



Johannesburg
Stock Exchange

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

www.jse.co.za

SERVICE HOTLINE

REFERENCE NUMBER: 137/2021

24 June 2021

EDM AND FXM - ZERO FEE GUIDELINE UPDATE

Following Service Hotline 095/2021, please take note of the feedback on the following items:

- Amendments to rules on T+1 corrections/reversals;
- Trade cancellations on trades already deal managed;
- Off book trade cancellation on trades executed on a branch.

The below points reflect the outlined changes that will be implemented in each scenario and these updates to the guidelines will be effective from 1 July 2021.

T+1 Corrections/Reversal

- We will zero fee the transaction instead of providing a refund
- The refund option will remain in place provided all criteria have been met
- The zero-fee process for T+1 corrections/reversals is in place as there is currently no functionality available in RTC or MIT to correct/reverse trades on T+1
- Corrections may be, but not limited to, the following scenarios
 - Traded incorrectly to one client but should be for another client
 - Trade outright in error and was reversed
- The following criteria must be met for a trade to qualify for T+X refund:
 - Opposite sides – 1 Buy and 1 Sell
 - Account Code must be the same
 - Member Code must be the same
 - Price must be the same
 - Quantity must be the same- we will consider scenarios where there is a partial cancellation
 - Instrument must be the same
 - Most importantly, the original leg and the correcting entry must be posted on different dates.
- Once the above criteria are met, we will then action a zero fee on the correction and new trade leg/s which are done on T+1 and the fee on the legs executed on T will stand thus ensuring funds are returned expediently without going through a refund process.
- Email all zero fee requests to zerofee@jse.co.za
- Please note that trade corrections on Trade Date must be executed through the same day trade cancellation functionality and we urge all clients to follow this process.
- We urge clients to **not action** any deal management until the fees are waived as this will impact the zero-fee on T and will then need to be processed as a refund.

Markets/ Services:

JSE Derivatives Markets

- Equity Derivatives
- Currency Derivatives

Environment:

Production

Additional Information:

For further information please contact the Client Service Centre (CSC) on 011 520 7777 or e-mail customersupport@jse.co.za

Issued By:

JSE Customer Support and Services

Trade Cancellations on trades already been Deal Managed

- Due to limitations in our billing system, we are unable to fully automate the billing of the aforementioned scenarios and the JSE will grant a dispensation for trading fees to be waived on certain trades which meet the below criteria on Trade Date
- All other scenarios regarding Trade Cancellations must be facilitated through the trade cancellation functionality in line with Market rules and these transactions will not qualify for a zero fee if the functionality is not used
- The following criteria must be met for a trade to qualify for a zero fee:
 - Trade must be on T
 - Position Reason on original trade must either be Accumulate, Allocate, Assign, Tripartite
 - Opposite sides – 1 Buy and 1 Sell
 - Account Code must be the same
 - Member Code must be the same
 - Price must be the same
 - Quantity must be the same – we will consider scenarios where there is a partial cancellation
 - Instrument must be the same
- If the above is met, the client must book an equal and opposite trade report and send it to zerofee@jse.co.za to be refunded
- It is important that the original leg and correcting entry are posted on different dates
- We urge clients to **not action** any deal management until the fees are waived as this will impact the zero-fee on T and will then need to be processed as a refund.

Off Book Trade Cancellations on trades executed on a branch level

- Further testing has been completed and we have identified a solution that has been escalated to our vendor and we will communicate a way forward to the market.

In Summary, the following manual zero fee scenarios will be considered as long as the relevant criteria is met:

- Position Transfers - EDM and FXM;
- Cross Currency Pairs - FXM only;
- Refunds/zero fees on client Sub-Account Modification - this is under review and the functionality will be deployed in future RTC release - EDM and FXM;
- T+1 Corrections/Reversals – EDM and FXM;
- Trade Cancellations on trades already deal managed – EDM and FXM.

The following fixes forms part of the RTC Release V1.34 scheduled for Go Live in July 2021:

- Maker Taker Refunds (Single Stock Options and Index Options) - This is a billing model that aims to incentivize on-screen liquidity provision. A 100% Discount is applied to the Liquidity Provider's calculated fee for trades executed on-screen on Single Stock and Index Options. This model was not catered for post ITAC.
- Roll Trade Discounts - Calendar Spreads matching against Implied Orders. This is a current defect in our billing system whereby a trade occurs on the back of an On-Book Calendar spread order which matches against an Implied Order.

Should you have any queries regarding this Service Hotline please e-mail customersupport@jse.co.za