

## SERVICE HOTLINE

**REFERENCE NUMBER: 83/2019**

24 April 2019

## CHANGES APPLIED ON BDA TO CATER FOR ITaC IMPLEMENTATION

With effect from Monday 29 April 2019 members are advised to take note of the ITaC (Integrated Trading and Clearing Project) changes that will be implemented on BDA.

Before the ITaC (Integrated Trading and Clearing Project) implementation BDA was receiving Margin, Deal and Position files for all the derivative markets from Nutron for EOD processing. The JSE, as part of the ITaC deliverables, has moved the Financial Equity and Currency Derivative markets to RTC (Real Time Clearing system). Commodities and the Interest Rate Derivatives will be moved to RTC at a later date.

The move of the Financial Equity and Currency Derivatives markets to RTC has resulted in changes to the processing in BDA:

- BDA will now be able to accept two sets of files for the derivative markets.
  - Nutron
    - Deals
    - Positions
    - Margins
  - RTC
    - Deals
    - Positions
    - Margins
      - A combined Margin Derivatives file across the Financial Equity and Currency Derivative markets will be received from RTC.
      - *One journal will be posted on BDA for the above markets.*
      - The transaction narrative for the journals of the Financial Equity and Currency Derivatives markets on BDA will reflect on AFINH as DERMGRG PROFIT / LOSS and DERMGRG MARGIN.

### Markets/ Service (s):

BDA – Processing of RTC files

### Environment(s):

Production

### Additional Information:

If you have any queries about this announcement, please contact the Client Services Centre on +27 11 520 7777 or [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)

Combined journal for the Equity and Currency Derivatives markets view on AFINH:

OPTN: AFINH	BCS/A: ACC.FIN/DLS HIST DETAILS	12FEB19	17:17:12
ACTN:		JSE	592
ACC : 105007 GUMEDE P	TP C MGD	RG 1 SET C EX F BR/PR	MM
BALANCE CODE: F	SEQ: D	FUT/CUR PUR:	0.00 0.00
FROM DATE : 2019/02/26	FUT/CUR SAL:		0.00 0.00
	CASH/FREE :	119566638.91	0.00
DATE TRANS TR.QTY SHARE TRM DEAL-ID	TRAN.	TOTAL:	0.00
YYMMDD CODE <---FIN. TR.DESCRPTION--- &gt;</td <td>AMOUNT</td> <td>CSH.BAL</td> <td>TOT.TRD.BAL</td>	AMOUNT	CSH.BAL	TOT.TRD.BAL
190225 J	DERMRG PROFIT / LOSS 25/02	6300330.00	181221968.91 181221968.91
190225 J	DERMRG MARGIN 25/02	5558799.00	174921638.91 174921638.91

Transaction Descriptions for RTC

- The DOC-REF-NO has been added to BDA to identify journals for the derivative markets. It is displayed when the user presses PF9 on AFINH screen.
  - EQDER will be displayed on historical journals for the Financial Equity Derivatives entries.
  - CURDER will be displayed on historical journals for the Currency Derivatives entries.
  - DERMARG will be used for the combined Financial Equity and Currency Derivatives Margin entries.
  - COMDER will be used when creating journals for the Commodity entries.
  - IRMDER will be used when creating journals for the Interest Rate Market entries.

OPTN: SPTRN	BCS/A: FINANCIAL TRANSACTION HISTORY	26FEB19	17:27:30
ACTN:		JSE	592
ACCOUNT CODE: 105007 S GUMEDE			
NON-RES.IND.: Y	COUNTRY CODE: UK	EXCH.CONTROL: F	
ACC-TYP.CDE.: C	BRANCH CODE.:	PARTNER CODE:	
BALANCE CODE: F	PROCESS DATE: 2019/02/25	REG.CODE.....: 1	
DOC-REF-NO: FT	GEN.ANALYSIS:	AGE DATE.....: 2019/02/26	
PRIME ACC:	PRIME DEL-ID:		
TRAN.AMOUNT: 6300330.00	CASH BALANCE...:	181221968.91	
	FREE BALANCE...:	0.00	
	OTHER BALANCES:	0.00	
TRAN.CODE...: J	NARRATIVE...: DERMARG PROFIT / LOSS 25/02		
DOC-REF-NO...: <b>DERMRG</b>	CHQ.DEP.NO...:	CASH ALPHA...:	
TRAN.DATE: 2019/02/26	TIME: 02:04:34	USER: OPS	SOURCE: BDFINSAF TRML..:

Combined margin DOC-REF.NO

- Transaction codes will be displayed on ASAFH to reflect deals traded on the different Derivatives markets.
  - Transaction 'ED' will be used when processing Financial Equity Derivatives deals from RTC
  - Transaction 'CD' will be used when processing Currency Derivatives deals from RTC
  - Transaction 'BY' will be used when processing Interest Rate Derivatives deals from Nutron
  - Transaction 'BC' will be used when processing Commodities deals from Nutron
  - Transaction 'BS' will be used when processing any other derivatives deals from Nutron

DATE	TIME	EXP	TRAN	STRIKE	SAFEX	NO.	PRICE
190222	11:14	190320	ED P F ALSI DW		169348865	8	495.76
190222	11:14	190320	ED P F ALSI DW		169356033	8	495.82

Financial Equity Derivatives Transaction Code

### MARGIN FILE EXCEPTIONS

There are instances where an incorrect price would have been used to calculate margin on the RTC files, the issue would have been highlighted after BDA files have already been processed. The JSE will not send an adjustment file the next day to correct the variation margin (VM) calculated. The sum of the VM on RTC over the two days will be the same as the sum of the correct VM over the two days. Please see example below:

	T-2	T-1	T	T+1	T+2	
Contract Size	1	1	1	1	1	
Position	9	9	9	9	9	
Price (RTC)	2	8	12	13	17	Incorrect Price in RTC on T
VM(RTC)		54	36	9	36	
Settlement Outside RTC			72	-72		Additional Call of R72 returned to get to correct VM of -R63
Price (TRUE)	2	8	20	13	17	
VM(TRUE)		54	108	-63	36	Additional Call of R72 outside RTC to get to correct VM of R108
						Correct Price on T

Please find the updated BDA Derivatives manual as an attachment to JSE Service Hotline 83/2019.