

# JSE Software Provider Forum Q1 2021/02/04

**Meeting Date:** 04 February 2021  
**Meeting Time:** Call: 13:00 to 14:00  
**Meeting Venue:** Webinar (Please see attached guide)  
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**Meeting Duration:** 1 Hour  
**Subject:** JSE Software Provider Forum Q1

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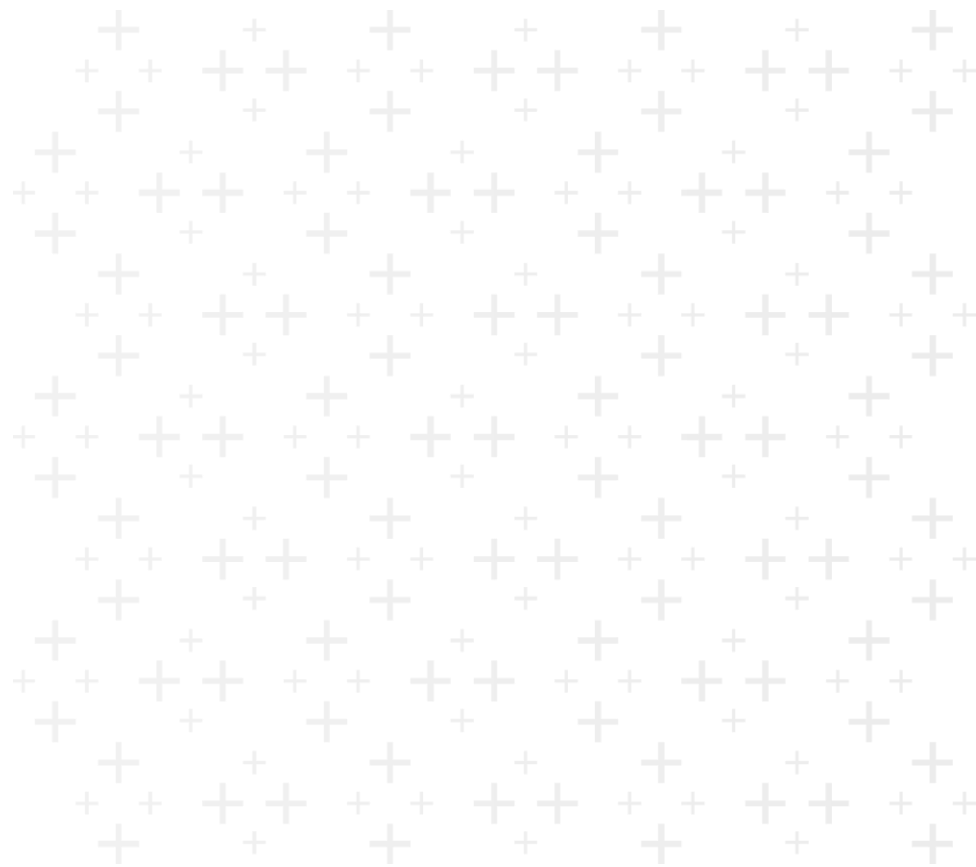


# Agenda

<b>1. Welcome</b>		<b>2</b>
• Langa Manqele	– 5Min	
<b>2. Market Data</b>		<b>3</b>
• Neil Vendeiro	– 10Min	
<b>3. Trading – Enhancements (MIT Release)</b>		<b>9</b>
• Godfrey Matjuda, Andrea Maisel, Martin Koch	– 15Min	
<b>4. Post Trade</b>		<b>14</b>
• Vaneshri Chetty, Megan Davids	– 10Min	
<b>5. Trading</b>		<b>23</b>
• James Rakumako	– 5Min	
<b>6. Products</b>		<b>28</b>
• Bernard Claassens	- 5Min	
<b>7. Diesel</b>		<b>30</b>
• Zintle Dastile	– 5Min	
<b>8. General and Questions</b>		<b>33</b>

