

## MARKET NOTICE

**Number:** 257A/2016  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 13 May 2016

**SUBJECT:** APPROVED AMENDMENTS TO THE EQUITIES RULES – SETTLEMENT OFFICERS

**Name and Surname:** Shaun Davies  
**Designation:** Director Market Regulation

Members are referred to Market Notice 130A/2016 dated 7 March 2016, which contains the proposed amendments to the equities rules in respect of Settlement Officers.

The Registrar of Securities Services has, in terms of section 71(3)(c) of the Financial Markets Act, No. 19 of 2012, approved the amendments to the equities rules with effect from 13 May 2016.

The purpose of the amendments is to permit members to outsource the role of settlement officer either to an employee of a CSP or to an employee of another member acting as a settlement agent in terms of Directive FI. This is achieved through an amendment to the definition of “settlement officer.” The current rules only permit the role of alternate settlement officer to be outsourced to a CSP. We are of the view that a member can still meet its responsibility to ensure that its settlement obligations are met through an appropriate outsourcing arrangement in which a designated person is appointed to perform the settlement officer function and bind the member in respect of any actions taken or decisions made by that person in relation to settlement.

We have also amended the definition of “alternate settlement officer” in line with the amended “settlement officer” definition to reflect that if the role is outsourced it can be outsourced to an employee of a settlement agent appointed in terms of Directive FI and not only an employee of a CSP appointed in terms of Directive FL. This is in line with the original intention of the outsourcing arrangements provided for under Directive FI. A similar amendment has been made to rule 4.40.6 to reflect the original intention in providing for outsourcing arrangements under Directive FI.

We attach hereto the following documents:

- Board Notice 58 of 2016, which contains the Registrar’s approval; and
- The approved amendments to the JSE equities rules.

Should you have any queries regarding this notice, please contact Paul Hartzberg on (011) 520 7584 or at [paulh@jse.co.za](mailto:paulh@jse.co.za)

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