



MARKET NOTICE

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Number: 38/2019
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 4 February 2019

SUBJECT: ATISA SECURITIES (PTY) LTD AND MR HAMILTON MBELE - ENFORCEMENT ACTION BY THE JSE

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

1. The JSE has proffered charges to a disciplinary committee of the JSE in terms of its Equity Rules against Atisa Securities (Pty) Ltd ("Atisa Securities"), a member of the Equities Market of the JSE, and Hamilton Mbele ("Mbele"), the Managing Director of Atisa Securities.
2. The transgressions which resulted in the charges occurred on 25 August 2016, and involved accepting orders and executing trades for non-controlled clients which attracted a counterparty risk requirement which was in excess of the firm's available regulatory capital on the day of the trade.
3. Rules 3.30.3.1 and 3.30.3.2 require members, on admittance and at all times, to maintain adequate financial resources to meet their business commitments and to hold adjusted liquid capital which complies with the minimum requirements as calculated in terms of Directive DC, sufficient to meet their base and risk requirements. Directive DC 9.14.1.2.2 imposes a counterparty risk requirement on unsettled and uncommitted trades executed by a member on behalf of non-controlled clients and members are required to hold sufficient capital resources to meet their risk requirement.
4. The JSE charged Atisa Securities with one consolidated count of contraventions of the JSE's capital adequacy requirements as contained in JSE Equity Rules 3.30.3.1, 3.30.3.2 and Directive DC 9.14.1.2.2.
5. In terms of Rule 12.40.3.2, the Director: Market Regulation made provision for an admission of guilt. Atisa Securities has admitted guilt to the charge as set out in the charge sheet and summarised in this Market Notice.

6. The JSE has considered all the facts and information at its disposal, including, but not limited, to the nature of the transgressions and Atisa Securities' admission of guilt, and has decided to impose a fine of R130 000.00 as a result of these transgressions.
7. In addition to the nature of the transgressions and the admission of guilt, the JSE also specifically considered the following factors in determining an appropriate fine:
 - a. the amount of brokerage earned by the firm as a direct consequence of these breaches;
 - b. the financial impact of the fine on the firm, taking into account its financial resources;
 - c. the extent to which the breaches were accidental or deliberate and / or reckless;
 - d. the full and unfettered co-operation of the firm, and its disciplinary record; and
 - e. the importance placed by the JSE on the capital adequacy requirements and the need to ensure that all members are aware of the importance thereof and the consequences of a breach of these requirements.
8. Rule 12.30.3 and 12.30.4 enumerates certain acts and practices that constitute improper conduct where Rule 12.30.3 provides that any act or practice that results in the contravention or attempting to contravene, or failing to comply with anyone or more provision of the Act, a rule or a directive constitutes improper conduct and Rule 12.30.4 provides negligently or recklessly conducting the business or affairs of the member in such a way that actual or potential prejudice is, or may be, caused to the JSE, any other member, a client of a member or the general public constitutes improper conduct.
9. The JSE charged Mbele with one consolidated count of contraventions of JSE Equity Rules 12.30.3 and 12.30.4.
10. In terms of Rule 12.40.3.2, the Director: Market Regulation made provision for an admission of guilt. Mbele has admitted guilt to the charge as set out in the charge sheet and summarised in this Market Notice.
11. The JSE has considered all the facts and information at its disposal, including, but not limited, to the nature of the transgressions and Mbele's admission of guilt, and has decided to impose a fine of R130 000.00 as a result of his transgressions.
12. According to the JSE's records and to the best of the JSE's knowledge, Atisa Securities has maintained adequate financial resources and has complied with the JSE's Capital Adequacy requirements since the date of the last breach on 25 August 2016.

Should you have any queries regarding this notice, please contact Johnathan Cawood in the JSE Market Regulation Division at johnathanc@jse.co.za.

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