



**REPUBLIC OF SOUTH AFRICA  
FINANCIAL SECTOR CONDUCT AUTHORITY**

**THIS IS TO CERTIFY THAT  
JSE CLEAR PROPRIETARY LIMITED**  
(Registration no. 1987/002294/07)

*is hereby licensed as a Clearing House and a Central Counterparty in terms of section 49 of the Financial Markets Act (Act no.19 of 2012) ("the Act") to perform functions under section 50 of the Act.*

**IT IS HEREBY RECORDED THAT**

*JSE Clear Proprietary Limited shall operate under terms and conditions set out in the attached Annexure.*

**Ms Astrid Ludin  
Deputy Commissioner  
Financial Sector Conduct Authority**

01/09/2022

**TERMS AND CONDITIONS**

1. JSE Clear Proprietary Limited (“JSE Clear”) is hereby permitted to provide clearing services in respect of JSE listed derivatives.
2. The registered office and principal place of business in the Republic of South Africa, where the Clearing House and Central Counterparty (“CCP”) may be operated is; One Exchange Square, Gwen Lane, Sandown, 2196, South Africa.
3. JSE Clear may not, without the prior written approval of the Authorities, operate as a clearing house or central counterparty at any other place, other than the registered business address and principal place of business.
4. JSE Clear should ensure that the controlling body has a majority of independent non-executive directors and that the controlling body has the requisite skill-sets relevant to a CCP.
5. The chairperson of JSE Clear’s controlling body must at all times be an independent non-executive member of the controlling body. As a transitional arrangement, the lead independent director of the controlling body should chair meetings until such time that a new chairperson is appointed. The new chairperson must be appointed within 12 months from the licence being issued and proof must be provided to the Authorities. If no independent chairperson is appointed by this date, the lead independent director must be appointed as the interim chairperson until a final appointment is made.
6. The Board Charter or Terms of Reference of the controlling body must explicitly provide for independent directors to be able to meet independently and to make independent decisions where potential conflicts of interest may arise with the JSE.

7. The JSE Limited and JSE Clear should ensure that the enforcement of rules is only employed by the market infrastructure in question and Ms Alicia Greenwood, in her dually employed capacity, should have no influence in the manner in which JSE will fulfil these regulatory responsibilities. JSE Clear and JSE should ensure that no conflicts of interest arise between Ms Greenwood's duties as JSE Clear CEO and her duties as Director of Post Trade Services of the JSE. Such conflicts should be managed in accordance with formalized conflicts of interest policies and be reported to the Authorities. Further, the dual employment of the CEO may be reviewed in circumstances where JSE Clear is appointed as the clearing house or CCP for other exchanges and/or OTC securities. In such instances the JSE may be required to have a full-time CEO dedicated to JSE Clear.
8. The controlling body of JSE Clear must annually confirm to the Authorities that the service level agreements in place for outsourced services are arms-length and furnish the Authorities with a report confirming compliance with this condition. Further, JSE Clear should have plans for alternative service providers or have arrangements in place for in-house capabilities should the JSE fail to provide the services/discontinue the services.
9. JSE Clear must ensure that where conflict of interest arises in respect of any shared resources and shared services (including outsourced services) within the JSE Group-
  - i) such potential or perceived conflict of interest is reported to the Authorities immediately; and
  - ii) further dealt with in accordance with its Conflict of Interest Policy approved by the Board and the Authorities.
10. JSE Clear should ensure appropriate contractual transfers of key systems and relevant liquidity facilities in the name of JSE Clear as a primary signatory.
11. The Authorities may review the licence conditions of JSE Clear periodically, following an assessment of the market for clearing services in South Africa in line with the objects of the FMA or any applicable legislation.
12. The Authorities may place any additional conditions on the licence of JSE Clear, if necessary, once the Minister of Finance has made a determination in respect of the shareholding arrangement of JSE in JSE Clear.
- 13 The Clearing House and CCP licence is not transferrable.