

BONDS TIMELINE OVERVIEW

APRIL 2017

Glossary:

KEY	Abbreviation / Term	Meaning
	S	Settlement Day
	T	Trade Day
	SA	Settlement Authority
	SLB	Securities Lending & Borrowing
	Failed Trade Procedures	Where the JSE Settlement Authority is unable to enter into a Securities Lending & Borrowing transaction, the <i>Failed Trade Procedures</i> will be instigated. This could result in: <ul style="list-style-type: none"> • Rolling Of Settlement • Failed Trade with Compensation
	Rolling of Settlement	The action taken by the JSE Settlement Authority to roll the settlement date of a failing and a non-failing transaction to a future settlement date – typically a new T+3 settlement cycle
	Failed Trade with Compensation	The action taken by the JSE Settlement Authority to pay compensation between the failing and non-failing parties

T+3 on-market settlements

An overview of the T+3 timelines:

Note: Although there are specific times within the cycle where the JSE Settlement Authority will take actions, the JSE Settlement Authority may take these actions earlier in the cycle.

	T			T+1			T+2			T+3		
				12H00	18H00		15H00	17H00		10H00		
TRADE (T+3)	←		→									
TRADES TO STRATE	←		→									
TRADE CANCEL (T+3)	←		→									
LATE ALLOCATIONS				←	→							
ALLOCATION CORRECTIONS	←		→									
DEEMED AFFIRM BY CLIENT				●								
SETTLEMENT INSTRUCTIONS				●								
CLIENTS SETTLEMENT INSTRUCTIONS ON REALLOCATION					●							
CSDP IN A POSITION TO COMMIT							●					
COMMIT BY CSDP	←		→						←	→		
MONITOR FOR COMMIT	←		→									
TRADE MEMBER MANAGEMENT									←	→		
JSE SETTLEMENT AUTHORITY MANAGEMENT											←	→
SETTLEMENT											←	→



The actions in a T+3 transaction are as follows:

Action	Action Description	Completed by / Resulting from	Timings: T+3
Trade Execution	Trades received by members and executed on the trading system	Clients / JSE members	Real-time
Deal Allocation	After trades have been executed – members allocate to clients account	JSE members	Real-time
Trades to Strate	After the allocation to the clients account - generation of settlement instructions (trade legs) to Strate who in turn generate allegements to the applicable CSDPs	JSE members	T (Real-time after allocations)
Client Settlement Instruction to CSDP	Clients instruction to the CSDP	Client	T+1 (12h00)
Client rejection to broker	Clients rejection of the trade to the member	Client	T+1 (12h00)
Deemed Affirmation Client	If client does not reject it is deemed to be valid	Client	T+1 (12h00)

Member Reallocation	Where the client rejects and the member has to fix details and resend the corrected contract note to the client	JSE members	T+1 (18h00)
Client Settlement Instruction on Reallocation	Clients instruction to the CSDP	Client	T+1 (18h00)
CSDP in a position to commit	CSDPs commit to settlement orders from receipt of the settlement allegements.	CSDPs	Real-time T to 15h00 on T+2 Can continue until 09h30 on S
Non-controlled client breach	Where the client has not placed their CSDP in a position to commit	Client	T+2 (17h00)
Settlement Authority SLB	Where the member can't borrow – JSE Settlement Authority steps in as lender of last resort	JSE Settlement Authority	T+3 (10h00 to 12h00)
Failed Trade Procedures <i>These procedures could include:</i> <ul style="list-style-type: none"> - Rolling Of Settlement - Failed Trade with Compensation 	Where JSE Settlement Authority cannot borrow the securities	JSE Settlement Authority	T+3 (12h00 to 14h00)
Settlement			T+3

T+2 on-market settlements

An overview of the T+2 timelines:

	T			T+1 (T)			T+2 (T+1)			T+3 (T+2)		
							12H00	15H00	17H00	10H00		
TRADE (T+2)												
TRADES TO STRATE												
TRADE CANCEL (T+2)												
LATE ALLOCATIONS												
ALLOCATION CORRECTIONS												
DEEMED AFFIRM BY CLIENT												
SETTLEMENT INSTRUCTIONS												
CLIENTS SETTLEMENT INSTRUCTIONS ON REALLOCATION												
CSDP IN A POSITION TO COMMIT												
COMMIT BY CSDP												
MONITOR FOR COMMIT												
TRADE MEMBER MANAGEMENT												
JSE SETTLEMENT AUTHORITY MANAGEMENT												
SETTLEMENT												

Note: Although there are specific times within the cycle where the JSE Settlement Authority will take actions, the JSE Settlement Authority may take these actions earlier in the cycle.

The actions in a T+2 transaction are as follows:

Action	Action Description	Completed by / Resulting from	Timings: T+3
Trade Execution	Trades received by members and executed on the trading system	Clients / JSE members	Real-time
Deal Allocation	After trades have been executed – members allocate to clients account	JSE members	Real-time
Trades to Strate	After the allocation to the clients account - generation of settlement instructions (trade legs) to Strate who in turn generate allegements to the applicable CSDPs	JSE members	T (Real-time after allocations)
Client Settlement Instruction to CSDP	Clients instruction to the CSDP	Client	T+1 (12h00)
Client rejection to broker	Clients rejection of the trade to the member	Client	T+1 (12h00)
Deemed Affirmation Client	If client does not reject it is deemed to be valid	Client	T+1 (12h00)

