
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

Number: 346A/2018
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 5 September 2018

SUBJECT: **TRADING MEMBERS PERMITTED TO CAPTURE REPORT ONLY TRADES FOR THE CORRECTION OF ALLOCATION ERRORS**

Name and Surname: Njabulo Ndaba
Designation: Head of Trading

Dear Market Participant,

The JSE would like to extend via the existing report only functionality to include a further trade type, namely ALE (Allocation Error) trades to enable members to perform trade allocations and re-assigning trades. Members will be permitted to enter and report ALE trades directly onto the ATS themselves, without consulting with the exchange.

The reporting of these off-ATS transactions directly by members will be more efficient and will reduce the risk of delays and input errors inherent in the current arrangement. All members remain responsible to ensure the reporting obligations as described in this market notice are adhered to with reference to the JSE Derivatives Rules and Directives.

Members will have a period of up to two months to familiarize themselves with the new process. During the said period, the JSE will continue to assist in processing transactions on behalf of members as per current process.

The reporting obligations in relation to ALE transactions in relation to rule 7.40.2 and 7.40.3 are as follows:

Allocation Error Trades (ALE)

1. The Trading Member must clearly identify the trade(s) that require to be:
 - i. re-allocated the correct client or
 - ii. assigned to another Trading Member
2. The Trading Member may enter a Report Only Trade to correct the allocation error that has occurred

3. The Trading member will be required to enter the exchange reference number of the incorrectly allocated trade in the reference fields provided
4. The futures/options level traded must be used as the value for the report only trade
5. Reported trades may be captured until the close of the admin period
6. The "ALE" trade type must be used for all allocation error trades
7. Allocation Error trades may be reported to correct same day trades and previous day trades only

Trading Members will therefore be permitted to book Report Only Trades as "ALE" for the below scenarios:

- Trade Allocations that have been missed on T+0.
- Re-assigning deals that were not accepted by counterparty on T+0.
- Trade Allocations on T+0 for transactions whereby a deal has been allocated to a Master Clients, Sub-account

The JSE will continue processing the below transactions on behalf of members:

- Broker of Choice,
- Position Transfers
- Net-Offs (that don't constitute as Exchange for Physical/Exchange for Risk agreements)
- Foreign Referenced Report Only Trades

Members are referred to the attached guide on how to capture ALE transactions on Nutron. Members are also reminded to use the Zerofee form as stipulated in JSE Service Hotline 18/2015 for the applicable zero fee requests.

Should you have any queries regarding this notice, please contact the Client Services Centre CustomerSupport@jse.co.za
This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>