

## SERVICE HOTLINE

REFERENCE NUMBER: 168/2016

16 August 2016

## LOANS AND COLLATERAL TRANSACTIONS

Due to a number of queries raised since the introduction of T + 3 some pointers are set out in this hotline that could reduce margin calls.

Currently when a member part returns loans or collateral transactions, BDA retains the last update date as the RETURN DATE for the remaining portion of the loan or collateral transaction

When calculating the SFA (Securities and Funds Availability) for future or current settlement, BDA first allocates to these outstanding loans, where the return date is in the past, based on the assumption that the member intends to return these loans since the return date is not marked as 99991231.

This has the effect of 'depleting' shares which are available to cover the short position. Similarly, if collateral positions are not updated with a receive date equal to or earlier than settlement date, BDA does not recognize that these shares will be available to cover short positions on settlement date.

## SBORC

### Borrowers

- Ensure that no loans in the instrument exist where the RETURN DATE is equal or after the settlement date unless the Return Date displayed is valid.

### Lenders

- For loan recalls ensure that the RETURN DATE is equal or before the settlement of any trade that the loan recall should cover unless the Return Date displayed is valid.
- If a part return has been done change the RETURN DATE on the remainder to 99991231 on settlement of the part, **otherwise BDA will first ensure that the full remaining loan return is allocated to, before covering market trades.**

### 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)

## SCOLC

### Providers (Borrowers)

- For part returns ensure that the RETURN DATE is equal to or before the settle date of the trade it is to cover unless the Return Date displayed is valid.

### Receivers (Lenders)

- When a portion of a collateral position needs to be returned, confirm the part return and on settlement of the part change the RETURN DATE to 99991231 until the next return is due unless the Return Date displayed is valid, **otherwise BDA will first ensure that the full remaining collateral return is allocated to, before covering market trades.**

**NOTE: Members should take into account that BDA will look at all incoming and outgoing dates on all collateral and loan positions and take them into account for securities availability.**