

MARKET NOTICE

Number: 322A/2023
Relates to: Equity Market
 Equity Derivatives Market
 Commodity Derivatives Market
 Currency Derivatives Market
 Interest Rate Derivatives Market
 Bond Market
 Bond ETP Market

Date: 06 September 2023

SUBJECT: APPROVED AMENDMENTS TO THE JSE DERIVATIVES AND JSE INTEREST RATE AND CURRENCY DERIVATIVES RULES - PROVIDING FOR THE PLEDGING OF SECURITIES AS COLLATERAL AND A CHANGE TO THE DEADLINE FOR PAYMENTS TO JSE CLEAR

Name and Surname: Shaun Davies
Designation: Director - Market Regulation

Dear Member,

Members are referred to [Market Notice 381A/2022](#), [Market Notice 381B/2022](#), and [Market Notice 381C/2022](#), as well as [Market Notice 382A/2022](#), [Market Notice 382B/2022](#) and [Market Notice 382C/2022](#), dated 8 August 2022, that contained the additional proposed amendments to the JSE Derivatives and JSE Interest Rate & Currency Derivatives rules respectively.

The Registrar of Securities Services has now, in terms of section 71(3)(c) of the Financial Markets Act, approved the amendments to the JSE Derivatives and JSE Interest Rate & Currency Derivatives rules, which came into effect on 1 September 2023.

The main purpose of these approved amendments are summarised as follows:

- to provide for the pledging of securities to JSE Clear as initial margin, in accordance with section 39 of the Act, subject to the rules, policies and procedures of JSE Clear;
- pledged securities may be substituted by the pledge of other qualifying securities in accordance with the rules, policies and procedures of JSE Clear, and that JSE Clear may at any time and forthwith call for payment of cash from market participants that have pledged securities and/or have withdrawn and/or substituted securities pledged in terms of the JSE Clear Rules, to ensure that they comply with their initial margin obligations;

- to provide for clients and trading members to pay amounts due to their trading members and clearing members respectively by such time as may be agreed between the relevant parties, provided the payment is made at a time that ultimately enables the clearing member to pay JSE Clear by 10h00; and
- to provide for the pledging of securities to JSE Clear, and stating that securities which have been pledged by defaulting clearing members, trading members and clients, in terms of the JSE Clear rules, may be sold by JSE Clear within 3 business days of the date of default, without the intervention of the courts, and that such clearing members, trading members and clients provide JSE Clear with express consent to instruct their CSDPs to move the pledged securities to JSE Clear's account so that these can be sold.

We have also attached hereto the following documents:

- The approved amendments to the JSE Derivatives rules (Annexure A);
- The approved amendments to the JSE Interest Rate and Currency rules (Annexure B);
- Board Notice 472 of 2023 containing the Registrar's approval of the amendments to the JSE Derivatives and JSE Interest Rate & Currency Derivatives rules (Annexure C).

Furthermore, it should be noted that the commensurate amendments have also been made to the JSE Clear rules.

Should you have any queries regarding this Market Notice, please contact Shuayb Mohamed on (011) 520 7824 or at ShuaybM@jse.co.za

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