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**MARKET NOTICE**Johannesburg  
Stock ExchangeTel: +27 11 520 7000  
[www.jse.co.za](http://www.jse.co.za)**Number:** 563A/2015Relates to:  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

Date: 14 September 2015

**SUBJECT: PROPOSED AMENDMENTS TO THE DERIVATIVES RULES AND DIRECTIVES – AGRICULTURAL PRODUCTS****Name and Surname:** Shaun Davies**Designation:** Director Market Regulation

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Members are advised that the proposed amendments to the JSE derivatives rules and directives, attached as Annexure A, were adopted by the JSE executive committee on 11 September 2015.

The purpose of the amendment to the derivatives rules is to broaden the definition of agricultural derivatives, which was previously limited to referencing those agricultural products that are physically settled. The expansion of the definition facilitates the inclusion of agricultural derivatives that are cash settled and this is achieved through the omission of any reference to the manner of settlement of the underlying agricultural product to which a commodity derivative instrument is referenced.

The changes to the derivatives directives have been proposed in order to expand the list of qualifications that are accepted for the registration of a dealer in agricultural derivatives. The current directives require a dealer in agricultural derivatives to have obtained a pass in the Agricultural Products Market Dealers exam and do not recognise any other qualification in order to be registered. Historically it was felt that the unique features of agricultural derivatives necessitated a dealer in those products obtaining a qualification specific to the agricultural products market but the current view is that evidence of product specific knowledge is not a necessity for an agricultural derivatives dealer. The accepted qualifications, as proposed, are aligned with the qualification requirements in respect of the employees of members who manage and provide investment advice in respect of agricultural derivatives and are substantially aligned to the qualification requirements for dealers in other derivative securities.

Unless written objections are lodged within 10 days of this notice, in terms of 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 Hartzenberg on (011) 520 7584 or at [paulh@jse.co.za](mailto:paulh@jse.co.za)

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