the PT account the same as DA Accounts when doing the Securities and Funds Calculation (SFA) that is sent to ECS. The PT Account will be excluded from the calculation if the net per settlement date is zero.

#### **Order Number to link the legs of the FTMP transactions**

An order number (reference number) will be introduced that will enable the linking together of the various legs of the Rolling of Settlement transactions or the Failed Trade transactions.

#### **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](mailto:customersupport@jse.co.za)

### **Incorrect margin calculation when a control client is short after buying and selling on the same day**

When a control client buys and sells securities in the same ISIN for the same settlement day, BDA will contra the buy and sell during the batch run, leaving an open unsettled deal. In the Securities and Funds Availability (SFA) calculation, in this scenario, BDA is incorrectly assuming that any quantity or amount that would remain unsettled (when the deals are contra'd) will be covered and no margin is calculated.

Examples of this would be:

- 1) Client has no cash on the account. Client buys 1 000 ABC shares with a settlement value of R10 200.00 and then sells 800 ABC shares with a settlement value of R7 800.00. BDA incorrectly assumes that both the buy and sell is covered however the purchase settlement amount is not covered by the sale proceeds, therefore the purchase should be margined. As the purchase is not covered, there will be no demat holding to cover the sale and therefore the sale should also be margined.
- 2) Client has no ABC shares on the account. Client sells 1 000 ABC shares with a settlement value of R9 800.00 and then buys 800 ABC shares with a settlement value of R8 200.00. BDA incorrectly assumes that both the buy and sale is covered, however the sale is not fully covered. As the sale is not fully covered, the proceeds from this sale are not available to cover the purchase.

### **Validation of the ISIN by BDA when uploading Settlement Authority SLB transactions from SALS via ECS**

The SAT SLB upload will be enhanced to validate the ISIN.