

# JSE Software Provider Forum Q2 2022/06/09

**Meeting Date:** 09 June 2022

**Meeting Time:** Call: 13:00 to 14:00

**Meeting**

Webinar (Please see attached guide)

**Venue:**

**Webinar:**

**Join on your computer or mobile app**

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Africa, Johannesburg

Phone Conference ID: 822 049 867#

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**Meeting**

1 Hour

**Duration:**

**Subject:**

JSE Software Provider Forum Q2 2022

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Regards

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Kind regards,

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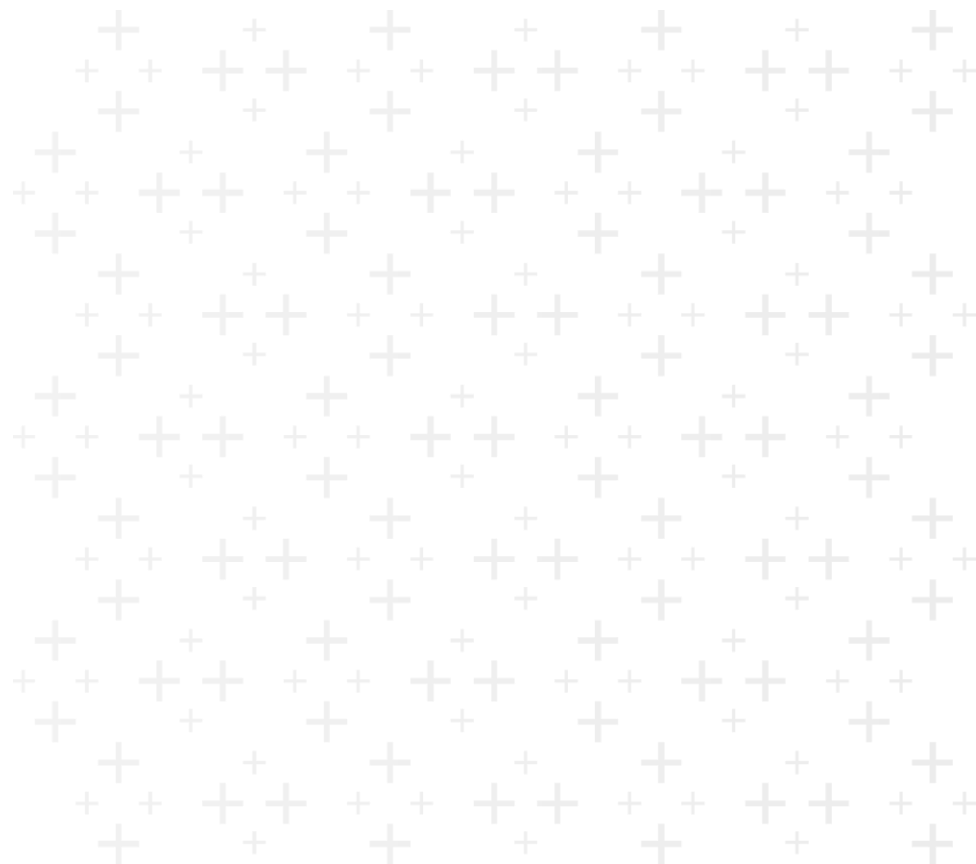
JSE

# JSE Software Provider Forum

No.	Item	Presenter	Time
1	<b>Welcome and Apologies</b>	Wesley Kandasamy	2Min
2	<b>Market Data</b>	Neil Vendeiro	5Min
3	<b>Trading</b>	James Rakumako	5Min
4	<b>Trading – Enhancements</b>	Martin Koch	15Min
5	<b>Trading – EQM and EDM Initiatives</b>	Hlamalani Huhlwane	10Min
6	<b>Securities Collateral Project</b>	Vaneshri Chetty	10Min
7	<b>CDM and IRD Market Bonds Security Enhancements</b>	Clem Verwey	5Min
8	<b>Client Facing Changes and Initiatives</b>	Nasheen Sharma/ Wesley Kandasamy	5Min
9	<b>General and Questions</b>	Wesley Kandasamy	3Min

## 2. Market Data

- Neil Vendeiro



# Market Data Updates

## Bonds Reference data products

Last three Bonds reference data products have been launched. Interested parties have until 1 Nov to migrate to new products until the publication of Bonds notices are discontinued.

## SENS Replacement

Go-live now more likely to be in 2023. Structured data has been descoped from initial MVP go-live. Aim is to implement first release with minimal impact to market data subscribers. More details will be communicated in the next couple of weeks.

## IDP Test Server

New IDP test server will be introduced soon to assist stakeholder testing. In tandem, the TLS Cypher change will be implemented to facilitate testing before change is implemented on production IDP.

