

PROPOSED AMENDMENTS TO THE JSE DERIVATIVES RULES

General explanatory notes:

1. Words underlined with a solid line (____) indicate the insertions in the existing rules and directives
2. Words in bold and in square brackets ([]) indicate deletions from the existing rules

Proposed amendments to the JSE Derivatives rules:

7.170 Rules of trading that are particular to [the] physical delivery [of agricultural products]

- 7.170.1 The contract specification of **[an agricultural]** commodity derivatives futures contracts may provide for performance by means of physical delivery and may set out the conditions and terms under which physical delivery shall be effected.
- 7.170.2 The JSE may issue directives in respect of delivery procedures, settlement and delivery agents, delivery locations, inspections of **[agricultural products]** commodities sold and delivered and other matters relating to trading in commodity **[agricultural]** derivatives and may appoint settlement agents on such terms as it may deem fit to facilitate performance of commodity **[agricultural]** derivatives.
- 7.170.3 Unless otherwise specified in the contract, the holder of every short position in **[an agricultural]** a commodity derivatives futures contract shall on expiry have an obligation to make delivery of the underlying **[agricultural product]** commodity at the expiry price, and the holder of every long position on expiry shall have an obligation to take delivery of the underlying **[agricultural product]** commodity at the expiry price.
- 7.170.4 JSE Clear shall, unless otherwise specified in the contract specification, have the sole discretion in allocating delivery to long position holders.
- 7.170.5 In the event of a default by a party to **[an agricultural]** a commodity derivatives futures contract, the contract may be closed out by the non-defaulting party by booking the quantity in default back to the defaulting party at a market price determined by the JSE.

7.170 amended with effect from 24 December 2008.

7.170.1 amended with effect from 24 December 2008.

7.170.2 amended with effect from 24 December 2008.

7.170.3 amended with effect from 24 December 2008.

7.170.5 amended with effect from 24 December 2008.