## 2. Market Data

- Neil Vendeiro



# Industry Classification Benchmark (ICB) Changes

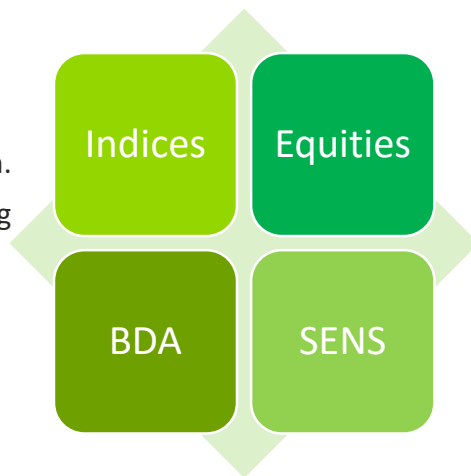
## High Level recap of impacts

### Indices

- Impacts most fixed width data records based non-live Indices data products.
- Decision made not to make sector changes to the fixed width data record based data products due to product format “sunset” path.
- Instead the range of CSV format files will be extended with sector changes to provide replacements of all impacted Indices.
- High focus work is taking place to complete few outstanding CSV format files – cater for Earning Yield and JSE Value-Add data records

### BDA

- Impacts Sector code field on Dissemination Card Codes 92, 95 and 96
- XML Statements - Sector Code tag increase from 34 to 38 characters for 8 character sector code



### Equities

- Impacts most fixed width data records based non-live Equities data products
- Not only changes to data but also field offset changes that impacts most data records
- Instrument Reference data mapping spreadsheet of the AS IS and TO BE is available at the following link [Instrument Mapping AS IS - TO BE](#)

### SENS & NENS Services (JSE & NSX)

- ICB SubSector field is an embedded tag within the NewsML of the EncodedText repeating block field of the News message
- Field size increase from four to eight characters
- For e.g. Gold Mining SubSector is 1770 and will change to 55103025

# Industry Classification Benchmark (ICB) Changes

25 Feb 2021 - Final information session (virtual event) planned for February which will include Software Providers.

(Eunice) Next set of Indices CSV format test data files to be made available ...

High focus development taking place on CSV format replacements for Indices Earning Yield values and JSE value add data records – will be provided in early part of Feb.

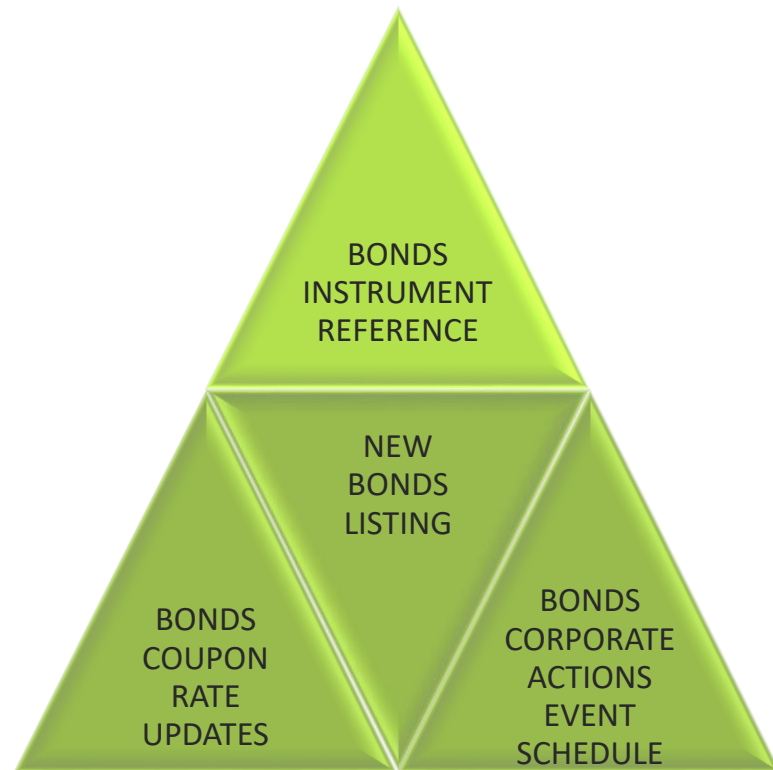
1<sup>st</sup> week Feb – Availability of Indices and Equities market data test files (including client specific files)

BDA test data files for trading members available on the JSE website.  
BDA Test data files for Institutions to be distributed directly to impacted institutions.  
1<sup>st</sup> week Feb - XML statement test files will be made available.

1 Feb 2021 - SENS Real-time test data will be available in the CTS2A environment

# Bonds Reference Data and Corporate Actions Product Family

- New family comprises one “now” reference data view and three “forward looking” views that will impact reference data
- Arises from a long term multi-year project to centralise management of reference data in one solution (branded as Aurum)
- Aside from the efficiency benefit of centralised maintenance, other key benefit will be move to structured data to help reduce own and client complexity and effort
- Bonds is first phase with other asset classes tackled over time but timings not yet firmed.