## IDP Password Policy Implementation

Still a challenge getting all clients to change password to new standard which is holding up implementation of policy. If you have not changed the password of your system based usersids contact Client Services.

# 3. Trading – Neutron Releases

- James Rakumako

# 2022 Release Plan

- Commodities Derivatives Market
  - No Planned API impacting releases planned
  - Bug and Fixes
- Interest Rate and Bonds Market
  - MT515 Contract Note Update - **Completed**
  - No Planned API impacting releases

# STT Technical Upgrade:

- Reminder; Technical upgrade impacting:
  - Interest Rate Derivatives Market,
  - Cash Bonds Market and
  - Commodity Derivatives and Global Markets
- To address technical vulnerabilities that will manifest in 2023
- Mostly an internal change for the JSE, however, will require clearing member and member sign-off as well as dress rehearsal participation
- No API changes are envisaged at this stage
- Client testing and parallel run aimed for Q1 2023

# 4. Trading Enhancements

- Martin Koch



# Trading and Information Systems Releases:

## Release 7.4:

- News Gateway Enhancements (All Markets) – internal JSE change; no changes required by participants; **testing encouraged to test message on CTS Release and ensure decoding is not impacted**
- Fix to Trade Report Submission Request Transact Time (All Markets) – version 7.4 – no changes required by participants; testing encouraged
- Go-Live scheduled for Monday 18<sup>th</sup> July 2022
- **Mandatory:** Notice of removal of version 1 protocol for Native Basic Gateway (EQM)\* - by 1 July 2022
  - This will form an ongoing process on versioning to migrate late-adopters to the latest version within 6 months of release

## New MP trade:

- Live on 2 June 2022

# Trading and Information Systems Releases:

## Release 7.5:

- Revised requirements and documentation will be released
- Items so far proposed include:
  - Update to data type for Notional Exposure and Notional Delta Exposure fields in Extended Statistics message (EDM and FXM) – no API changes, field data type change, testing encouraged
  - Suspension Across Order Books (All Markets) – process change internal to JSE, testing encouraged
  - Options creation on Anyday Futures – allowing the trading engine to reject options created on Anyday futures (EDM and FXM)
  - Introduction of Self Match Prevention (EQM only) – API changes on Native GW (FIX GW already has this field) conformance will apply. Version 3 on Native GW will enable this feature.
- Splitting of Volume 01 – Native Trading Gateway into Equity and Derivative Volumes (All Markets)

# 5. Trading – EQM and EDM Initiatives

- Hlamalani Huhlwane

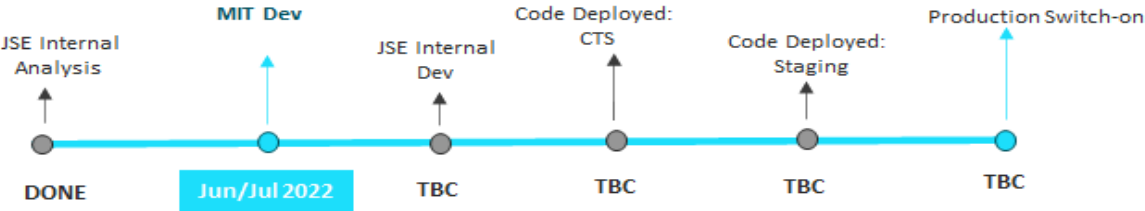
# EQM and EDM Initiatives

WMR FIXING RATE	
<b>Description</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> WMR is a new fixing rate that will replace ZARD3 in the valuation of these Equity Derivatives only:               <ul style="list-style-type: none"> <li>○ International Futures (IDX), and</li> <li>○ Out of Currency Options</li> </ul> </li> <li><input type="checkbox"/> ZARD3 is replaced because it's not used by international client mandates</li> <li><input type="checkbox"/> The WMR change will cover the 5 major currencies (USD, GBP, EUR, JPY, CHF) with the possibility of including more</li> </ul>
<b>Mandatory</b>	Mandatory
<b>API changes</b>	No
<b>Testing Sign-off</b>	Testing encouraged



# EQM and EDM Initiatives

	SELF-MATCH PREVENTION	OPTIONS ALLOWED FLAG	SUSPENSION ACROSS ORDER BOOKS
<b>Description</b>	<ul style="list-style-type: none"> <li>❑ Functionality to prevent unintended execution with Resting Orders of the same client.</li> <li>❑ If a self-match scenario occurs, the Resting Order will be cancelled</li> </ul>	<ul style="list-style-type: none"> <li>❑ Not all instruments should have Options traded on them. This functionality will ensure that Options created on instruments are valid before they enter the trading engine</li> <li>❑ To be valid, Options must be created only on instruments permitted for Options trading</li> </ul>	This is new functionality to ensure that the suspension of an instrument from the normal order book cascades to all books
<b>Mandatory</b>	Optional	JSE internal change	JSE internal change
<b>API changes</b>	Yes	No	No
<b>Testing Sign-off</b>	Testing encouraged	Testing encouraged	Testing encouraged



