
MARKET NOTICEJohannesburg
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Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 18 December 2017

SUBJECT: SUBMISSION OF POTENTIAL CLAIMS FOR OPERATIONAL ISSUES EXPERIENCED IN THE BONDS MARKET FOLLOWING THE DIS IMPLEMENTATION ON 26 SEPTEMBER 2017

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Strate's Debt Instrument Solution (DIS) project replaced Strate's legacy UNEXCor system with a new BaNCS platform for the South African bonds market, and went live on 26 September 2017. During the first weeks following go-live, significant operational and technical weaknesses were experienced which impacted all market stakeholders. The JSE and Strate each conducted internal assessments of the root causes of the incident, and also jointly commissioned an independent review by Webber Wentzel and Deloitte. The independent review is nearing completed and we intend to provide the market with a summary of the key findings by end January 2018.

The independent review determined that the impact of the new settlement model introduced by the DIS project, and the related business process changes required as a result thereof, was under-estimated by all stakeholders in the bond market and does not place sole responsibility for the DIS implementation operational issues on the JSE. Even though the JSE does not accept liability for any financial losses suffered as a result of the DIS project implementation, the JSE understands that market participants were negatively impacted and we would like to assist the market by facilitating a process whereby potential claims can be considered by all the stakeholders. To achieve this, it would be helpful to have visibility of the range and magnitude of any potential claims. We therefore request all market participants who believe they may have a claim for financial losses experienced as a result of the DIS implementation issues, to forward these to the JSE for collation. Please submit this information to Bonds@jse.co.za and copy AliciaG@jse.co.za by no later than 31 January 2018. Once collated, the JSE will present the claims to the broader stakeholders for further discussion.

If you have any queries regarding this notice, please contact the Client Service Centre CustomerSupport@jse.co.za
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