# Bonds Reference Data and Corporate Actions Products

- Enhanced replacement of Bonds Database product
- Only covers listed Bonds
- CSV and Excel versions
- Already available in production mode via IDP
- Will replace a range of content published via market notices

- Replacement of market notice content rather than current product replacement Once

Bonds  
Instrument  
Reference

New Bonds  
Listing

Bonds  
Coupon Rate  
Update

Bonds  
Corporate  
Actions Event  
Schedule

- Replacement of market notice content rather than current product replacement Once Bond listed moves over to Bond Instrument Reference
- Exact same product layout as Bond Instrument Reference data product
- Published multiple times in day

- Replacement of market notice content rather than current product replacement Once

# Bonds Reference Data and Corporate Actions Products

Bonds Instrument  
Reference data product  
announced on 23 Nov  
2020.

Cut-over date - 3 May  
2021.

Product is already  
available in production  
mode via IDP.

Other three data products  
technically ready.

Finalising specifications,  
licensing and  
commercials.

Happy to provide access  
production files ahead of  
official notice.

Intention is to wrap up  
and formally introduce  
products ASAP in Q1.

Reasonable notice period  
will be provided for move  
from unstructured  
(market notices) to  
structured data (data  
products)



# 3. Trading Enhancements (MIT Release)

- Andrea Maisel
- Godfrey Matjuda
- Martin Koch

## Next MIT Release:

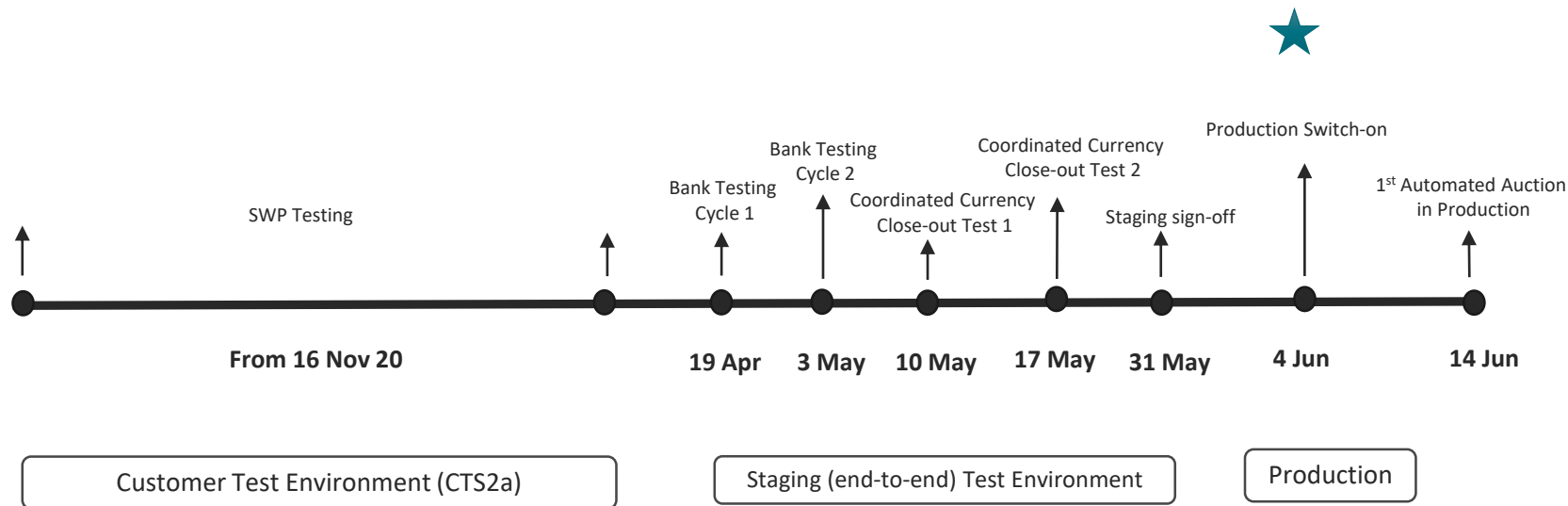
The next release will be light on APIs and will utilize the versioning capability introduced during the upgrade.

