



Market Notice

Number: F5913

Date: 04 March 2013

New Billing Methodology for Vanilla Equity Derivative Can-Do instruments

Post consultation with the market, the finalized billing methodology is shown in the table below. This fee model will be implemented on Monday 18 March 2013.

The purpose of this market notice is to communicate a new billing model methodology for Vanilla Equity Derivative Can-Do instruments. Vanilla Equity Derivative Can-Do instruments can broadly be classified as instruments with non-standardised expiry dates or strike intervals.

The current sliding scale fee matrix used for all Can-Do instruments was originally designed for Exotic Equity Derivative Can-Do instruments and subsequently has had unintended consequences when it was applied for Vanilla Equity Derivative Can-Do instruments. As a result the following value based billing model will now be applicable for all new Vanilla Equity Derivative Can-Do instruments:

	Underlying	
	Index	Single Name
Vanilla Equity Derivative Can-Do (Futures and Options)	0.33bp	1.5bp Cap R18 000

The above Can-Do value based billing model uses the same methodology as the existing standardised Index and Single Stock Futures. This includes the rules applicable to post-trade activities such as the action of taking a turn.

Vanilla Equity Derivative Can-Do Examples:

Spot Closing Value x Nominal x Basis Point Fee x Contracts Traded = Trading Fees

Underlying	Spot Closing Val	Nominal	Bp Fee	Contracts Traded	Trading Fees
ALSI	34,000	10	0.000033	5	R 56.10
AGLQ	255.00	100	0.00015	10	R 38.25



The JSE is aware of the minimum fee issues currently experienced with the current sliding scale fee matrix for the remaining Exotic Can-Do instruments and would like to remind participants to please contact the Exchange regarding post-trade allocations for potential fee reductions. The JSE is working on a new automated solution to address this issue and hopes to implement it as part of a scheduled software release later in 2013.

*This market notice replaces Note F5752 in its entirety.

If you have any queries, please feel free to contact derivativestrading@jse.co.za

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