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**MARKET NOTICE**Johannesburg  
Stock ExchangeTel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)

**Number:** 100A/2020  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 24 March 2020

**SUBJECT:** FSCA STATEMENT ON POSSIBLE NAKED SHORT SELLING

**Name and Surname:** Paul Hartzenberg  
**Designation:** Head - Group Compliance

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The attention of members is drawn to the attached FSCA statement in respect of naked short selling and members are also reminded of the circumstances in which short selling may take place and the prohibition on naked short selling as set out in the JSE equities market rules.

The JSE equities market rules state that clients may only place sell orders with a member (rule 10.50.1) and members may only insert sell orders into or report trades to the JSE equities trading system (rule 10.50.2) if the securities have been secured and will be available for settlement on settlement date in one of the following circumstances:

- the securities are in uncertificated form, owned by the client and held by the CSDP of the member or client, as applicable;
- another transaction has been concluded that will yield the securities;
- a satisfactory borrowing arrangement is in place for an equivalent amount of securities;
- a corporate action will result in the securities required; or
- the securities will be transferred from a foreign register to the local register in good time.

These arrangements must be in place before the client places an order to sell short and before a member inserts a short sell order or reports a short sell trade to the JSE equities trading system; and the JSE will take decisive action in those instances in which naked short selling is identified.

Should you have any queries regarding this notice, please contact:

**The JSE Settlement Authority**

David Jumna - Manager Equities Settlement Post Trade Services on 011 520 7754, or  
Simon Behrends - Head: Equities and Bonds Operations, Post Trade Services on 011 520 7792; or  
Group email: [SetAuth@Jse.co.za](mailto:SetAuth@Jse.co.za)

**JSE Market Regulation**

Shaun Davies – Director: Market Regulation on 011 520 7032 or [ShaunD@jse.co.za](mailto:ShaunD@jse.co.za)

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>