- Enhancements included:
  - Iceberg identification enhancement
  - Pegged Hidden Order change to allow only *Pegged-to-Mid* orders in ZA06
  - FX Auction Automation (Internal to JSE) – No Impact
- Updates are optional

# Next MIT Release:

- Timeline:
  - Code deployed into production:
    - 27<sup>th</sup> February 2021
    - 6<sup>th</sup> March 2021 (contingency date)
    - **Note, FX Closeout Auction Automation will not be enabled**
    - FX Closeout Auction Automation go-live (Automation of the Market Maker quarterly close out auction):
    - This will be enabled  $\pm$  2 weeks prior to the FX Closeout on 14 June 2021
  - Code was deployed into Customer Test environment (CTS2A) on 16 November 2020
  - Code was deployed into the Staging Environment (end-to-end test environment) on 13 January 2021
  - We encourage SWP and members to test the enhancements

# Testing Timeline



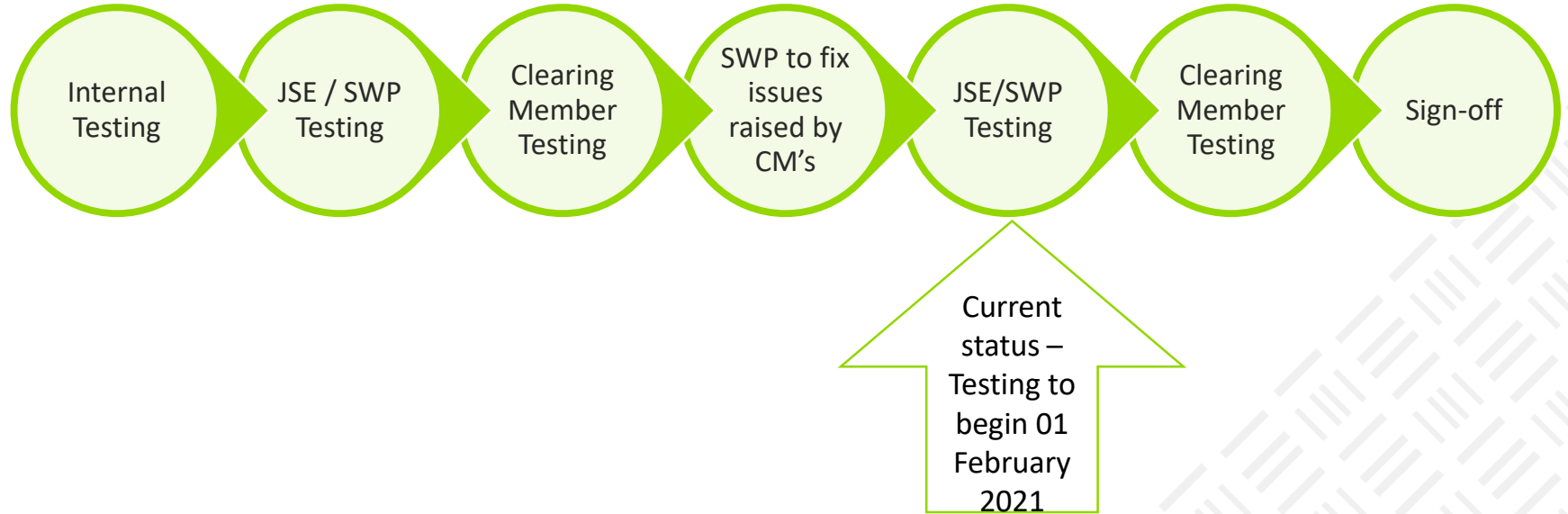
## **Backlog Items being Assessed and Prioritised:**

- Commission field on TCRs
- Delay model enhancement for Block Trades (BT)
- Self-match prevention
- TCRs disseminated to all CompIDs before trade confirmations
- Internal NEWS (SENS) system replacement

