

Market Notice

Number: A1711
Date: 02 November 2012

CPSS-IOSCO Compliance Update for Safcom

The JSE would like to provide market participants with an overview of the progress being made to make Safcom a CPSS-IOSCO compliant, qualifying CCP. The JSE has been engaging with the FSB - the regulatory body responsible for ensuring implementation of the principles issued by the Bank for International Settlements (BIS) and International Organisation of Securities Commissions (IOSCO) - with the intention of submitting a formal application for approval as a qualifying CCP.

Safcom's certification as a qualifying CCP is of utmost importance to the derivatives markets: It is well aware of the role it plays in providing credible risk management to South Africa's capital markets, and has made significant strides towards compliance to the CPSS-IOSCO requirements. Safcom intends concluding its final compliance deliverables during the month of November 2012, and will be making submissions for internal sign-off to all appropriate governance structures, including:

- The Safcom Risk Committee - 15th of Nov 2012,
- The JSE Board - 20th of Nov 2012, and
- The Safcom Board - 27th of Nov 2012.

These activities will culminate in the submission of an IOSCO compliance certification application to the FSB in early December 2012. Should the application be approved, the regulator will issue a public announcement confirming Safcom's status as a qualifying CCP.

The JSE is committed to ongoing engagement with the market, and will endeavor to keep participants abreast of progress being made in this extremely important area.

Sincerely,

Leila Fourie

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