

MINUTES:

JSE eCFD COMMITTEE MEETING
MONDAY, 06 MAY 2013 AT 13h00

PRESENT:

Mr. M. de Wet	(JSE)
Ms. A. Dallamore	(JSE)
Ms. K. Pillay	(JSE)
Mr. Gregori Nicola	(JSE)
Ms. Maryke Vreulink	(JSE)
Mr. A. Dube	(JSE)
Mr. G. Algeo	(Imara SP Reid)
Mr. P. Faure	(CJS Securities)
Mr. P. Dube	(Investec)
Mr. S. Nicholson	(Iress)
Mr. V. Lund	(MCI)
Mr. C. Gell	(Nedbank)
Mr. M. Weetman	(Vunani)
Mr. B. MacCullum	(RMB)
Ms. M. Pholohane	(Momentum)
Mr. K. Myburgh	(Nedbank)
Mr. R. Heine	(RMB)
Mr. D. Fourie	(RMD)
Mr. D. Marais	(STT)
Mr. R. Kruger	(STT)
Mr. K. Huysamen	(BVG)
Mr. G. Ward-Able	(Credit Suisse)
Mr. A. Modisane	(Deutsche Bank)
Mr. N. Ashok	(Nedbank)
Mr. D. Casey	(Nutcracker)
Mr. N. Tania	(RMB)
Mr. W. Donald	(Sungard)
Mr. S. Basson	(Synthesis)
Mr. K. Barlow-Jones	(TOVCSA)
Mr. P. Hageman	(PSG Online)
Mr. B. Thornton-Dibb	(Deutsche Bank)

APOLOGIES:

Mrs. D. Bates, Mr. G. Filomento, Mr. M. Kempgen, Mr. C. Gelle, Mr. B. Swanepoel

WELCOME & APOLOGIES

Mr. M. de Wet welcomed all attendees to the meeting.

1. LISTING eCFDs ON THE EXCHANGE

- The eCFD product will be launched on 14th May 2013 – British American Tobacco (BTI) will be listed and available for trading for the first week.
- Thereafter eCFD contracts will be listed upon request from the Market.

- The liquidity requirements applicable for listing Single Stock Future will be applied to eCFDs.
- It was agreed and confirmed that the eCFDs would have a standardized taxonomy. As illustrated in the table below, the rate intervals for all instruments will be listed with 50bps intervals down to – 3% and up to + 3%. Contract codes with positive rates will end with a numeric and contract codes with negative rates will end with an alphanumeric.

Contract Code	Contract Description
BTI0	eCFD on BTI with SAFEY
BTI1	eCFD on BTI with SAFEY + 0.50%
BTI2	eCFD on BTI with SAFEY + 1.00%
BTI3	eCFD on BTI with SAFEY + 1.50%
BTI4	eCFD on BTI with SAFEY + 2.00%
BTI5	eCFD on BTI with SAFEY + 2.50%
BTI6	eCFD on BTI with SAFEY + 3.00%
BTIA	eCFD on BTI with SAFEY – 0.50%
BTIB	eCFD on BTI with SAFEY – 1.00%
BTIC	eCFD on BTI with SAFEY – 1.50%
BTIE	eCFD on BTI with SAFEY – 2.00%
BTIH	eCFD on BTI with SAFEY – 2.50%
BTII	eCFD on BTI with SAFEY – 3.00%

- We envisage listing the Top40 underlyings in accordance with the above taxonomy.

2. eCFD BASE RATE

M de Wet suggested that as per Market consensus, the Prototype eCFD contract would use the SAFEY (Safex Overnight Rate) as the base rate and the longer term solution could then provide for more than one rate (e.g. SABOR, Prime, Jibar). The Committee agreed on using the SAFEY as the base rate but also indicated that using more than one rate could pose complications. This would be raised and discussed at a future Committee meeting at a later stage.

3. eCFD EXPIRY DATE

- After discussing the options of listing a quarterly, yearly, or perpetual expiry for the eCFD contracts, the Committee was in favour of initially

listing the prototype with an expiry date aligned with the March 2014 standard futures closeout date.

- For the long term solution the Committee would meet and agree again to discuss imposing an expiry date or an abandon mechanism for Exchange Traded CFDs.
- The abandon mechanism would allow eCFD holders the ability to terminate the contract within a configurable notice period. This would allow for better funding rates for market makers.
- The Committee also requested that the JSE investigate how other exchanges deal with maturity issues.

4. WHEN THE FUNDING IS CHARGED?

In the OTC market, funding is paid/received on either opening or closing positions. After lengthy discussions the Committee agreed that for Exchange Traded CFDs the closing positions would be used for paying or receiving funding. As an example this would entail that on a Friday night a participant with a closing position would be called for Funding which includes the Friday, Saturday and the Sunday. Payment on margin calls from the exchange would however remain on T+1 and as a result the funding called on the Friday night would only be paid on the Monday.

The meeting concluded at 14h45