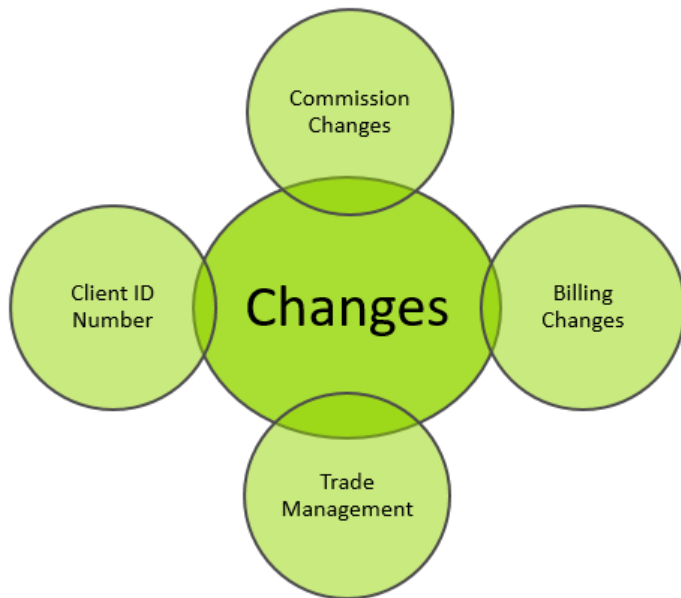
## 4. Post trade

- Vaneshri Chetty
- Megan Davids

# Intra-day Margin Call – Derivative Markets



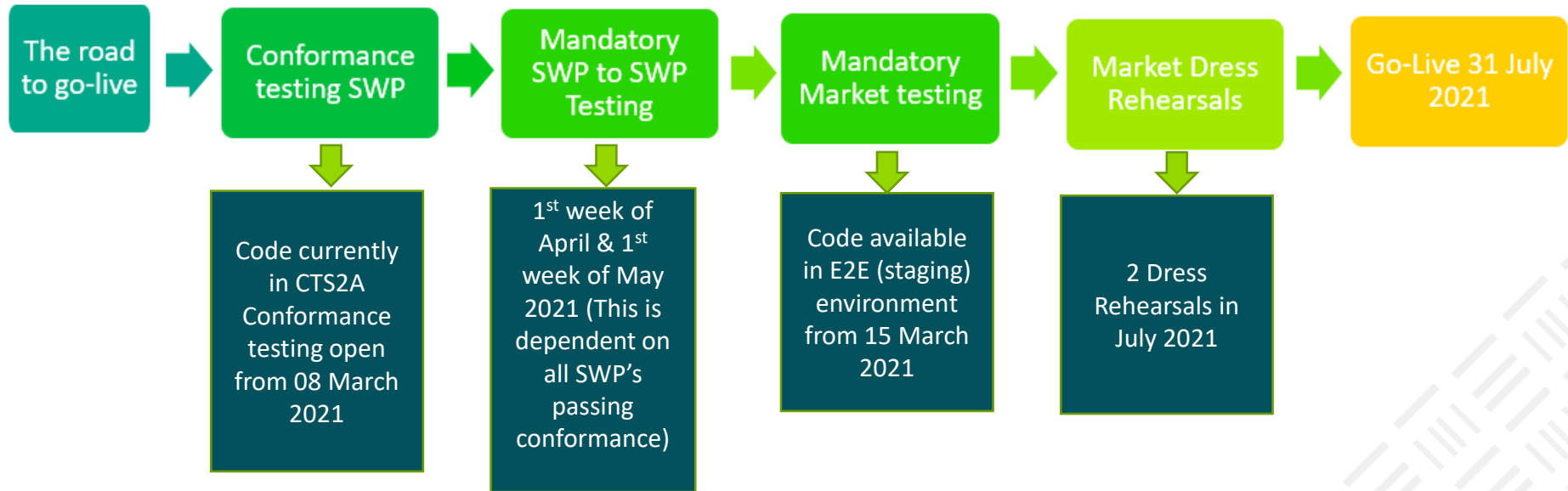
# RTC 1.34 Software Upgrade



- Commissions remain pending until accepted
- Commissions can be edited to indicate if they are inclusive of standard VAT or if VAT is at 0%
- Commissions may be viewed before assign or tripartite
- New billing fields allow JSE billing system to apply discounts when spread orders match with implied orders
- New messages to allow the updating of trade reference fields
- ID Number field will only accept 13 numerical values

