

PROPOSED AMENDMENTS TO THE JSE DERIVATIVES RULES

General explanatory notes:

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

Section 1: Interpretation and definitions

1.40 In the rules –

["dealer"]	[means an employee of a trading member who is registered in terms of these derivatives rules to trade either for the member's own account or for or on behalf of clients, or for both;]
"registered officer"	means a compliance officer or a [dealer] <u>trader</u> registered by the JSE as such in the name of the member;
<u>"trader"</u>	<u>means an employee of a trading member authorised by the JSE and who is registered by such trading member in terms of these derivatives rules to trade either for the member's own account or on behalf of clients, or for both;</u>

Section 5: Registered Officers

5.10. Members' obligation to ensure registration of officers

Each member which is a body corporate or a partnership –

- 5.10.1 ...
- 5.10.2 ...
- 5.10.3 shall ensure the registration by the JSE of **[dealers]** traders who **[,subject to rule 5.20,]** shall be the only persons entitled to trade for a trading member's own account and for or on behalf of clients and who shall have obtained such qualification as may be required by the JSE.

5.30 **[Dealers]** Traders to trade only with other registered **[dealers]** traders

No **[dealer]** trader shall trade with a person whom they know or ought reasonably to know is not registered as a **[dealer]** trader of the other member concerned **[or person authorised to trade for the member in terms of rule 5.20].**

5.50 Registration of officers by the JSE

- 5.50.1 An application for **[the first]** registration as a registered officer shall be made to the JSE in the manner and on the form prescribed by the JSE.
- 5.50.2 A person who seeks to be registered with the JSE as a registered officer must satisfy the general requirements of rule 3.20.1 and must have obtained a pass in the relevant qualification, as prescribed in the derivatives directives. [The JSE shall in a notice to members publish the name of the applicant, and members shall within ten business days of such notice notify the JSE in writing of objections to or comments on the application.]
- 5.50.3 A member shall notify the JSE in writing of its decision to terminate the registration of a registered officer in its name, in which event the JSE may request full details of the circumstances of the termination. [The

JSE shall convene a meeting of the JSE Executive to consider the application referred to in rule 5.50.1 and any objection to or comment on it in order to recommend to the JSE to accept or reject the application.]

- [5.50.4] [An application to change the registration of a registered officer from one member to another or from one office to another shall be made in writing to the Chief Executive Officer by the member intending to register the officer and the Chief Executive Officer shall, in his discretion, decide to grant such change in registration or to refer the application to the JSE Executive for consideration at its next meeting: Provided that, if aggrieved by the decision of the JSE Executive, the member concerned shall have the right of appeal to the board of appeal.]
- [5.50.5] [The JSE may, in its discretion, for a period not exceeding ninety (90) days, grant the temporary registration of an officer pending the attainment by him of the qualifications required for the office in question.]

5.70 Registration and termination effective

The registration [, **whether permanent or temporary,**] or termination of the registration of a registered officer in the name of a [particular] member [in a particular office] shall become effective on the date [and the time of the notice to members by the JSE, unless it is stated otherwise in the notice.] stipulated in the written notification to the member by the JSE, confirming the registration or termination of registration of the registered officer.

Section 7: Trading

7.80 Members obligations in relation to the ATS

- 7.80.1 A member shall be bound by all offers, acceptances or entries made in his name on the ATS regardless of whether or not such offer or acceptance or trade was authorised by the member and the member shall -
- 7.80.1.1 by keeping all codes, passes, passwords or other security devices confidential and privy only to the compliance officer and the registered [dealer] trader for whom they are intended, control access to the ATS; and
- 7.80.1.2 ensure that only the registered [dealer] trader to whom a valid password is allocated by the clearing house, or the compliance officer, shall use such password to gain access to the ATS.