

## MARKET NOTICE

**Number:** 413A/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 December 2023

**SUBJECT:** APPROVED AMENDMENTS TO THE JSE DERIVATIVES RULES – “EXCHANGE FOR RISK”  
TRANSACTIONS

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

Dear Member,

Members are referred to Market Notice [252A/2023](#), [252B/2023](#) and [252C/2023](#) dated 20 June 2023 that contained proposed amendments to the JSE Derivatives rules dealing with Exchange for Risk transactions.

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 rules, which came into effect on 1 December 2023.

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

- The previous Exchange for Risk (“EFR”) definition in the derivative rules only contemplated a specific scenario, where the parties unwind or close out an existing OTC derivative transaction or contract between them, and simultaneously report an off-book futures trade to replace the OTC trade.
- The scope of the amended EFR definition in the derivative rules has been expanded in order to accommodate situations where the parties to an EFR, depending on their objectives, may now execute or enter into a new OTC derivative transaction between them, in the same underlying commodity, and simultaneously report an opposite off-book futures trade to the JSE trading system.

We have also attached hereto the following documents:

- The approved amendments to the JSE Derivatives rules (Annexure A); and
- Board Notice 522 of 2023 containing the Registrar's approval of the amendments to the JSE Derivatives rules (Annexure B).

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

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