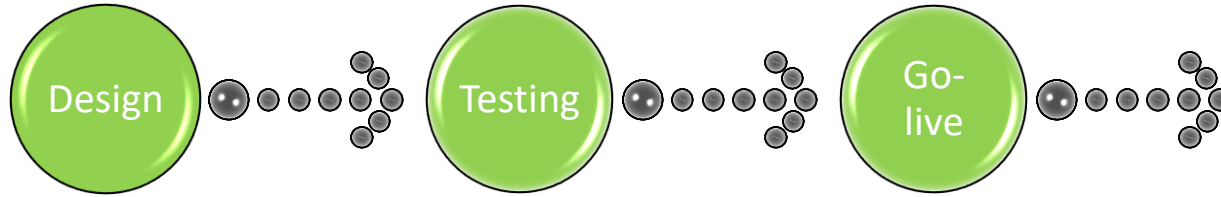


## RTC 1.34 Software Upgrade continued...



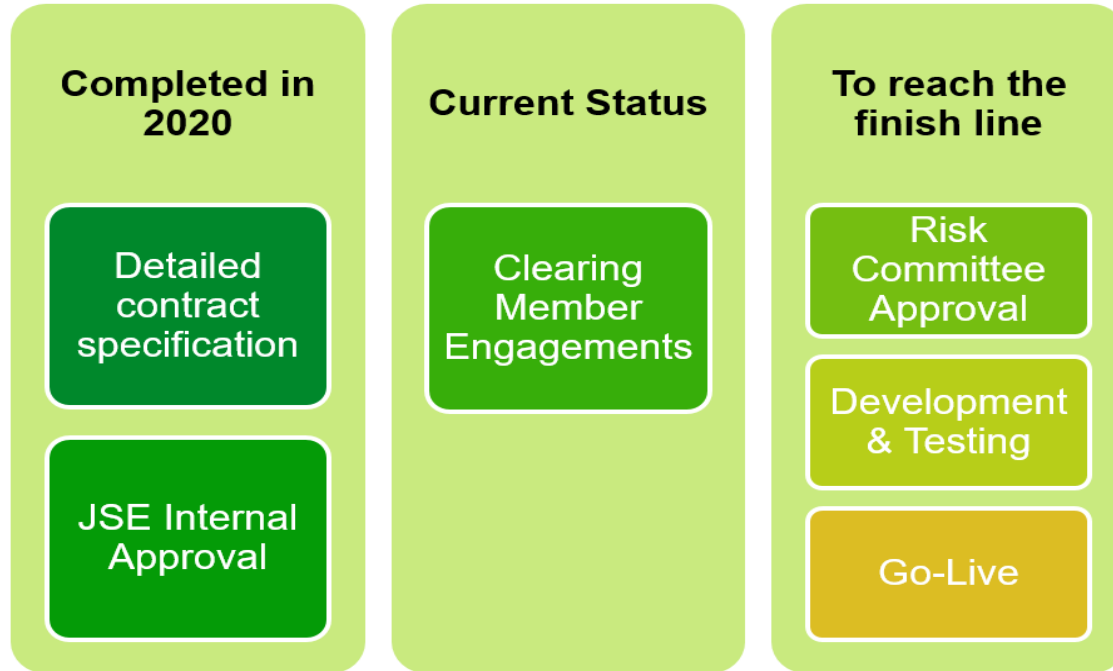
We will be engaging monthly with SWP's on a one-on-one basis in order to align on the status of the project i.e. development, testing, issues etc.  
SWP's to engage with their clients

# RTC Hardware Refresh



- RTC system hardware due for an upgrade to latest technology
- Routine refresh as hardware reaches end of support cycle from vendor
- Solution design for environment in progress
  - Test environments
  - Production environments
- Software provider, member/clearing member testing required prior to go live
- Market facing cutover dress rehearsals and go live planned for H2 2021

