

SCHEDULE RELATING TO THE AMENDMENTS TO THE JSE EQUITIES DIRECTIVES

General explanatory notes:

1. Words underlined with a solid line (___) indicate the insertions in the existing directives.
2. Words in bold and in square brackets ([]) indicate omissions from existing directives.

EB Operation of accounts of a member at its CSDP

1. A member must open and maintain the following accounts at its CSDP –
 - 1.1 a controlled client custody account [custody account], if the member is authorised to operate controlled client accounts;
 - 1.2 a proprietary custody account [funds settlement account];
 - 1.3 if the member is not authorised to operate controlled client accounts, a funds settlement account;
 - 1.4 if the member is authorised to operate controlled client accounts, either a single funds settlement account or both a controlled client funds settlement account and a proprietary funds settlement account;
 - 1.5[3]a current account;
2. A member must ensure that the single funds settlement account or the controlled client funds settlement account, whichever is applicable, referred to in EB 1.4 [2] has been cleared to zero by the day after settlement day for settlement day value.
3. An entry may only be effected in the funds settlement [account] accounts referred to in EB 1.3 [2] and 1.4 if the entry has been generated as part of the process of the settlement of transactions in equity securities by –
 - 3.1 the BDA system;
 - 3.2 the Settlement Authority; or
 - 3.3 the member's CSDP for a loan of equity securities or funds to the member.

ED Information to be submitted to the Settlement Authority

No member may conduct a transaction in equity securities unless the following information has been advised in writing to the Settlement Authority –

1. member's SWIFT Bank Identifier Code (BIC);
2. member's CSDP name;
3. member's CSDP SWIFT BIC;
4. member's Business Partner ID with Strate;
5. member's CSDP's Business Partner ID with Strate;
6. member's CSDP Strate Securities Custody Account (SCA) number;
7. if the member is authorised to operate controlled client accounts, the controlled client custody account [custody account] number at the member's CSDP;
8. proprietary custody account number at the member's CSDP;
- 9.[8] if the member is not authorised to operate controlled client accounts, the funds settlement account number at the member's CSDP;
10. if the member is authorised to operate controlled client accounts, either the funds settlement account number at the member's CSDP or both the controlled client funds settlement account number and the proprietary funds settlement account number at the member's CSDP, whichever is applicable;
- 11.[9] current account number at the member's CSDP;
- 12.[10] equities margin account details at the member's bank; and
- 13.[11] name and contact details of the member's settlement officer and his alternate.

EG Borrowing of equity securities through the Settlement Authority

1. Definitions
For the purposes of this directive, the following definitions apply –

"loan date" means the date on which loaned equity securities are transferred by the Settlement Authority into the proprietary custody account [custody account] of a member;

2. Terms and conditions
The Settlement Authority will facilitate the borrowing of equity securities on behalf of a member under the following terms and conditions –

- 2.1 a member must ensure that sufficient cash is available in its funds settlement account or its proprietary funds settlement account, whichever is applicable, with its CSDP to meet the initial and any subsequent collateral requirement;

EH Lending of funds by the Settlement Authority

1. Definitions
For the purposes of this directive, the following definitions apply –

“loan date” means the date on which funds are transferred by the Settlement Authority into the funds settlement account or proprietary funds settlement account of a member, whichever is applicable;

FL Duties and responsibilities of a TSP and its appointed CSP

6. A TSP which appoints a CSP shall –
- 6.1
- 6.2
- 6.3 ensure that a controlled client custody account [custody account] in the name of a nominee company owned by the TSP and established in terms of rule 3.90 is opened at the TSP’s CSDP, and that the CSDP will only accept instructions, other than those relating to the settlement of transactions in equity securities, from the CSP. The member shall not be permitted to open such an account in its own name.

Table 1.1

Function	Responsibility
7. Withdrawal of uncertificated equity securities	
7.1 Obtain written authority from the client for the withdrawal of uncertificated equity securities	TSP
7.2 Approve the withdrawal of equity securities after examining written authority obtained from the client	CSP
7.3 Advise the TSP’s CSDP to transfer the equity securities to the <u>controlled client custody account [custody account]</u> of the other TSP or the CSDP to whom the client wishes to transfer the securities	CSP
7.4 Process the withdrawal of equity securities on the BDA system upon advice of delivery from the TSP’s CSDP	CSP
9. Balancing of nominee registers to CSDP records	
9.1 Balance the BDA system nominee register to the CSDP <u>controlled client custody account [custody account]</u> on a daily basis in terms of rule 9.10.7	CSP
9.2 Submit monthly nominee register balancing reports to the Director: Surveillance	CSP
17. BDA system and SWIFT Alliance Messenger [Merva] Access	
17.7 Initiate electronic instructions to the TSP’s CSDP via <u>SWIFT Alliance Messenger [Merva]</u> in respect of withdrawals or transfers of uncertificated securities held in the TSP’s <u>controlled client custody account [custody account]</u> at the CSDP	TSP or CSP (refer FL 2)
17.8 Approve and release electronic instructions to the TSP’s CSDP via <u>SWIFT Alliance Messenger [Merva]</u> in respect of withdrawals or transfers of uncertificated securities held in the TSP’s <u>controlled client custody account [custody account]</u> at the CSDP	CSP
18. Reconciliation and control of key accounts	
18.2 <u>Funds settlement account or controlled client [Strate] funds settlement account</u> Ensure that the <u>funds settlement account or controlled client funds settlement account, whichever is applicable, as referred to in Directive EB 1.4</u> , is cleared to zero the day after settlement day for settlement day value	CSP