

PROPOSED AMENDMENTS TO THE JSE INTEREST RATE AND CURRENCY DERIVATIVES RULES

General explanatory notes:

1. Words underlined with a solid line (____) indicate the insertions in the existing rules
2. Words in bold and in square brackets ([]) indicate deletions from the existing rules

Section 2: Definitions and Interpretation

"carry transaction"	means a buy/sell back <u>or repurchase</u> transaction between two parties in terms of which one party agrees to buy bonds from the other party while simultaneously agreeing to sell the bonds back on an agreed future date at an agreed price;
"repurchase transaction"	means a sale and repurchase transaction between two parties in terms of which one party agrees to buy bonds from the other party while simultaneously agreeing to sell the bonds back on an agreed future date at an agreed price;
<u>"tri-party repurchase transaction"</u>	<u>is a type of repurchase transaction for which the assurance of settlement of the transaction, including collateral selection, custody of collateral securities, and collateral management is managed by the central securities depository appointed as a tri-party agent by both the buyer and seller in terms of a tri-party repurchase agreement;</u>

9.10 Applicability of Section 9

9.10.1 Section 9 shall apply to the settlement of transactions in bonds, excluding tri-party repurchase transactions.

9.10.2 Tri-party repurchase transactions in bonds will settle through the central securities depository, but the Settlement Authority will not manage the settlement of those transactions in terms of this Section 9, and the settlement assurance provisions in rule 9.15 will not apply to those transactions, as the assurance of settlement of tri-party repurchase transactions will be managed by the central securities depository appointed as a tri-party agent.

Section 11: Defaults

11.05 Applicability of Section 11

Section 11 shall apply to obligations and commitments in respect of transactions or positions in IRC securities, excluding tri-party repurchase transactions in bonds which will follow the default process as prescribed in the underlying contract between the parties.

PROPOSED AMENDMENTS TO THE JSE INTEREST RATE AND CURRENCY DERIVATIVES DIRECTIVES

General explanatory notes:

3. Words underlined with a solid line (____) indicate the insertions in the existing directives
4. Words in bold and in square brackets ([]) indicate deletions from the existing directives

Section E: Settlement

EA Applicability of Section E

Section E applies to the settlement of transactions in bonds, except that sub-sections EG, EI and EJ shall not apply to tri-party repurchase transactions in bonds.