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**MARKET NOTICE**Johannesburg  
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**Number:** 544A/2022

**Relates to:**

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

**Date:** 23 November 2022

**SUBJECT:** APPROVED AMENDMENTS TO THE JSE GUARANTEE FUND RULES AND THE JSE EQUITIES DIRECTIVES – STOCK EXCHANGE COMPREHENSIVE LOSS PROTECTION POLICY

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

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Dear Member,

Members are referred to Market Notice [397A/2022](#), [397B/2022](#) and [397C/2022](#) dated 17 August 2022 that contained proposed amendments to the JSE Guarantee Fund rules and the JSE Equities Market directives.

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 Guarantee Fund rules, which came into effect on 18 November 2022, together with the amendments to the directives.

Rule 11.3.3 of the JSE Guarantee Fund Rules previously provided for the assets of the Guarantee Fund to be used to pay the premium for the so-called 'In and Out' insurance policy, which is a fidelity policy that covers certain companies in the JSE group and the equities member firms. However, the premium is not the only cost incurred in procuring this insurance policy, as there are also other associated costs such as the fee payable to the insurance brokers and travel costs relating to the annual renewal of the policy. The 'In and Out' policy is also not the only insurance policy that provides fidelity cover to the JSE group companies and the equities members, as there is also a separate 'self-insurance' captive policy that covers the aggregate annual excess of R5 million on the 'In and Out' policy, and the annual premium on that policy is also paid by the Guarantee Fund, when required.

These approved amendments to JSE Guarantee Fund Rule 11.3.3 therefore clarify that there are costs other than just the premium on the insurance policy that are paid by the Guarantee Fund, and that the 'In and Out' policy is not the

only insurance policy in respect of which a premium has to be paid to provide comprehensive fidelity cover to equities member firms.

Members should also note that the insurance policy procured by the JSE is no longer referred to as the 'In and Out' policy. It is formally referred to in the policy contract document as the 'Stock Exchange Comprehensive Loss Protection Policy'. The relevant Equities Directives are therefore also amended to remove the incorrect references to the 'In and Out' policy.

We have also attached hereto the following documents:

- The approved amendments to the JSE Guarantee Fund rules (Annexure A).
- The approved amendments to the JSE Equities directives (Annexure B).
- Board Notice 368 of 2022 containing the Registrar's approval of the amendments to the JSE Guarantee Fund rules (Annexure C).

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)

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