
MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 380A/2016
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 11 July 2016

SUBJECT: PROPOSED AMENDMENTS TO THE DERIVATIVES RULES – REGISTERED OFFICERS

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

Members are advised that the proposed amendments to the JSE derivatives rules, attached as Annexure A, were adopted by the JSE executive committee on 8 July 2016.

The purpose of the amendments is to harmonise the process for the registration of traders and officers across the markets and in so doing align the derivatives market with the principles already in place in the equities market. In order to achieve this, we have adopted the terminology used in the equities rules and have replaced the appropriate references to 'dealer' with that of 'trader'. The proposed amendments will streamline and shorten the JSE registration process and members that are active in more than one market will benefit from a single consistent approach in respect of the registration of their officers and traders across all markets.

The JSE Executive will no longer accept or reject applications for the registration of traders and officers in the derivatives market and nor will such an application require the issuance of a market notice that gives members a period of ten days for the submission of objections or comments in respect of the person to be registered. Instead an internal JSE committee comprised of representatives of the Capital Markets Division, the Market Regulation Division and the TMS Client Data team will collectively consider the application for registration and assess inter alia the assurance provided by the member that the applicant complies with the fit and proper requirements as expressed in the general requirements of membership in the rules and their having obtained a pass in the relevant qualifications as prescribed in the directives. Applications for the temporary registration of a registered officer and to change the registration of a registered officer from one member to another will no longer be permitted. Registered officers will need to comply with the requirements for registration at the time that the application for their registration is made and in the event that a registered officer moves from one member to another, their former employer will need to terminate their registration and a new application for registration will need to be submitted by their new employer. The reason for this being that the registered officer is employed by or under the control of the member

that has registered them and as such, the member must, prior to their employment and the subsequent submission to the JSE of an application to register them as an officer, satisfy themselves that the person in question complies with the fit and proper requirements and qualifications as set out in the derivatives rules and directives respectively.

The revised application form for the registration of registered officers and traders across all markets is in the process of being finalised and once these rule amendments are approved by the registrar, an appropriate effective date for the approved rules will be chosen, which coincides with the launch of the new application form.

Unless written objections are lodged within 10 days of this notice, in terms of derivatives rule 1.80.3, the proposed amendments to the rules will be submitted to the registrar for his approval.

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

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