JOHANNESBURG STOCK EXCHANGE
Interest Rates

Market Notice

Number:	**Y1159**
Date:	**29 May 2013**

Revised Billing for Interest Rate Derivatives: 01 July 2013

The Interest Rate Derivatives market will be implementing a new fee structure for Bond Futures, Bond Options and Index Futures. These changes will become effective on the **1st July 2013.** This communication serves to provide a **month's notice to the market** as there will be a change in billing methodology. For Bond Futures and Options, fees will decrease with no negative impact to any clients.

The changes are as follows:

1. **Lower fees** for Bond Futures and Options (Bond Derivatives):
   - o Reduce the Bond Derivatives sliding scale fee per contract
2. **Assigning of trades:** Change the fee structure of the Deal Management process (Assigning of trades) for Bond Derivatives
3. A **value based charge** for Index Futures

The revised billing model will imply a reduction in fees to the market by R614,000.00 based on 2012 trade data.

1. **Lower fees for Bond Futures and Options**

   - o Last year June, the fees were revised from a flat fee of R0.75 a contract to a sliding scale as per below:

Old sliding scale (per deal)	Bond Futures Fee per Contract	Bond Options Fee per Contract
1 - 249	0.70	0.70
250 - 749	0.65	0.65
750 - 1499	0.55	0.55
1500 - 2499	0.45	0.45
2500 - 4999	0.35	0.35
5000 - 7499	0.30	0.30
7500 and above	0.25	0.25

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- The revised billing that will come into effect on the 1st July 2013 will be as follows:

New sliding scale (per deal)	Bond Futures Fees per Contract	Bond Options Fees per Contract
1 - 1499	0.50	0.50
1500 - 4999	0.35	0.35
5000 and above	0.25	0.25

*All the above fees include VAT of 14%.

- These revised billing changes results in the following fee discounts to the market, with reductions ranging from 9% to 29%:

Old sliding scale (per deal)	Bond Derivatives 2012 Fees	% change with new 2013 Fees
1 - 249	0.70	29%
250 - 749	0.65	23%
750 - 1499	0.55	9%
1500 - 2499	0.45	22%
2500 - 4999	0.35	0%
5000 - 7499	0.30	17%
7500 and above	0.25	0%

2. 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 of 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.

3. A value based charge for Index Futures

The JSE acknowledges that Index levels have changed in value over the past few years and are likely to change again in future as this product is a total return index; therefore a suitable billing model is one that is based on value. Going forward, fees will no longer be a flat R7.50 per contract but will be 0.03bp per nominal value traded.

These are the only billing changes that will be implemented, all other billing strategies will continue as communicated in 2012.

The Interest Rate Derivatives Team will meeting with every Interest Rate Derivatives member to present the impact of the above Billing Model on the respective entity during the months of June and July 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 queries, please feel free to contact the Interest Rate Derivatives team at ird@jse.co.za

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