

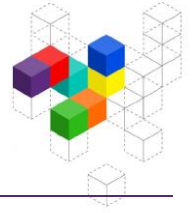
Directive of Strate Proprietary Limited

Special Gazette No [S4-2016]

Strate Directive SC.3

Special Circumstances for the Reversal of Commitments – Equities





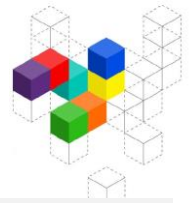
To provide for special circumstances under which commitments to settle transactions may be reversed

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INTERPRETATIONS AND DEFINITIONS¹

In this Directive, any interpretation, word, or expression to which a meaning has been assigned in the Strate² Rules bears a meaning so assigned to it.

‘JSE Settlement Authority’ means the person or persons appointed by the JSE to manage the settlement of transactions in equity Securities effected through the JSE Trading System;

‘JSE Trading System’ means the computer system or systems and associated network or networks operated or used by the JSE for the purpose of providing a market for the trading of equity Securities; and

‘Strate Operations’ means the operations division of Strate responsible for communication between Participants, Business Partners, Exchanges, SARB and Strate relating to settlement operations.³

2 REVERSAL OF COMMITMENTS⁴

2.1 A committed settlement may only be reversed without the intention of re-committing, between 18h00 on T+1 and 15h00 on T+2, under exceptional circumstances. All applications for such a reversal are required to be processed in consultation with, and approval by, the JSE Settlement Authority, where applicable, via Strate Operations.

2.2 For the purposes of this Strate Directive, exceptional circumstances shall be determined by the Controlling Body. The Controlling Body has determined the circumstances in 2.2.1, 2.2.2 and 2.2.3 below. Additional circumstances may be determined by the Controlling Body upon request.

2.2.1 An order pertaining to an Insolvency Proceeding against a Client of a Participant; or⁵

2.2.2 A notice of the death of a Client of a Participant; or

2.2.3 Reversal instructions from the JSE Settlement Authority.

2.3⁶ In the case of an Insolvency Proceeding in paragraph 2.2.1 above, the Participant must submit a copy of the relevant order to Strate Operations together with a notice specifying the Insolvency Proceeding.⁷

2.4 In the case of the death of a Client of a Participant in paragraph 2.2.2 above, the Participant must submit a copy of the relevant notice to Strate Operations.⁸

2.5.1 The Moment of Finality of Instructions referred to in the Strate Rules is 16h00 on T+2.

¹ “Definitions” amended with effect from 11 July 2016

² “Rule/s” and “Directive/s” become “Strate Rule/s” and “Strate Directive/s” throughout this document with effect from 11 July 2016

³ ‘Custody and Settlement’ changed to ‘Operations’ throughout the document with effect from 24 July 2014

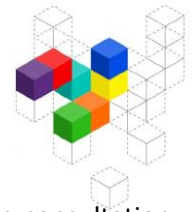
⁴ Section amended with effect from 11 July 2016

⁵ Amended with effect from 1 August 2014

⁶ 2.3 deleted with effect from 1 August 2014

⁷ Renumbered and amended with effect from 1 August 2014

⁸ Amended with effect from 1 August 2014



- 2.5.2 Notwithstanding paragraph 2.5.1 above, in the event of technical difficulties and in consultation with Strate Operations and the JSE Settlement Authority, the Moment of Finality of Instructions referred to in the Strate Rules will be the moment immediately preceding settlement, on settlement day.