PROPOSED AMENDMENTS TO THE JSE EQUITIES RULES AND DIRECTIVES

General explanatory notes:

1.   Words underlined with a solid line (___) indicate the insertions in the existing rules and directives

2.   Words in bold and in square brackets (**[   ]**) indicate deletions from the existing rules

Proposed amendments to the JSE Equities Rules

Section 1: Interpretation and definitions

"average daily value"	means the average value of daily trading in an equity security as calculated by the JSE;
["exchange market size"]	**[means a quantity of an equity security as specified by the Market Controller from time to time;]**

Section 6: JSE equities trading system

6.40   Off book trade criteria

6.40.1   Bookbuild Trade

…

6.40.2   Block Trade

A block trade is a transaction where a member trades as an agent or a principal in a single equity security and the transaction comprises at least –

6.40.2.1   the specified **[multiple of the exchange market size]** percentage of the average daily value; or

6.40.2.2   the specified nominal value of a transaction in that equity security;

as applicable and as set out in the directives.

6.40.3   Corporate Finance Transaction

…

6.40.4   Delta Trade

…

6.40.5   Exercise of Options

…

6.40.6   Give-up Trade

…

6.40.7   Late Trade

…

6.40.8   Off Order Book Principal Trade

An off order book principal trade is a transaction where a member trades as a principal in a single equity security, where the transaction comprises at least -

6.40.8.1   the specified percentage of the average daily value; **[has a minimum value of R500 000; and]** or

6.40.8.2   the specified nominal value of a transaction in that equity security; **[comprises at least six times the exchange market size;]**

<u>as applicable and as set out in the directives,</u> except where the transaction is with a foreign professional market participant in which case no minimum value **[or quantity of equity securities]** will apply.

6.40.9   Portfolio Transaction

…

<u>Proposed amendments to the JSE Equities Directives</u>

<u>Directive B – Transactions and Trading Procedures</u>

BT On and off book trading

15.   Block Trade and Off Order Book Principal Trade criteria

15.1   In order for a transaction in an equity security to qualify to be submitted to the JSE equities trading system as a Block Trade in terms of rule 6.40.2 <u>or an Off Order Book Principal Trade in terms of rule 6.40.8</u>, the transaction must comprise at least the following specified **[multiple of the exchange market size]** <u>values</u>, based on the segment to which the equity security is allocated:

<u>Segment</u>	**[Exchange market size]** <u>Values</u>
ZA01	**[Six times]** <u>The lower of</u> –
	<u>30% of the average daily value, subject to a minimum of R10 million; or</u>
	<u>a nominal value of R100 million</u>
ZA02	**[Ten times]** <u>The lower of</u> –
	<u>30% of the average daily value, subject to a minimum of R5 million, or</u>
	<u>a nominal value of R100 million</u>
All other segments	**[Twenty times]** <u>30% of the average daily value, subject to a minimum of R1 million</u>

15.2   The **[exchange market size]** <u>minimum value of Block Trades and Off Order Book Principal Trades in</u> **[of]** a new listing <u>of an equity security on the first day of trading, prior to the average daily value for that equity security being calculated,</u> must be <u>as follows, based on the segment to which the equity security is allocated</u> **[calculated as a percentage of the number of shares or units that are to be listed for that equity security, as a proxy for the estimated exchange market size]**:

<u>Segment</u>	**[Exchange market size]** <u>Value</u>
<u>ZA01</u>	<u>R10 million</u>
<u>ZA02</u>	<u>R5 million</u>
[ZA04]	**[Number of shares or units x 0.5%]**
All other segments	**[Number of shares or units x 0.05%]** <u>R1 million</u>

15.3   **[The proxy figure for a new listing will be used until such time as]** <u>After the first day of trading in a new listing of an equity security,</u> the JSE **[is]** <u>will</u> **[able to]** <u>commence the calculation of the</u> **[exchange market size]** <u>average daily value</u> of the particular equity security <u>and thereafter the criteria in BT 15.1 will apply.</u>