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**MARKET NOTICE**Johannesburg  
Stock ExchangeTel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)**Number:** 331/2020

Relates to:

- Equity Market
- Equity Derivatives Market
- Commodity Derivatives Market
- Spot Bonds Market
- Bond ETP Market
- Currency Derivatives Market
- Interest Rate Derivatives Market

**Date:** 30 June 2020**SUBJECT:** NOTICE OF ENHANCEMENTS TO JSE CAPAD WEB**Name and Surname:** Johnathan Cawood**Designation:** Senior Manager - Member Supervision & Enforcement, Market Regulation

Dear JSE Stakeholder

We have enhanced the CAPAD web to simplify the display of Position Risk for Equities, specifically where Equity positions are offset with Derivatives and Exchange Traded Fund (ETF) positions. We have also incorporated Over the Counter (OTC) positions as traded by some of the Equities Members (hereafter referred to as "OTC Members") into the Position Risk Requirement calculations.

A summary of the changes are noted below:

- The layout of the Net Listed Equities Position Risk page has been simplified to display the spot equities position and the offsetting Equity Derivatives (EDM) position on one page with simplified calculations.
- Where ETF Position Risk was previously calculated on all ETF instruments, ETF's that are tracking indices listed on the JSE exchange will now be offset against the relevant spot equities position. This will also be included in the Net Listed Equities Position Risk page.
- The ETF Position Risk has been updated to calculate general risk on ETF instruments that have unlisted underlying holding.
- Members will be given 7 business days from the roll out date to verify that their EDM and/or ETF figures are reflected correctly on CAPAD Web. Should their figures be incorrect they are advised to contact the Capital Adequacy (CAPAD) team.
- A new view has been built for Members to see all their EDM and ETF positions that attract position risk independently from the CAPAD drill downs.
- The current daily risk report process followed by OTC Members will be automated and OTC Members will be required to upload their OTC information on to the JSE CAPAD Web system on a daily basis.

- These enhancements will provide the OTC members with a holistic view of their position risk by offsetting the OTC positions against their spot equity positions, EDM positions and ETF positions. This will also incorporate the OTC unrealised profit/loss in the Adjusted Liquid Capital (ALC).
- The overall OTC positions will therefore be incorporated in the final CAPAD surplus/shortfall calculation.

These enhancements will be rolled out on 13 July 2020. A detailed guide will be made available to Members ahead of the enhancements being released to the current production system.

Each OTC Member will be contacted specifically and individually for training and a walk through of the JSE CAPAD web system from July 2020 by Raj Naicker. OTC Members must continue the current process of submitting their daily risk report until they have been contacted and trained at which point they will be required to upload the daily risk report on the JSE CAPAD web.

OTC members are encouraged to apply for their logins for the JSE CAPAD web system if they don't already have it, by contacting [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za) and familiarising themselves with the different screens and tools available.

Should you have any queries regarding this notice, please contact the CAPAD team or [capitaladequacy@jse.co.za](mailto:capitaladequacy@jse.co.za) or Raj Naicker for OTC specific queries.

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