
MARKET NOTICEJohannesburg
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Relates to:

- Equity Market
- Equity Derivatives
- Commodity Derivatives
- Interest Rate and Currency Derivatives
- Bonds and ETP
- Primary Markets
- Post Trade Services

Date: 14 February 2018

SUBJECT: PRICE CHANGES EFFECTIVE 2018

Name and Surname: Alicia Greenwood

Designation: Director - Post Trade Services

Dear JSE Client,

JSE Clear continuously strives to provide world-class risk management to preserve and protect the integrity of South African markets, and to ensure that we remain an attractive investment destination for global investors.

JSE Clear manages the day-to-day risk management processes of the derivatives markets, including exposure monitoring and management, contract lifecycle management, margin calculation, daily payments processing and regulatory compliance. We continuously refine risk methodologies to balance appropriate conservatism in the margin called, with clients' needs for margin efficiency. During 2018, we plan to move to real-time risk management and to introduce the acceptance of securities collateral. All risk management methodologies and practices are subjected to robust governance and oversight, and meet international regulatory standards. JSE Clear has been recognised by ESMA, the European Union's Securities and Markets Authority, as "equivalent" to CCPs in the EU, and has been granted QCCP status under the CPSS-IOSCO Principles for Financial Market Infrastructures, which allows banks to hold less capital on positions cleared through JSE Clear. CPSS-IOSCO is a global standard for risk management aimed at any organisation enabling the clearing, settlement and recording of a transaction. This means that JSE Clear is robust and meets global standards in promoting financial stability and reducing systemic risk.

JSE Clear has reviewed its pricing for post-trade risk management in the derivatives market, as reflected in the table below. The revised pricing will be introduced at the time that the ITaC project is implemented, currently expected in May 2018. It should be noted that pricing for interest rate derivatives will be reviewed when this market migrates onto the new ITaC platform, and benefits from its enhanced risk management capabilities.

Market	Current Rate (basis points)	New Rate (basis points)
Equity Derivatives	20.0 bps	17.0 bps
Currency Derivatives	12.5 bps	17.0 bps
Commodity Derivatives	20.0 bps	17.0 bps
Interest Rate Derivatives	12.5 bps	12.5 bps

This notice serves as formal notice as contemplated under the JSE Services Agreement.

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-notice-and-circulars>