049C

SCHEDULE RELATING TO THE AMENDMENTS TO THE JSE EQUITIES DIRECTIVES

General explanatory notes:

1. Words underlined with a solid line (_____) indicate the insertions in the existing directives.

2. Words in bold and in square brackets ([   ]) indicate omissions from existing directives.

Section B: Transactions and Trading Procedures

BT   On book and off book trading[Trading and Trade Reporting]

The words defined in the rules will, if not inconsistent with the subject or content and unless they are defined in this directive, bear the same meaning in this directive.

1. A TSP is responsible for identifying the origin and the accuracy, integrity, and bona fides of all data submitted to JSE systems by or on behalf of that TSP. Any information received by JSE systems is deemed for all purposes under the rules and directives to have been submitted to JSE systems by, and with the knowledge of the TSP.

2. ...

3. ...

4. In order to utilise the services of, and access JSE systems, a TSP must:

> 4.1   enter into and sign the agreements; **[and]**

> 4.2   adhere to the requirements and specifications of such agreements; as may be prescribed by the JSE Executive from time to time; and

> 4.3   in accordance with rule 3.50.1, adhere to the following operational requirements –

>> 4.3.1   have a primary and back up telecommunication link to the JSE's primary data centre with sufficient bandwidth on both links as specified by the JSE from time to time;

>> 4.3.2   have a telecommunication link to the JSE's remote disaster recovery site and be able to continue to access the JSE systems that are necessary to function as a TSP should the JSE fail over to its remote disaster recovery site;

>> 4.3.3   only use trading and information applications which interact with the JSE trading system that are provided by a JSE accredited software provider;

>> 4.3.4   if the TSP uses the services of a Shared Infrastructure Provider (SIP), only use a SIP that is accredited by the JSE and notify the JSE that it is using the services of an accredited SIP;

>> 4.3.5   at all times have access to the JSE trading system to ensure business continuity for the TSP's trading activities, including having at least two functional workstations;

>> 4.3.6   have a Bank Identification Code (BIC) to identify the TSP to the JSE trading system;

>> 4.3.7   at all times be able to identify-

>>> 4.3.7.1   which trading application is responsible for the generation or submission of an order that is submitted electronically to the JSE trading system;

>>> 4.3.7.2   which registered securities trader is responsible for the authorisation of an order that is submitted electronically to the JSE trading system if the submission of the order requires such authorisation; and

>> 4.3.8   have the necessary arrangements in place to ensure that if connectivity is interrupted between the member and a direct market access client or if a member trading application which generates proprietary orders is unable to interact with the JSE trading system, the TSP has the ability to cancel or modify any orders submitted to the JSE trading system by the direct market access client or the member trading application.

> 5.   ....

6. Order and off book trade details **[and order types]**

6.1 In addition to the details that are required by the JSE trading system to facilitate the proper entry of an order or an off book trade,**[An]** an order or an off book trade submitted to the JSE equities trading system must **[at least]** contain the following details in order to facilitate proper disclosure to clients and effective regulation of transactions by the JSE:

6.1.1 capacity in which the member is dealing(agent or principal);

6.1.2 client or stock account **[reference]** number to which any associated trades will be booked;

[6.1.3 institutional identification number (where applicable);]

[6.1.4 quantity of securities;]

6.1.3**[5]** minimum execution size **[(MES)]** in respect of a hidden order;

[6.1.6 ISIN code;]

[6.1.7 JSE alpha code;]

6.1.4**[8]** trader group; and

6.1.5**[9]** trader identification number.**[; and]**

[6.1.10 such other information as determined by the Market Controller from time to time]

[6.2 The only valid order types to be submitted to the JSE equities trading system are –

6.2.1 limit order;

6.2.2 market order; and

6.2.3 hidden order; (hidden pegged order or hidden limit order.]

6.2**[3]** The quantity of securities of a hidden order at the time of submission of the order and, if applicable, on modification of the order must be greater than or equal to the **[M]**minimum reserve size **[Order Size][(MOS).]**which will be determined by the Market Controller per equity security and published in a JSE Gazette.

6.3 If an order submitted to the JSE equities trading system by a registered securities trader was not received or initiated by that registered securities trader but was instead received or initiated by another employee of the member, such as a sales trader or a portfolio manager, the member must be able to identify the other employee who received or initiated the order.

