

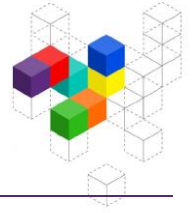
Directive of Strate Proprietary Limited

Special Gazette No S1-2017

Strate Directive SF.4

Fines Schedule – Compliance





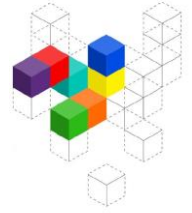
To cater for the imposition of fines on Participants for the contravention of Strate Directive SA.6 and section 8 of the Strate Rules¹

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¹ 'Rules' and 'Directives' changed to 'Strate Rules' and 'Strate Directives' throughout the document with effect from 22 August 2016



1 INTERPRETATIONS AND DEFINITIONS²

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

“Continuous Professional Education Points” (CPE) means the minimum number of points that appointed Strate Compliance Officers must attain on an annual basis;

‘STRATE Supervision’ means the supervision division of Strate headed by the Head of Supervision and set up by the Controlling Body in terms of the Strate Rules;³

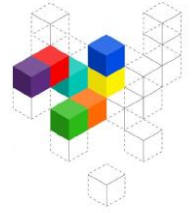
‘Strate Compliance Officer’ (SCO), including Alternate Strate Compliance Officer (ACO), means a person appointed as a Strate Compliance Officer in accordance with the Strate Rules and Strate Directive SA.6;

‘Strate Operations’⁴ means the operations division of Strate responsible for communication between Participants, Exchanges, SARB and Strate relating to settlement operations.

² definitions amended with effect from 22 August 2016

³ Amended with effect from 14 July 2014

⁴ ‘Custody and Settlement’ changed to ‘Operations’ throughout the document with effect from 24 July 2014



2 APPLICATION

- 2.1 The following fines, which do not attract Value Added Tax, may be levied on Participants, by Strate for contravention of Strate Directive SA.6 and section 8 of the Strate Rules.
- 2.2 Notwithstanding the imposition of a fine in terms of this Strate Directive, further penalties may be imposed against a Participant in terms of the Strate Rules.⁵

3 FINES⁶

CONTRAVENTION	RULE and/or DIRECTIVE CROSS REFERENCE	FINE
3.1 Failure to appoint SCO as stipulated by Strate Directive and the Strate Rules.	Strate Rules 8.3.1, 8.3.3 and 8.3.4 ⁷ Strate Directive SA.6	R5 000 per Business Day that a Compliance Officer is not appointed.
3.2 Failure by the SCO to submit a bi-annual compliance report as required in terms of Strate Rule 8.3.2.5 within 30 days of the end of the reporting period. ⁸	Strate Rule 8.3.2.5	R1 000 per Business Day that receipt of the compliance report is delayed.

4 PAYMENT AND PUBLICATION OF FINES

- 4.1 A Participant must, unless it has lodged an objection in terms of 4.2, pay the fines stipulated by this Strate Directive within 20 (twenty) Business Days of receipt of the monthly confirmation by STRATE Supervision of the fines incurred in that month by such Participant.⁹
- 4.2 Where a Participant wishes to object to a fine imposed by Strate, it must lodge such objection in writing, supported by mitigating evidence, within 5 (five) Business Days of receipt of notification of the fine.
- 4.3 Strate may, at the discretion of the Regulatory and Supervisory Committee, publish the circumstances giving rise to (and the details of) any fine imposed on Participants in terms of this Strate Directive.¹⁰

⁵ Amended with effect from 14 July 2014

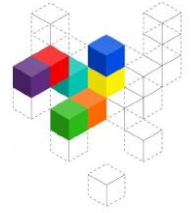
⁶ Amended with effect from 14 July 2014

⁷ Amended with effect from 20 March 2017

⁸ Amended with effect from 14 July 2014

⁹ Amended with effect from 22 August 2016

¹⁰ Amended with effect from 14 July 2014



5. TECHNICAL DIFFICULTIES

- 5.1 Where technical difficulties impair a Participant's ability to perform within the stipulated time frames, such difficulties may only be taken into account as mitigation where the Participant has advised Strate Operations timeously of such difficulties. Where technical difficulties of one Participant affect the ability of another Participant to perform within the stipulated time frames, such difficulties may be taken into account as mitigation for the other Participant.¹¹

¹¹ Amended with effect from 22 August 2016