
MARKET NOTICEJohannesburg
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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
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SUBJECT: NEW TIERED BILLING MODEL FOR EQUITY MARKET - FURTHER DETAILS

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Dear JSE Client,

Pursuant to Market Notice [187/2018](#), please find updated notice which provides further detail on all trades types in the cash equities market.

The JSE is continuously striving to service its clients at a cost effective rate whilst also being cognizant of the financial pressures affecting its clients.

The JSE is pleased to inform all Equity Market members that a new billing model for the Cash Equities Market, referred to as the *'Tiered Billing Model'*, will be implemented effective from 30 July 2018. This decision follows extensive formal consultation with members, several rounds of internal reviews and global benchmarking exercises. Each of these steps resulting in more favourable iterations for the market as a whole.

The JSE's new Equity Market *Tiered Billing Model* is configured such that trading fees are progressively lower for each incremental tier. The model is based on six (6) tiers of value traded thresholds. Each threshold has a corresponding basis point (Bps) which is charged as a member progresses through the tiers of value traded over the course of a month. The model contains a Trade Cap of R400 for Central Order Book trades. A new Complex Order Suite, which includes 5 trade types detailed below, has also been established. The Complex Order Suite will be priced at the current fee of 0.53bps with a R3000 cap.

The details of the new model are attached in this document. The rationale behind implementing a tiered model includes:

- Overall trading cost reduction for the market.
- A model that is beneficial to the market, regardless of member size or mix of business (trade types).
- Alignment to international best practice whilst considering applicable MIFID II requirements.
- The overall exercise should keep the JSE competitive and comparable to other exchanges.
- Encouraging incremental volumes and improved market liquidity.

TABLE 1: TIERED BILLING MODEL

Tiers are based on Value Traded by a Broker per Month					
Tiers	Lower Bound	Upper Bound	BPs Discount*	BPs	
1	0	R 1 000 000 000	9.43%	0.48	
2	R 1 000 000 000	R 3 000 000 000	11.32%	0.47	
3	R 3 000 000 000	R 10 000 000 000	13.21%	0.46	
4	R 10 000 000 000	R 50 000 000 000	15.09%	0.45	
5	R 50 000 000 000	R 100 000 000 000	20.75%	0.42	
6	R 100 000 000 000	R 999 000 000 000	30.19%	0.37	

*Bps discounts are calculated from the current 0.53 Bps charged per trade.

NB:

- All Central Order Book trades will be subject to a Trade Cap of R 400
- Qualifying Trade Types that leads to accumulation of value traded through tiers are AT, UT, VT and XT.

TABLE 2: COMPLEX ORDER SUITE

Complex Order Suite		
Trade Type	Trade Fee	Trade Cap
XT VT Pegged Hidden Order BT OP	0.53 bps	R 3 000

Reported Trades *not within the complex suite* will remain at 0.53bps and will be subject to a R400 cap. Kindly refer to the below table for a list of details of these specific Reported Trades.

Members should also note that Delta Option trades (OD) will not incur a fee and Give-Up Trades related to Black Brokers will also not incur a fee.

TABLE 3: REPORTED TRADES CHARGED at 0.53bps, with a R400 cap

Other Reported Trades			
Trade Type	Description	Trade Fee	Trade Cap
BK	Book Build Trade		
NC	Next Day cancellation of a non-published Off Book Trade		
LC	Next Day cancellation of a published Off Book Trade		
CF	Corporate Finance Trade		
GU	Give Up Trade		
LT	Late Trade (After Hours Trade)	0.53 bps	R 400
OX	Option Exercised		
PF	Portfolio Trade		
PC	Next Day cancellation of On Book Trade		
TX	Traded Option Exercised		
WX	Warrant Exercised		

Please note, that as of the 30 July 2018, this market notice replaces all previous notices and price lists with regards to the equity market trading fees in terms of the JSE Services Agreement.

Members are encouraged to please revert if the 30 July 2018 implementation date will be achievable without compromising ITaC deliverables.

Should you have any queries regarding this notice, please contact CustomerSupport@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>