# Diesel



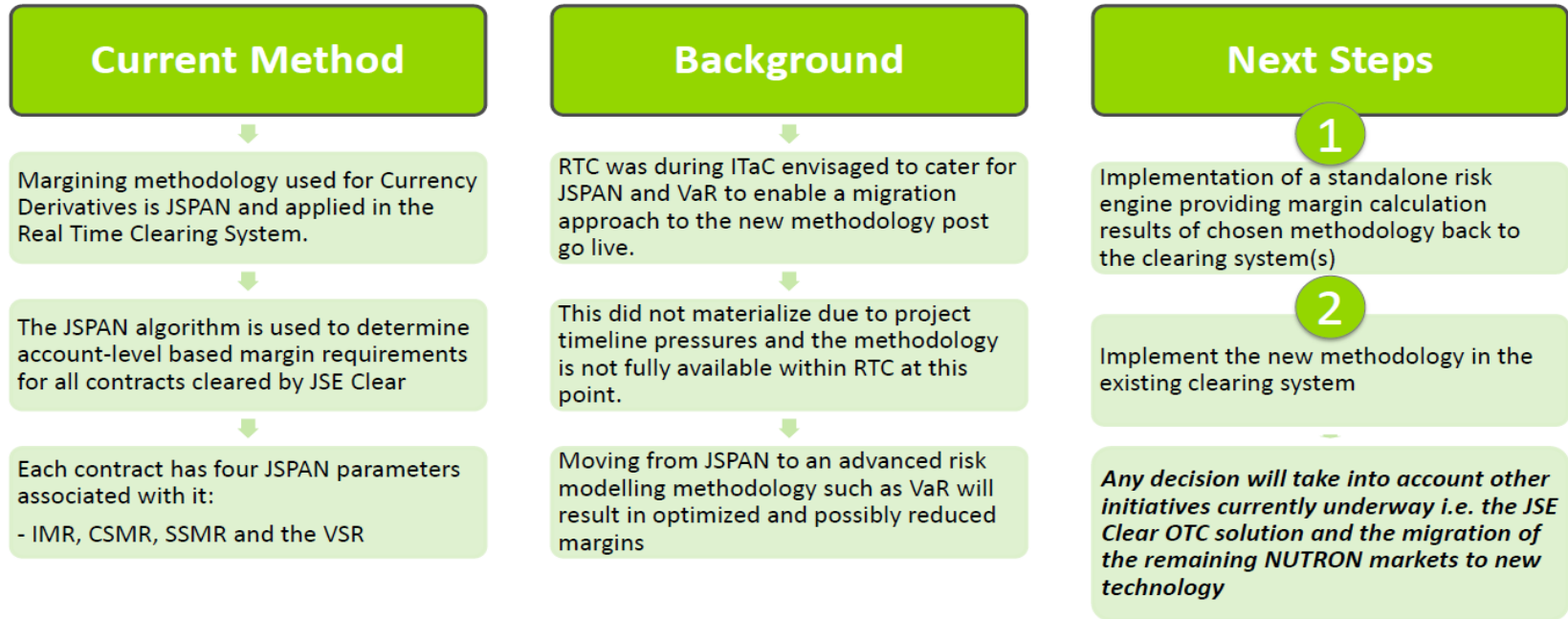
# Other Items that will affect Clearing and Settlement

- MIT Upgrade FX Auction Automation
- IR System Upgrade
- Liquidation Add-On for CDM

# Non-cash and FX Collateral – System Readiness

FX Collateral	Securities Collateral
<ul style="list-style-type: none"><li>• Internal business process design for accepting non ZAR cash collateral in progress</li><li>• Real Time Clearing system is ready to accept FX collateral, end to end testing pending to confirm all capabilities (not included in ITaC project end to end testing)</li><li>• Market engagement to follow</li></ul>	<ul style="list-style-type: none"><li>• Some testing done during ITaC implementation phase</li><li>• Outstanding software enhancements required from RTC vendor</li><li>• Legislation changes to Insolvency Act pending (no confirmed date) before end to end testing and implementation will commence</li></ul>

# Margin Methodology Changes



# 5. Trading – Neutron Releases

- James Rakumako

# Project Feedback

- Market Facing Dress Rehearsal – Successfully tested, 24 October 2020\*
- Go Live –Saturday, 7 November 2020\* Successfully



# Nutron Post DIS Release - Update

- API Changes
- Completed Orders / Unsettled Orders data
  - New Field added - Uncommit/Commit Reason



- Updated Release will only include:
  - Bug fixes
  - Clearing Member Transfer
  - Strate Confirmation Service

BOARD NOTICE 163 OF 2017

NOTICE 54 OF 2017

FINANCIAL SERVICES BOARD

FINANCIAL MARKETS ACT, 2012

AMENDMENTS TO STRATE RULES – DIS (DEBT INSTRUMENT SOLUTION)

# Nutron Post DIS Release - Timeline

- Fixes to be deployed into:
  - CTS Environments 1<sup>st</sup> March 2021
  - Production 17<sup>th</sup> April 2021

# 6. Products – Migration of REPO's off Nutron

- Bernard Classens

# Migration of REPO's off of Nutron

- JSE Aimed to migrate repo trading and trade reporting off of Nutron and onto MTS technology by Q3 2021.
- The initiative involved a complete change of technology as well as various integrations both internally and externally
- The amount of work and cost was has become more clearer as we have worked through a number of the requirements.
- While we are committed to moving the REPO market forward and providing the market with tools to grow their business and reduce costs we need to be certain that the path that we follow does not actually increase costs to all stakeholders.

