
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 392/2022**Relates to:**

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

Date: 16 August 2022**SUBJECT:** GIVE-UP TRADES RESULTING FROM REROUTING OF ORDERS TO A BACKUP BROKER**Name and Surname:** Shaun Davies**Designation:** Director - Market Regulation

Dear Member,

Members are referred to JSE equities rule 6.40.6.3 which states that an off-book give-up trade may be used, amongst other reasons, to give effect to an arrangement whereby one member has outsourced its trading function on a temporary basis to another member. The rule states that such an arrangement must be approved by the Director: Market Regulation. Members would currently assume that in each instance where a member needs to temporarily outsource its trading function to another member, prior approval is required from the Director: Market Regulation.

It has come to the attention of the JSE Market Regulation Division that one or more members may wish to implement an arrangement in which they reroute orders to an appointed backup broker if they experience a network outage or a break in connectivity to the JSE trading system, resulting in a disruption to the continuous flow of electronic orders to the JSE trading system despite the member's network and connectivity redundancy arrangements. These backup arrangements will be regarded by the Market Regulation Division as a form of temporary outsourcing of a member's trading function for the purpose of rule 6.40.6.3.

The activation of order rerouting to a backup broker, triggered by a network outage or connectivity break, will typically be automated to ensure that there is no disruption to the flow of electronic orders to the JSE trading system. The member will therefore not be in a position to request approval from the Director: Market Regulation and wait for such approval to be granted before each instance in which the rerouting of orders is activated. The Director: Market



Regulation is therefore willing to consider granting a standing, upfront approval to members wishing to implement this type of backup arrangement, upon the receipt of a written request from a member to implement such an arrangement. Members wishing to obtain such approval from the Director: Market Regulation should contact the JSE Market Regulation Division at surveillance@jse.co.za in order to obtain advice on the information that the Director: Market Regulation will require in support of an application for approval.

If members have any questions or comments on the above, please submit them to surveillance@jse.co.za

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notices>