
MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 598A/2016
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 28 October 2016

SUBJECT: APPROVED AMENDMENTS TO THE EQUITIES RULES – MARGIN ON TRANSACTIONS IN EQUITY SECURITIES

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

Members are referred to Market Notice 462/2016 dated 23 August 2016, which contained proposed amendments to the equities rules that relate to the margin that is funded by clients in respect of their transactions in equity securities.

The Registrar of Securities Services has, in terms of section 71(3)(c) of the Financial Markets Act, approved the amendments to the equities rules with effect from 28 October 2016.

The purpose of the amendments is to provide certainty in rule 10.140.4 as to the manner in which any margin that is funded by clients in respect of the transactions on their accounts is to be treated by members and the JSE. In instances in which a member requests that its client pay that portion of the margin that relates to the client's transactions, the amount paid by the client and held by the JSE as collateral is always understood to be the asset of the client and not that of the member. Accordingly, in the event that such collateral is used by the JSE, it will only be used to meet those settlement obligations that relate to the unsettled transactions on the account of the specific client that provided it.

We attach hereto the following documents:

- Board Notice 168 of 2016 containing the Registrar's approval.
- The approved amendments to the JSE equities rules.

Should you have any queries regarding this notice, please contact Paul Hartzenberg on 011 520 7584 or by email at: paulh@jse.co.za

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