

## MARKET NOTICE

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<b>Relates to:</b>	<input checked="" type="checkbox"/> Equity Market <input checked="" type="checkbox"/> Equity Derivatives Market <input checked="" type="checkbox"/> Commodity Derivatives Market <input checked="" type="checkbox"/> Currency Derivatives Market <input checked="" type="checkbox"/> Interest Rate Derivatives Market <input checked="" type="checkbox"/> Bond Market <input checked="" type="checkbox"/> Bond ETP Market
<b>Date:</b>	10 April 2026
<b>Subject:</b>	<b>CLARIFICATION ON JSE CLEAR-PUBLISHED OVERNIGHT RATES AND TRANSITION TO ZARONIA</b>
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<b>Designation:</b>	JSE Clear - Chief Risk Officer

Dear Client

This market notice is issued to clarify the nature and purpose of the Rand Overnight Deposit Rate (RODI; formerly the Safex Overnight Rate) and the Margin Deposit Rate (formerly the Safex Rate), and to outline their status under the FSCA Draft Conduct Standard – *Requirements relating to the provision of a benchmark*.

This communication is issued in response to increased industry focus on benchmark reform and the transition to ZARONIA.

### 1. Description and purpose of the rates published by JSE Clear

#### 1.1 Rand Overnight Deposit Rate (RODI)

JSE Clear publishes the Rand Overnight Deposit Rate (RODI) daily, which represents the daily rate earned on the call component of the JSE Clear initial margin fund. The RODI is published each morning after placements are made and reflects the rate earned overnight to the following day. The RODI exists solely to advise clearing members and exchange-

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**Executive Directors:** Dr A. Greenwood (CEO)

**Company Secretary:** GA Brookes

<sup>†</sup> Independent

traded derivative market participants of the interest earned on margin collateral held by the CCP. JSE Clear does not license or endorse the use of this rate for any external or contractual purpose.

## 1.2 Margin Deposit Rate

The Margin Deposit Rate is the daily rate earned on the entire initial margin fund, published together with RODI. It similarly exists only to reflect JSE Clear CCP margin investment returns.

### Notes:

- The RODI and Margin Deposit Rate are published on the Nutron front-end, via API and through an end-of-day file delivered over FTP. History is available on demand.
- JSE Clear publishes these rates for the sole purpose of advising CCP clients of the interest earned on margin deposits held by the CCP.
- JSE Clear does not license or explicitly permit any third party to use the published rates for any other purpose. The data service that provides these rates is not fee-liable or backed by any contractual arrangement or service level agreement.

Third party data vendors may consume the rate from JSE Clear and redistribute it on their own platforms. JSE Clear has no oversight over how data distributors label, present or package their third-party data services to their own clients. For example, Bloomberg re-distributes the RODI under their proprietary ticker “RAONON Index” and description “South Africa Rand Overnight Deposit Rate”.

## 2. Use of JSE Clear rates in market practice

Although neither the RODI nor the Margin Deposit Rate has ever been intended to serve as benchmark rates, JSE Clear is aware that, historically, some market participants have referenced the RODI in bilateral agreements (such as CSAs).

We reiterate:

- These rates were created solely for CCP margin-interest reporting,
- They have not been designed, positioned, or governed as benchmarks within the meaning of benchmark regulations or best-practice frameworks.

## 3. Alignment to the FSCA Draft Conduct Standard – *Requirements Relating to the Provision of a Benchmark*

Under the FSCA’s draft Conduct Standard, a benchmark may be designated as “significant” or “critical” if its usage in financial instruments, financial contracts, or investment funds exceeds thresholds set by the FSCA, or if its cessation would pose risks to market integrity or financial stability.

Relevant provisions include:

- The Conduct Standard applies only to benchmark administrators of critical or significant benchmarks, determined by FSCA notice based on usage thresholds and qualitative criteria (e.g., market impact, availability of substitutes, risk of manipulation).
- Benchmark users may only reference designated benchmarks provided by licensed or approved administrators.

### 3.1 Implications for JSE Clear rates

While the RODI is not intended to be a benchmark, the Conduct Standard provides that a rate may nonetheless be assessed and designated as a critical or significant benchmark based on actual market usage, irrespective of its stated purpose.

Should the FSCA, following its designation framework, determine that the RODI meets the threshold for a significant or critical benchmark, JSE Clear will:

- Apply for licensing as a benchmark administrator in accordance with section 111 of the FSRA and the Conduct Standard requirements;
- Ensure compliance with all governance, methodology, data, operational, and reporting provisions applicable to designated benchmarks;
- Maintain such compliance until market usage falls below designation thresholds, particularly as ZARONIA adoption accelerates.

### 4. JSE and JSE Clear support for the transition to ZARONIA

In line with SARB and MPG guidance, the JSE and JSE Clear fully support the South African market's transition toward ZARONIA as the preferred risk-free reference rate.

We continue to work actively with the SARB-led Market Practitioners Group (MPG) to promote ZARONIA adoption and facilitate reduction of residual JIBAR-linked and RODI-referencing exposures. This includes supporting the MPG Derivatives Workstream in developing an appropriate fallback (credit-adjustment) spread between the RODI and ZARONIA to support the transitioning of contracts and help to maintain economic neutrality and avoid unintended value transfers.

### 5. Summary

The RODI and the Margin Deposit Rate are CCP operational rates designed exclusively for margin-interest reporting. JSE Clear will continue to publish these rates to support the operations of the CCP and its clients, however they are not intended or designed to function as benchmarks and JSE Clear does not endorse their use in contracts or financial instruments.

Under the FSCA's draft Conduct Standard, market usage, not intention, determines whether a rate may be designated as a benchmark. If designated, JSE Clear will comply fully with benchmark-administrator requirements.

The JSE and JSE Clear strongly support and are actively contributing to the industry-wide transition to ZARONIA.

For general queries regarding this notice, please contact the Client Service Centre (CSC) on +27 11 520 7777 or [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)

Should you have any specific queries regarding this notice, please contact Alex Comminos - [AlexC@jse.co.za](mailto:AlexC@jse.co.za)

This Market Notice is available on the JSE website at: [JSE Market Notices](#)