# EQM and EDM Initiatives

## SSF CONTRACT SIZE

### *Description*

- The JSE will reduce the Single Stock Futures (SSF) Contract size from 100 to 1 in order to:
  - Remove the rounding impact during Corporate Action execution.
  - Treat special dividends as cash journals (i.e., same as ordinary cash dividends) as opposed to - the current position adjustments method.
  - Ensure the correct treatment of Rights Offers; where no new contracts are created with a new contract size.
    - SSF positions on existing contracts will be updated based on a calculated position factor, and
    - New option strikes will be created based on the calculated position factor

### *Mandatory*

Mandatory

### *API changes*

TBC

### *Testing Sign-off*

Dress Rehearsals and sign-off

### *Timelines*

TBC, currently in planning phase

# 6. Securities Collateral Project

- Vaneshri Chetty

# Service offering overview - Recap

## Applicable markets and allowable collateral types

- The use of alternative collateral forms is proposed for the following JSE derivative markets:
  - Equity Derivatives
  - Currency Derivatives
- Trading members and clients will have the option of collateralising their initial margin (includes liquidity and large position add on) with a combination of:
  - ZAR Cash
  - Government Bonds
- In the first phase of accepting alternative collateral, only liquid South African government bonds will be accepted
- A minimum of 65% of initial margin must be pledged in ZAR cash



# Existing EMAPI messages which will include securities collateral data

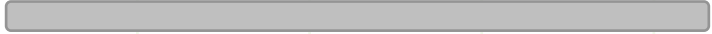
Description	Message ID	Comment
Risk node event	10033 sub message 10290	The message will contain collateral position values i.e., Market value of the collateral position, the JSE Master ID of the collateral security, etc.
Daily account summary for client or members house nodes	10295	The message will include changes to pledged security balances carried forward and brought forward
Request to add a Client Request to update a Client	10031 & 10147	In order to pledge securities a client/trading member is required to open an account at STRATE, and the client ID/trading member needs to be updated to include the stratecode

Reference Data will include liquid government bonds that may be pledged

Please refer to EMAPI on the following link [Equity Derivatives and Currency Derivatives Markets | JSE Client Portal](#)

# High Level Project Plan

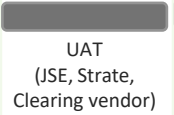
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov



JSE Internal development and testing



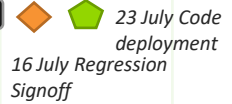
Clearing Vendor development & testing (functional)



UAT  
(JSE, Strate,  
Clearing vendor)



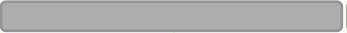
Market  
Regression Test



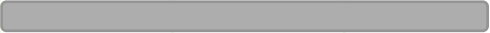
23 July Code  
deployment  
16 July Regression  
Signoff



Clearing Member reports and downstream systems dev & testing



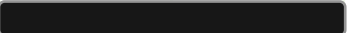
Other Stakeholders Planning,  
Requirements & Impact Assessment



Other Stakeholders development & Testing



Clearing Member testing with Clearing vendor



E2E Market Testing



Market Signoff



Client onboarding



15 October Service  
Launch



Contingency  
Launch

Clients will be required to participate in the following:

RTC code deployment resulting in a version change 1.35 to 1.36

- Clients will be involved in regression testing

Service Launch

- Client Onboarding
- E2E Market Testing

# 7. CDM and IRD Bonds Markets Security Enhancements

- Clem Verwey

# 8. Client Facing Changes and Initiatives

- Nasheen Sharma
- Wesley Kandasamy

# Client Facing Changes and Initiatives

Description	Details	Comment
ASR Router replacement	Impacts all Markets and Services	<ul style="list-style-type: none"> <li>No client changes required</li> <li>Testing will be done on Tues, Thursday &amp; Saturday (Where Required)</li> <li>Only technical connectivity testing required</li> </ul>
IDP TLS Change and IDP upgrade	Intro of test server	Dates TBC
IDP change (removal of a specific IP),	Impacting approximately 20 clients	Targeting 31 July 2022 for completion
BDA port 23 removal	10031 & 10147	<ul style="list-style-type: none"> <li>Port 992 has been in production since 2019</li> <li>Some users are still using port 23</li> <li>To be decommissioned on 31 July 2022</li> </ul>
Potential BDA Bug fixes	Based on Business Impact	Testing and Development Phase
DR Test	20 Aug & 15 Oct	Within the Key Dates Summary Webpage
ECS Technical Upgrade	Upgrading OS to new version with SQL 2018	November 2022

# 8. General

- Wesley Kandasamy
- Questions

End, Thank you...



JS