[6.4 The MES of a hidden order must be greater than or equal to the (MOS).]

[6.5 If the unexecuted quantity of a partially executed hidden order is less than the MOS, the order must either be deleted,or it must be modified to ensure that it continues to meet the MOS and MES requirements in BT 6.3 and 6.4.]

[6.6 The MOS per equity security will be determined by the Market Controller and the JSE will publish the MOS per equity security in a JSE Gazette]

7. Trade Cancellations**[Contra trades, post contra trade and transaction corrections]**

7.1 A TSP seeking permission for a **[contra or post contra trade or transaction correction]** cancellation of an on book trade must,**[—]** subject to rules 6.50.1 and 6.50.2, immediately upon becoming aware of the erroneous trade request permission from the Director: Surveillance to cancel the trade by informing him of the original trade, giving details of such trade and the circumstances or reasons which resulted in the original trade.

[7.1.1 subject to rule 6.50.1, immediately upon becoming aware of the erroneous trade, request permission from the Director: Surveillance to [correct] cancel the trade by informing him of the original trade, giving details of such trade and the circumstances or reasons which resulted in the original trade; and]

[7.1.2 within 20 minutes confirm these details in writing.]

7.2 The Director: Surveillance shall, upon receipt of the **[written]** request, without delay but after due consideration, either accept or decline the request.

7.3 **[Within 5 minutes of]** Without delay after permission **[being]** has been granted by the Director: Surveillance, a trade cancellation must be submitted to the JSE equities trading system by a TSP designated by the Director: Surveillance. **[one of the following actions must be taken:]**

    [7.3.1 **in respect of an automated or auction trade matched on the current business day, a contra trade must be in to the JSE equities trading system by a TSP designated by the Director: Surveillance; or]**

    [7.3.2 **in respect of an automated or auction trade matched on the previous business day, a post contra trade must, be reported to the JSE equities trading system by a TSP designated by the Director: Surveillance.]**

7.4 **[Where a TSP has to correct a reported transaction that was reported on the current business day or the previous business day, the TSP must advise the Director: Surveillance and a transaction correction must be sent to the JSE equities trading system by that TSP. Where the correction is in respect of a two-member reported transaction the originator of the report must send the transaction correction]** If a TSP is unable to submit a trade cancellation to the JSE equities trading system on the same day as the erroneous on book trade, the TSP must submit the trade cancellation as a next day cancellation of an on book trade without delay on the following business day.

7.5 Where a TSP requests permission to **[correct]** cancel an on book trade **[via a contra or a post contra trade]** and such request fails to meet the criteria described in rule 6.50.2, the TSP will be liable for payment of an administration fee of R2 000.

7.6 Whenever a **[contra or a post contra]** trade cancellation of an on book trade is executed, the TSP responsible for the error that gave rise to the **[correction]** cancellation will be liable for payment of an administration fee of R10 000. The TSP who requested the **[contra trade or post contra trade]** trade cancellation must compensate the opposite TSP, who in turn must compensate its client, for any damages suffered due to the loss of price/time priority. The Director: Surveillance will, on request, determine the amount of compensation.

7. 7 A TSP may appeal to the JSE against a ruling given in terms of rule 6.50.**[3]**4 subject to –

    7.7.1 the appeal being lodged with the Director: Surveillance before 12h00 on the business day following the ruling; and

    7.7.2 the payment of a fee of R2000 which, at the discretion of the JSE, may be refundable in whole or in part.

10. A member applying to operate an OEA that provides DMA must be able to demonstrate, to the satisfaction of the JSE , that the OEA meets all of the following key objectives:

    10.1 Avoidance of Erroneous Orders and Manipulative Practices

        ...

    10.2 ...

        ...

    10.3 ...

    10.4 Adherence to Trading Phases

    The OEA must be able to detect and react to the various JSE defined **[period schedules]** trading sessions.

