

Derivatives Pricing Policy



Terminology

Capitalized terms

MDP = Market Data Policies

IMDP = Indices Market Data Policies

IDA = Indices Data Agreement

JDA = JSE Data Agreement

PSF = Products and Services Form

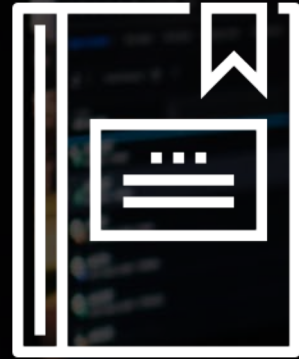
EOD = End of Day



Derivatives Pricing Policy

- History
- Definitions
- Data fees + waivers





History



History

- SAFEX acquisition (2001)
- EDM/CDM members + fees
- Members vs. vendors (level playing fields)
- Process + consultation + approval
- First implemented (2011) | revised (2013) | updated (2019)
- Applicable to EDM + CDM + *FXD markets



Definitions

- a. The **Derivatives markets** are the JSE's Equity derivatives; commodity derivatives and currency derivatives markets.
- b. A **member** is a registered member firm, and/or an authorised user, of any of the derivatives markets of the JSE.
- c. **Derivatives data** is public market data for the JSE's derivatives markets.



CDM Members note

- d. A **back office functionary** is an employee of a member, who is registered as a back office support person and/or a compliance officer with the JSE.
- e. A **dealer/trader** is an employee of a member who is registered in terms of the JSE derivatives rules to trade either for that member's own account or for, or on behalf of clients, or both.



Special deviation for derivative data - declarations



Special deviation for derivative data - declarations

- f. For the purposes of this derivatives pricing policy, a **farmer** will be treated as a non-professional end user.
- g. A **farmer** is a natural person, whose primary source of business and income is farming (agriculture), including livestock and/or crops.
- h. A **professional end user** is every end user which does not qualify as a non-professional end user.



Special deviation for derivative data - declarations

- i. **Fixed licence fee** is payable by all contracted users.
- j. **Variable use fees** are live data end user fees (live terminal fees / snapshot fees / non-display fees).



Data Fees + Waivers



Data Fees + Waivers

- a. A fixed licence fee is payable by all contracted users.
- b. Members who use live derivatives data for internal business activities only, will be charged a **live derivatives site licence** per derivatives market. – i.e. trading.
- c. All contracted distributing users, including members, that distribute live derivatives data to external professional end users and non-professional end users, will be liable for a **live derivatives licence** per derivatives market.
- d. All contracted distributing users, including members, that distribute live derivatives data to external non-professional end users only, will be liable for a **live derivatives - non-professional end users – licence** per derivatives market.



Company A - Scenarios



Company A - Scenarios

Scenario 1 - trade commodity derivatives only

- CDM site licence
- Report number of traders using live CDM data
- Unless you have listed them in section 4 JDA PSF and it has been accepted by JSE - exemption



Company A - Scenarios

Scenario 2 - distribute live CDM to non-professionals only (50 farmers)

- Stop paying CDM site
- Start paying CDM live non-professional end user licence (26-50)
- Report non-professional (not linked to billing)



Company A - Scenarios

Scenario 3 - 1 professional user added

- Full CDM distribution licence
- Report 1 CDM professional user
- Report non-professional (not linked to billing)



Terminals Fees vs Front End Fees



Terminals Fees vs Front End Fees

JS

Data

Symbol	Open	High	Low	Close	Volume	Adj. Close	Dividend	Yield	Market Cap	PE Ratio	EPS	Beta	52 Week High	52 Week Low
GOOGL	2850.00	2860.00	2840.00	2855.00	15000000	2850.00	0.00	0.00%	1.5T	25.00	114.00	1.00	2900.00	2700.00
AMZN	180.00	182.00	178.00	181.00	40000000	180.00	0.00	0.00%	1.2T	15.00	12.00	1.00	185.00	170.00
MSFT	340.00	345.00	335.00	342.00	20000000	340.00	0.00	0.00%	1.0T	30.00	11.40	1.00	350.00	320.00
FB	250.00	255.00	245.00	252.00	10000000	250.00	0.00	0.00%	0.8T	20.00	12.60	1.00	260.00	230.00
APPL	130.00	132.00	128.00	131.00	30000000	130.00	0.00	0.00%	0.7T	25.00	5.24	1.00	135.00	120.00

Functionality



Data Fees + Waivers



Data Fees + Waivers

In relation to **variable use fees**:

- a. Separate variable use fees for each derivatives market
- b. Report all use of live data
- c. Exemption of certain variable use fees. Member must provide the number of **exempted users** per category (dealer / back-office functionary) to the JSE, which will be recorded in the JDA

***Note:** This exemption is only available to a member of the JSE commodity derivatives market (from ITaC go-live)



Data Fees + Waivers

Variable use fee exemptions:

The JSE will, in each month, exempt up to a maximum of two internal execution sources which are controlled by a member of the JSE commodity derivatives market and utilised by an exempted user.

- E.g.: Nutron | Internal system
- N/A to vendor products/terminals (controlled by vendor)



Summary



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APPLICABLE TO EDM + CDM + FXD MARKETS

**ALL EDM / CDM / FXD
MEMBERS
=
SITE LICENCE
(INTERNAL USE ONLY)**

**REDISTRIBUTION
LICENCES FOR LIVE AND
OR DELAYED DATA**

**REDISTRIBUTION
LICENCES + DATA
PRODUCT FEES FOR
EDM + FXD EOD DATA**

**TWO INTERNAL
SOURCES EXEMPT

PER EXEMPTED USER
(*CDM Members only)**

**NON-PROFESSIONAL
END USERS
=
NO LIVE or EOD USER
FEES**

**PROFESSIONAL END
USERS
=
LIVE and EOD USER
FEES**



Thank you



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