



Market Notice

Number: Y1158
Date: 29 May 2013

New Billing Model for Currency Derivatives: Effective 1st July 2013

The Currency Derivatives Market will be implementing a new fee structure for the Currency Futures and Currency Options market. These changes will be effective from **Monday, the 1st July 2013**. No members are negatively impacted with the new billing model.

The changes are as follows:

- **STEP 1: Sliding Scale**
Reduce the **Currency Futures** sliding scale fee per contract
- **STEP 2: Sliding Scale**
Reduce the **Currency Options** sliding scale fee per contract
- **STEP 3: Assigning of Trades:**
Change the fee structure of the Deal management process (Assigning of trades) for Futures and Options

The revised billing model will imply a reduction in fees to the market by R2,4 Million based on 2012 trade data.

STEP 1: Futures Sliding Scale:

A concerted analysis has been done, and the fee per contract has been reduced for each band as per the table below:

Sliding scale band (per deal)	Existing Fee per contract	Proposed Fee per contract	% Decrease
1 – 499	R 1.25	R 1.23	-1.60%
500 – 999	R 1.20	R 1.18	-1.67%
1,000 – 2,999	R 1.10	R 1.07	-2.73%
3,000 – 4,999	R 1.05	R 1.01	-3.81%
5,000 – 7,499	R 0.95	R 0.92	-3.16%
7,500 – 9,999	R 0.60	R 0.57	-5.00%
10,000 and above	R 0.45	R 0.35	-22.22%

All the sliding scales bands will be receiving a fee decrease ranging from 1.60% to 22.22%.

A large portion of the trading volume (46%) of the market is in the “10,000 and above” band and hence the largest fee reduction of 22.22% is being applied to this category.



STEP 2: Options Sliding Scale:

A concerted analysis has been done, and the fee per contract has been reduced for each band as per the table below:

Sliding scale band (per deal)	Existing Fee per contract	Proposed Fee per contract	% Decrease
1 – 499	R 0.63	R 0.62	-1.59%
500 – 999	R 0.60	R 0.59	-2.50%
1,000 – 2,999	R 0.55	R 0.54	-1.82%
3,000 – 4,999	R 0.53	R 0.51	-3.77%
5,000 – 7,499	R 0.48	R 0.46	-4.17%
7,500 – 9,999	R 0.30	R 0.29	-3.33%
10,000 and above	R 0.23	R 0.18	-21.74%

All the sliding scales bands will be receiving a fee decrease ranging from 1.59% to 21.74%.

STEP 3: Assigning of Trades:

In an attempt to align the fee structures principals and to remain consistent, assign deals will be charged a percentage of the full fee to the member who is the “middle man” in a transaction. Irrespective if taking a turn or not, the assign send member always pays once.

Therefore the JSE will be charging the member only 50% of the current fee on assigning of deals.

However these changes are system development dependant and will only be implemented in our second software release, which is likely to be end October 2013.

The Currency Derivatives Team will be meeting with every Currency Derivatives member to present the impact of the above Billing Model on the respective entity during the months of May and June 2013.

If you have any objections to these fee changes, please provide your objections in writing to warreng@jse.co.za

If you have any questions, please feel free to contact the Currency Derivatives team on currencies@jse.co.za.

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