

PROPOSED AMENDMENTS TO THE JSE EQUITIES DIRECTIVES

General explanatory notes:

1. Words underlined with a solid line (___) indicate the insertions in the existing rules.
2. Words in bold and in square brackets ([]) indicate deletions from the existing rules

Directive D: Members' Financial Management and Reporting

DC Members Financial Resources Requirements

13. Custody Services Risk Requirement (CSRR) Applicable to a CSP

- 13.1 A CSP shall calculate its total CSRR based on the total of all assets held in custody on behalf of its own clients and/or clients of those members for whom it acts as a CSP in terms of Directive FL in accordance with 13.3 below.
- 13.2 The purpose of the CSRR is to provide additional assurance of the continuity of the business of a CSP thereby ensuring that assets held by a CSP on behalf of clients are available to the clients at all times.
- 13.3 Computation of CSRR
- 13.3.1 A CSP's total CSRR shall be equal to:
- 13.3.1.1 1% of client assets in custody up to R300 million, subject to a minimum of R3 million; plus
- 13.3.1.2 0,1% of client assets in custody in excess of 300 million up to R2 billion; plus
- 13.3.1.3 **[0,01%]** 0.005% of client assets in custody in excess of R2 billion.
- 13.3.2 For the purpose of this directive, client assets held in custody shall include:
- 13.3.2.1 all securities held on behalf of clients;
- 13.3.2.2 all Krugerrands held in safe custody on behalf of clients; and
- 13.3.2.3 all funds held on behalf of clients in JSET or any other trust account opened in terms of section 21 of the Act and rule 9.60.