Member re-allocation	Where the client rejects and the member has to fix details and resend the corrected contract note to the client	JSE members	T+1 (15h00)
Client Settlement Instruction on Reallocation	Clients instruction to the CSDP	Client	T+1 (15h00)
CSDP in a position to commit	CSDPs commit to settlement orders from receipt of the settlement allegements.	CSDPs	Real-time T to 15h00 on T+1 Can continue until 09h30 on S
Non-controlled client breach	Where the client has not placed their CSDP in a position to commit	Client	T+1 (17h00)
Settlement Authority SLB	Where the member can't borrow – JSE Settlement Authority steps in as lender of last resort	JSE Settlement Authority	T+2 (10h00 to 12h00)
Failed Trade Procedures <i>These procedures could include:</i> <ul style="list-style-type: none"> - Rolling Of Settlement - Failed Trade with Compensation 	Where JSE Settlement Authority cannot borrow the securities	JSE Settlement Authority	T+2 (12h00 to 14h00)
Settlement			T+2

T+1 on-market settlements

An overview of the T+1 timelines:

Note: Although there are specific times within the cycle where the JSE Settlement Authority will take actions, the JSE Settlement Authority may take these actions earlier in the cycle.

	T			T+1			T+2 (T)			T+3 (T+1)		
							12H00	15H00	17H00	10H00		
TRADE (T+1)												
TRADES TO STRATE												
TRADE CANCEL (T+1)												
LATE ALLOCATIONS												
ALLOCATION CORRECTIONS												
DEEMED AFFIRM BY CLIENT												
SETTLEMENT INSTRUCTIONS												
CSDP IN A POSITION TO COMMIT												
COMMIT BY CSDP												
MONITOR FOR COMMIT												
TRADE MEMBER MANAGEMENT												
JSE SETTLEMENT AUTHORITY MANAGEMENT												
SETTLEMENT												

The actions in a T+1 transaction are as follows:

Action	Action Description	Completed by / Resulting from	Timings: T+3
Trade Execution	Trades received by members and executed on the trading system	Clients / JSE members	Real-time
Deal Allocation	After trades have been executed – members allocate to clients account	JSE members	Real-time
Trades to Strate	After the allocation to the clients account - generation of settlement instructions (trade legs) to Strate who in turn generate allegements to the applicable CSDPs	JSE members	T (Real-time after allocations)
Client Settlement Instruction to CSDP	Clients instruction to the CSDP (trade can still be executed until 18h00)	Client	T (15h00)
Client rejection to broker	Clients rejection of the trade to the member	Client	T (15h00)
Deemed Affirmation Client	If client does not reject it is deemed to be valid	Client	T (15h00)

Member re-allocation	Where the client rejects and the member has to fix details and resend the corrected contract note to the client	JSE members	T (15h00)
Client Settlement Instruction on Reallocation	Clients instruction to the CSDP	Client	T (15h00)
CSDP in a position to commit	CSDPs commit to settlement orders from receipt of the settlement allegements.	CSDPs	Real-time T to 15h00 on T+2 Can continue until 09h30 on S
Non-controlled client breach	Where the client has not placed their CSDP in a position to commit	Client	T (17h00)
Settlement Authority SLB	Where the member can't borrow – JSE Settlement Authority steps in as lender of last resort	JSE Settlement Authority	T+1 (10h00 to 12h00)
Failed Trade Procedures <i>These procedures could include:</i> <ul style="list-style-type: none"> - Rolling Of Settlement - Failed Trade with Compensation 	Where JSE Settlement Authority cannot borrow the securities	JSE Settlement Authority	T+1 (12h00 to 14h00)
Settlement			T+1

T+0 on-market settlements

An overview of the T+0 timelines:

Note: Although there are specific times within the cycle where the JSE Settlement Authority will take actions, the JSE Settlement Authority may take these actions earlier in the cycle.

	T			T+1			T+2				T+3 (T)	
							12H00	15H00	17H00		13H00	14H30
TRADE (T+0)											↔	
TRADES TO STRATE											↔	
TRADE CANCEL (T+0)											↔	
LATE ALLOCATIONS												
ALLOCATION CORRECTIONS											↔	
DEEMED AFFIRM BY CLIENT											●	
SETTLEMENT INSTRUCTIONS											●	
CSDP IN A POSITION TO COMMIT												
COMMIT BY CSDP											↔	↔
MONITOR FOR COMMIT											↔	↔
TRADE MEMBER MANAGEMENT											↔	↔
JSE SETTLEMENT AUTHORITY MANAGEMENT											↔	
SETTLEMENT											↔	↔

The actions in a T+0 transaction are as follows:

Action	Action Description	Completed by / Resulting from	Timings: T+3
Trade Execution	Trades received by members and executed on the trading system	Clients / JSE members	Real-time
Deal Allocation	After trades have been executed – members allocate to clients account	JSE members	Real-time
Trades to Strate	After the allocation to the clients account - generation of settlement instructions (trade legs) to Strate who in turn generate allegements to the applicable CSDPs	JSE members	T (Real-time after allocations)
Client Settlement Instruction to CSDP	Clients instruction to the CSDP	Client	T (13h00)
Client rejection to broker	Clients rejection of the trade to the member	Client	T (13h00)
Deemed Affirmation Client	If client does not reject it is deemed to be valid	Client	T (13h00)

Member re-allocation	Where the client rejects and the member has to fix details and resend the corrected contract note to the client	JSE members	T (13h00)
Client Settlement Instruction on Reallocation	Clients instruction to the CSDP	Client	T (13h00)
CSDP in a position to commit	CSDPs commit to settlement orders from receipt of the settlement allegements.	CSDPs	T (14h30)
Settlement			T