

PROPOSED AMENDMENTS TO THE JSE EQUITIES RULES AND DIRECTIVES

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 Equities rules

6.30.5 The table below lists the off book trade types and indicates –

6.30.5.1 whether the transaction may be conducted by one member or two members;

6.30.5.2 whether the transaction is published by the JSE.

Transaction description	Trade type code	Single member	Two members	Published
Bookbuild Trade	BK	No	Yes	Yes
Block Trade	BT	Yes	Yes	Yes
Corporate Finance Transaction	CF	Yes	Yes	Yes
Delta Trade	OD	Yes	Yes	No
Exercise of Options	OX	Yes	Yes	No
Exercise of Traded Options	TX	Yes	Yes	No
Exercise of Warrants	WX	Yes	Yes	No
Give-up Trade	GU	No	Yes	No
Late Trade	LT	Yes	No	Yes
<u>Matched Principal Trade</u>	<u>MP</u>	<u>Yes</u>	<u>No</u>	<u>No</u>
Off Order Book Principal Trade	OP	Yes	No	Yes
Portfolio Transaction	PF	Yes	Yes	Yes
Next Day cancellation of On Book Trade	PC	Yes	Yes	Yes
Next Day cancellation of a published Off Book Trade	LC	Yes	Yes	Yes
Next Day cancellation of a non-published Off Book Trade	NC	Yes	Yes	No

6.40 Off book trade criteria

6.40.1

6.40.2

6.40.3

6.40.4

6.40.5

6.40.6

6.40.7

6.40.8 Matched Principal Trade

A matched principal trade is a transaction where a member trades as a principal with a client, on the same day and at the same average price as transactions in the same equity security executed on the central order book of another exchange in the Republic for the member's own account but in the fulfilment of an order received from the client.

6.40.9[8] Off Order Book Principal Trade

An off order book principal trade is a transaction where a member trades as a principal in a single equity security with a foreign professional market participant.

6.40.10[9] Portfolio Transaction

6.40.10[9].1 A portfolio transaction is a transaction where a member trades as an agent or a principal in a list of equity securities which -

6.40.10[9].1.1 has a minimum value of R15 million; and

6.40.10[9].1.2 comprises at least 10 different equity securities none of which exceeds 25% of the total value of the portfolio.

6.40.11[10] Next Day cancellation of On Book Trade (PC)

A next day cancellation of an on book trade is a transaction where a member cancels a trade executed in the central order book on the previous business day, subject to the provisions of rule 6.50.

6.40.12[11] Next Day cancellation of a published Off Book Trade (LC)

A next day cancellation of a published off book trade is a transaction where a member cancels a published off book trade submitted to the JSE equities trading system on the previous business day.

6.40.13[12] Next Day cancellation of a non-published Off Book Trade (NC)

A next day cancellation of a non-published off book trade is a transaction where a member cancels a non-published off book trade submitted to the JSE equities trading system on the previous business day.

8.100 Members' commissions and fees

8.100.1 A member may charge for different categories of transactions and—

8.100.1.1 in respect of an agency transaction in JSE authorised investments, may charge a commission mutually agreed with the client in advance of such a transaction; and

8.100.1.2 in respect of a transaction in JSE authorised investments where a member has dealt as a principal, may charge a fee mutually agreed with the client in advance of such transaction.

8.100.2 A member may not make a profit in respect of an agency transaction other than the agreed commission.

8.100.3 A member may not make a profit on a matched principal trade other than the agreed fee.

8.100.4[3] An ISP shall be permitted to charge a client a negotiated fee for providing investment services. Such fee may be related to the performance of the client's assets managed by the member or be structured on a percentage of the assets managed or any other basis agreeable to the client.

8.100.5[4] Interest received by a member from JSET in relation to client funds deposited with JSET in terms of the rules must accrue to and must be payable by the member to the clients entitled to such funds, after deduction of such administration fee or other charge as the member may determine. The member must disclose in advance of accepting funds the rate at which such fee or charge will be determined or the manner of calculation of such fee and may, in respect of each statement to a client, disclose the actual fee or charge so deducted. Any subsequent amendment to the rate at which such fee or charge will be determined or the manner of calculation of such fee must be disclosed in advance of such amendment.