

SERVICE HOTLINE

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INTRADAY MARGIN CALLS - DERIVATIVES MARKETS - BDA UPDATE

JSE Clear (JSEC) calls for cash collateral for initial margin requirements.

In the event of increased risk exposure because of market volatility during the day, JSEC may elect to perform an intraday margin call (IMC) to protect the central counterparty and safeguard the derivative markets by ensuring that exposures are sufficiently collateralized.

JSE Clear has been performing various market facing IMC tests and as a result JSE members have enquired how cash movements from the IMC will be reflected in their respective BDA accounts.

JSE Clear will process any IMC margin called for same day settlement via its clearing members. Members are advised that no automatic journals will be processed on BDA relating to an intraday margin call.

Members are requested to either process the margin entries manually or use the current journal upload facility to update the impacted subledger accounts on BDA, should an intraday margin call be required and processed by JSE Clear. Clearing Members would provide reports with the relevant movements on the completion of the IMC. It is important to note that an IMC is an extraordinary event and typically only invoked because of extreme price movements.

The subsequent end of day processes performed by JSE Clear will reflect the delta between the IMC process and the closing prices determined at end of day – these entries will be uploaded to BDA as per the current automated daily process.

MARKET / SERVICE:

- 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(S):

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

Guidelines for journals to be processed on BDA:

Trading Clients

- A journal to the impacted Subledger account
- Opposite leg of the journal should be done to 12807
- A cash entry should be processed to 12807 to reflect the Intraday margin cash movement in the bank account.

Prop Margin Call

- A journal to 12773
- Opposite leg of the journal 12807
- A cash entry should be processed to 12807 to reflect the Intraday margin cash movement in the bank account.