

MARKET NOTICEJohannesburg
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Number: 163/2019

Relates to: ☐ Equity Market
☒ Equity Derivatives
☐ Commodity Derivatives
☒ Interest Rate and Currency Derivatives

Date: 4 June 2019

SUBJECT: ZERO FEES POLICY AND PROCESS POST ITaC

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Designation: Director – Capital Markets

Dear Client,

The JSE would like to thank all clients for their participation and collaboration during the ITaC implementation, however we have noted some concerns from market participants regarding zero fee requests, and would like to provide further clarity below.

As per **Service Hotline 90/2019** issued on 6 May 2019, we would like to remind clients that the zero fee process on qualifying Trade and Deal Management activity has been automated on the ITaC platform. Clients no longer need to send manual requests to the JSE for certain qualifying criteria as set out in detail on the Zero Fee Policy Guideline.

For the Currency Derivatives market some manual zero fee scenarios do apply. The scenarios which qualify for manual zero fee adjustments by the JSE are:

- Intra-Day Trades
- Cross Currency Trades
- Structured Trades

However, there are known unintended issues with some Deal Management activity that have impacted the fee processing on certain functionality, for which an alternative process has been put in place. The JSE will waive associated fees incurred as a result of this alternative booking process. Below is the summary of known issues which this alternative process will address:

| Scenario | Limitation | Solution | Alternative |
|---|---|---|---|
| Position Sub-Account Modification | RTC defaults the price to the previous day's Closing Price which cannot be changed. | <ul style="list-style-type: none"> • RTC will be amended to accommodate a change in price. • Position sub account modifications from/to client suspense accounts will not be permitted, irrespective of price • Applicable T + "x" | Book a Single-Sided Reported Trade to affect Sub-Account modification, between house accounts (not permitted to move a position to/from a client suspense account). |
| Deal Sub-Account Modification | Members are not able to perform multiple Deal Sub-Account Modifications on the same trade. | <ul style="list-style-type: none"> • RTC will be amended to allow multiple deal sub-account modifications. • Applicable T | Book a Single-Sided Reported Trade to affect Sub-Account Modification. |
| Accepting Assigned Trades into House Sub-Account | Members are not able to accept assigned trades directly into the following accounts: <ul style="list-style-type: none"> • House Sub-Account; • Client Suspense Account. | <ul style="list-style-type: none"> • RTC will be amended to accept trades directly into house sub and client suspense accounts. • Applicable T | Assigned Trades must be accepted into the House Main Account first, then assigned or allocated further. |

To view Service Hotline 90/2019 click on the following link: [Service Hotline 90/2019 Zero Fee Request Update](#)

Should you have any queries regarding this notice, please contact JSE Customer Support: customersupport@jse.co.za

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