BU [Reserved] Trading sessions and Times

1. With reference to rule 6.20.1, for the purpose of order management, on book trading and off book trade submission, the equities trading system will operate from 08h00 to 18h15 on every business day according to the following standard sessions and times, except for early close days or futures close out days:

Segment	Off book Trade Reporting Session	Opening Auction Call Session	Continuous Trading Session	Continuous Trading 1 Session	Intraday Auction Call Session	Continuous Trading 2 Session	Closing Auction Call Session	Post Close Session

Segment	Off book Trade Reporting Session	Opening Auction Call Session	Continuous Trading Session	Continuous Trading 1 Session	Intraday Auction Call Session	Continuous Trading 2 Session	Closing Auction Call Session	Post Close Session
ZA01 ZA02 ZA06	08h00 – 18h15	08h30 – 09h00	09h00 – 16h50				16h50 – 17h00	17h00 – 18h15
ZA03	08h00 – 18h15	08h30 – 09h00		09h00 – 12h00	12h00 – 12h15	12h15 – 16h50	16h50 – 17h00	17h00 – 18h15
ZA04	08h00 – 18h15	08h30 – 09h10	09h10 – 16h49					16h49 – 18h15

2. The following sessions and times will be applicable to those business days on which the JSE closes the equities market earlier than the closing time on a normal trading day:

Segment	Off book Trade Reporting Session	Opening Auction Call Session	Continuous Trading Session	Continuous Trading 1 Session	Intraday Auction Call Session	Continuous Trading 2 Session	Closing Auction Call Session	Post Close Session
ZA01 ZA02 ZA06 ZA12	08:00 - 13:15	08:30 - 09:00	09:00 - 11:50				11:50 - 12:00	12:00 - 13:15
ZA03 ZA11	08:00 - 13:15	08:30 - 09:00		09:00 - 11:00	11:00 - 11:15	11:15 - 11:50	11:50 - 12:00	12:00 - 13:15
ZA04	08:00 - 13:15	08:30 - 09:00	09:00 - 11:49					11:49 - 13:15

3. The following sessions and times will be applicable to futures close out days:

Segment	Off book Trade Reporting Session	Opening Auction Call Session	Continuous Trading Session1	FCO Auction Call Session	Continuous Trading Session 2	Closing Auction Call Session	Post Close Session
ZA01 ZA02 ZA03 ZA06	08h00 – 18h15	08h30 – 09h00	09h00 – 12h00	12h00 – 12h15	12h15 – 16h50	16h50 – 17h00	17h00 – 18h15
ZA04	08h00 – 18h15	08h30 – 09h10	09h10 – 12h00	12h00 – 12h15	12h15 – 16h49		16h49 – 18h15

4   The following trading sessions may occur under certain market conditions-

  4.1   volatility auction session;

  4.2   market order extension session; and

  4.3   price monitoring extension session.

A maximum of one of each of the auction extension sessions referred to in 4.2 and 4.3 may occur after any auction call session, except for after a closing auction session when there may be up to a maximum of two price monitoring extension sessions and one market order extension session.

Directive E - Clearing and Settlement

EL Ring-fencing schedule

The table below sets out which transactions (as detailed in rule 6.30) in equity securities on the JSE will be ring-fenced for the purposes of managing the settlement of those transactions.

Transaction Description	Trade Type Code	Settlement Type Code	Risk Managed by the JSE	Ring-Fenced
Automated Trade	AT	MB	Yes	No
Auction Trade	UT	MB	Yes	No
Block Trade	BT	BT	No	Yes
Bookbuild Trade	BK	BK	No	Yes
Corporate Finance Transaction	CF	CF	No	Yes
Delta Trade	OD	OD	No	Yes
Exercise of Options	OX	OX	No	Yes
Exercise of Traded Options	TX	TX	No	Yes
Exercise of Warrants	WX	WX	No	Yes
Give-up Trade	GU	GU	No	Yes
Late Trade	LT	LT	No	Yes
Off Order Book Principal Trade	OP	OP	No	Yes
Portfolio Transaction	PF	PF	No	Yes
[Post Contra Trade]Next Day cancellation of On Book Trade	PC	PC	No	Yes
[Late Contra Trade]Next Day cancellation of a published Off Book Trade	**[-]**LC	LC	No	Yes
Next Day cancellation of a non-published Off Book Trade	NC	NC	No	Yes
Error Report Trade	–	ER	No	Yes