
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za

Number: 187/2018
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 21 May 2018

SUBJECT: NEW TIERED BILLING MODEL FOR EQUITY MARKET

Name and Surname: Donna M. Nemer
Designation: Director - Capital Markets

Dear JSE Client,

The JSE is continuously striving to service its clients at a cost effective rate whilst also being cognizant of the financial pressures affecting its clients.

The JSE is pleased to inform all Equity Market members that a new billing model for the Cash Equities Market, referred to as the *'Tiered Billing Model'*, will be implemented effective from 30 July 2018. This decision follows extensive formal consultation with members, several rounds of internal reviews and global benchmarking exercises. Each of these steps resulting in more favourable iterations for the market as a whole.

The JSE's new Equity Market *Tiered Billing Model* is configured such that trading fees are progressively lower for each incremental tier. The model is based on six (6) tiers of value traded thresholds. Each threshold has a corresponding basis point (Bps) which is charged as a member progresses through the tiers of value traded over the course of a month. The model contains a Trade Cap of R400 for Central Order Book trades. A new Complex Order Suite, which includes 5 trade types detailed below, has also been established. The Complex Order Suite will be priced at the current fee of 0.53bps with a R3000 cap.

The details of the new model are attached in this document. The rationale behind implementing a tiered model includes:

- Overall trading cost reduction for the market.
- A model that is beneficial to the market, regardless of member size or mix of business (trade types).
- Alignment to international best practice whilst considering applicable MIFID II requirements.
- The overall exercise should keep the JSE competitive and comparable to other exchanges.
- Encouraging incremental volumes and improved market liquidity.

TABLE 1: TIERED BILLING MODEL

Tiers are based on Value Traded by a Broker per Month				
Tiers	Lower Bound	Upper Bound	BPs Discount*	BPs
1	0	R 1 000 000 000	9.43%	0.48
2	R 1 000 000 000	R 3 000 000 000	11.32%	0.47
3	R 3 000 000 000	R 10 000 000 000	13.21%	0.46
4	R 10 000 000 000	R 50 000 000 000	15.09%	0.45
5	R 50 000 000 000	R 100 000 000 000	20.75%	0.42
6	R 100 000 000 000	R 999 000 000 000	30.19%	0.37

*Bps discounts are calculated from the current 0.53 Bps charged per trade.

NB:

- All Central Order Book trades will be subject to a Trade Cap of R 400
- Qualifying Trade Types that leads to accumulation of value traded through tiers are AT, UT and XT.

TABLE 2: COMPLEX ORDER SUITE

Complex Order Suite		
Trade Type	Trade Fee	Trade Cap
XT VT Pegged Hidden Order BT OP	0.53 bps	R 3 000

Please note, that as of the 30 July 2018, this market notice replaces all previous notices and price lists with regards to the equity market trading fees in terms of the JSE Services Agreement.

Members are encouraged to please revert if the 30 July 2018 implementation date will be achievable without compromising ITaC deliverables.

Should you have any queries regarding this notice, please contact CustomerSupport@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>