

**FSCA Press Release**

**1 September 2022**

**FSCA licenses JSE Clear (Pty) Limited as an Independent Clearing House and Central Counterparty**

The Financial Sector Conduct Authority (FSCA) has, with the concurrence of the Prudential Authority and the South African Reserve Bank, granted JSE Clear (Pty) Limited (JSE Clear) a licence to operate as an Independent Clearing House and a Central Counterparty in terms of section 49 of the Financial Markets Act, 2012 (Act no. 19 of 2012) (FMA). JSE Clear's licence approval follows a public consultative process which was conducted in line with section 47(4) of the FMA, in terms of which objections to the licence application were received and considered. The licence is subject to certain terms and conditions, some of which address the concerns raised.

The function of a Clearing house that is a Central Counterparty is to guarantee the conclusion of trades and minimize any risks that may arise. JSE Clear will assume operations as an Independent Clearing House in terms of its own rules once consequential amendments to the current JSE exchange rules have been effected. In the interim, JSE Clear will continue to operate as an Associate Clearing House of the JSE. The FMA provides that Market Infrastructures have a reasonable period after being licensed to commence operations.

The licensing of JSE Clear as an Independent Clearing House and a Central Counterparty will not only enhance the efficiency of the South African financial markets through risk management and other processes that are at the disposal of a central counterparty but is a milestone that will also promote the international competitiveness of the markets.

FSCA Commissioner Unathi Kamlana said: "The issuing of this licence is an important first step in the roadmap for independent central clearing in South Africa. It also further cements our country as a truly world-class player in the way our markets operate."

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**Executive Committee:**

**Commissioner:** U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat

## ENDS

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