The initiative has been paused while the JSE assesses the impact to all affected parties. We will be give a status update once we have completed our internal review.

# 7. Diesel – Contract Update

- Zintle Dastile

# Diesel Contract Update

A new settlement type has been created for the Diesel contract – **Cash settled with an option to physically settle**

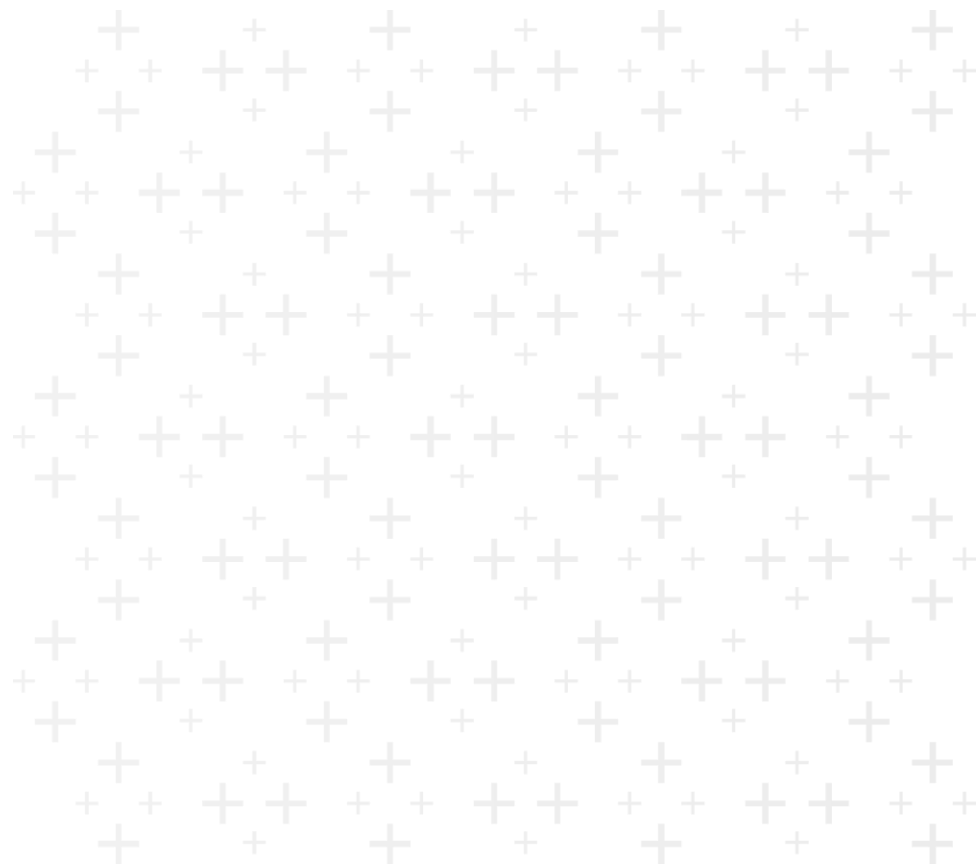
API Changes	Front End Changes
<ul style="list-style-type: none"><li>• Database settlement type field</li><li>• The instrument table</li><li>• The instrument structure</li><li>• Affected stored procedures</li></ul>	<ul style="list-style-type: none"><li>• Downloading instruments from the API</li><li>• No onscreen or off screen trading on expiry day</li><li>• Must deliver functionality disabled for contract</li><li>• Spot Basis premium trading only permitted from 1<sup>st</sup> Wednesday to last trading day of expiry month</li></ul>

# Diesel Continued with Timeline

- **JSE internal dev and testing**
  - Feb to May 2021
- **Publish API Spec to external vendor**
  - May 2021
- **External Dev and UAT Testing**
  - July to Oct 2021
- **Market Dress Rehearsals**
  - Oct – Nov 2021
- **Go Live**
  - Nov 2021

## 8. General

- Questions





End, Thank you...

