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**MARKET NOTICE**Johannesburg  
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**Number:** 347A/2016

**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

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**SUBJECT:** EQUITY DERIVATIVES FEE MODEL CHANGES EFFECTIVE 1 AUGUST 2016

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The Equity Derivative Can-Do fee model has historically been complex and separate from the vanilla equity derivative fees. In Feb 2016, changes to the model were implemented, however while some facets did improve, other pricing points were raised as areas of concern. After consulting with the market, we have revised the can-do pricing model, and used the opportunity to align the Can-Do model with the vanilla model.

This fee model change represents an overall reduction in fees charged to clients. The major changes to the Equity Derivative fee models, both Can-do and Vanilla, can be summarized as follows:

- The Anyday products have been aligned with the standard expiry vanilla products representing a large reduction in fees.
- The cap of R150 on the spot price for single stock futures and options has been removed with an accompanying reduction in the basis point fee to make the fee impact neutral to the market overall.
- The use of delta in option fees has been removed with an accompanying reduction in the basis point fee to make the fee impact neutral to the market overall.
- On the exotics products, we have reduced caps, give-ups and/or fees, but have maintained a value-based model over the previous matrix model.

The official pricing document is available online at <https://www.jse.co.za/content/JSEpricingItems/EDMPriceList.pdf> with changes effective from the 1 August 2016.

Please consult the table below for a more detailed list of the changes:

Product	Trade Type	Fee	Notes
Index Futures (Standard & Anyday)	Central Order Book	0.1bps	
	Reported	0.13bps	
Index Options (Standard & Anyday)	Central Order Book	0.04bps	
	Reported	0.054bps	
Single Stock Futures (Standard & Anyday)	Central Order Book	0.66bps	
	Reported	1.16bps	Anydays have a cap of R18 000
Single Stock Options (Standard & Anyday)	Central Order Book	0.25bps	
	Reported	0.43bps	Anydays have a cap of R18 000
Exotic Futures	Reported	1.5bps	Cap of R40 000 Brokers are charged half
Options on Exotic Futures	Reported	0.98bps	Cap of R40 000 Brokers are charged half
Exotic Options	Reported	1.5bps	Cap of R40 000 Brokers are charged half

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