

### **Net-offs report only trade type**

Net-offs result when a client builds up opposite positions through various accounts with in the same member or multiple members. The client then wishes to consolidate these positions, representing both long and short position **of the same expiry/contract**.

The JSE APD utilizes report only transactions to process Net-offs. These trades cannot be executed on the central order book as this will result in the same legal entity trading with themselves which is strictly against the rules. The net-off is therefore processed by the JSE during trading hours but outside the central order book.. This means that the transactions will not impact the trading environment and are not considered for mtm purposes.

**Note:** The Exchange will **only** Net off positions between accounts of the **same legal entity**.

Net-offs will not be considered when determining mark-to-market.

Members wishing to do a Net off must inform the JSE APD in writing before 11h00 for processing on the same day, typically the previous days mtm will be used as the settlement price..

### ***Example of a Net off:***

Client ABC231 (Dynamic Trading Inc) has the following positions;

Short 50 Jul WMAZ

Client XCX222 (Dynamic Trading Inc) has the following positions:

Long 40 Jul WMAZ

Upon receipt of request from the various members representing the above client. the JSE will Net off the positions

Result after Nett off;

Short 10 Jul WMAZ contracts on client code ABC231

Any Further questions or requests for Net-offs can be forwarded to [cdmtrading@jse.co.za](mailto:cdmtrading@jse.co.za)