

**BOARD NOTICE 123 OF 2005**  
**SECURITIES SERVICES ACT, 2004**

**AMENDMENT TO THE RULES OF STRATE LIMITED**

1. In terms of section **61(5)** of the Securities Services Act, 2004 (Act No. 36 of 2004), it is hereby notified that STRATE Limited has applied to the Registrar of Securities Services for approval of proposed amendments of its rules, which amendments are set out in the schedule.
2. In terms of section **61(5)** of the said Act, all interested persons who have any objections to the proposed amendments are hereby called upon to lodge their objections with the Registrar of Securities Services, PO Box 35655, Menlo Park, 0102, within a period of 14 days from the date of publication of this notice.
3. In terms of section **61(6)** of the said Act, I, Rob Barrow, hereby determine 27 January 2006 as the date on which the rules in the Schedule come into operation. If any objections are received, another commencement date will be determined by notice in the Gazette.
4. Paragraph 3 above does not apply to rule 7.824 of the rules in the Schedule. The said Rule will come into operation on a date determined by notice in the Gazette.

**R J G BARROW**  
**Registrar of Securities Services**

**SCHEDULE**

General explanatory notes:

1. Words underlined with a solid line (\_\_\_\_\_) indicate the Insertions in the existing rules.
2. Words in bold and in square brackets ([ ]) indicate omissions from existing rules.

## 7 ACCOUNTS (SECURITIES OWNERSHIP REGISTER)

(THIS RULE IS ONLY APPLICABLE TO MONEY MARKET SECURITIES HELD ON THE SECURITIES OWNERSHIP REGISTER)

### 7.1 Definitions

'Client Identification Data' means, in respect of an owner of MM Securities, the information stipulated by Directive.

'Corporate Participant' means a Participant that opens and maintains MM Securities Accounts in the Securities Ownership Register for MM Securities owned by it.

'ISIN' means the International Securities Identification Number which is a unique internationally recognised securities identification number that identifies the specific MM Security.

'Issuer Agent' means an entity that is registered with the CSD as stipulated by Directive and is appointed by an MM Issuer to act as its agent for the issuing of MM Securities.

'MM Issuer' means an entity which issues MM Securities.

'MM Securities Account' means a Securities Account owned and maintained by or on behalf of a Participant for a Client, or for itself, in the Securities Ownership Register reflecting the Client Identification Data of such Client and the nominal value of MM Securities deposited and all entries made in respect of such MM Securities relating to the Client.

'Money Market Securities', herein referred to as 'MM Securities' means 'Money Market Instruments' for purposes of Chapter IV of the Act that are Uncertificated Securities deposited in the Securities Ownership Register as Eligible Securities in terms of the Rules.

'National Numbering Agency' means the numbering agency appointed by the International Association of National Numbering Agencies for the allocation of ISINs to South African securities.

'Securities Ownership Register' means the Central Securities Account comprising the various MM Securities Accounts opened and maintained by Participants.

'Uniaue Client Code' means a code specified and created by the CSD identifying the owner of MM Securities and linking the MM Securities Accounts in the Securities Ownership Register with the relevant owner thereof.

## 7.2 Creation and Deposit of Securities

7.2.1 Rule 7 shall apply to each MM Security allocated an ISIN by the National Numbering Agency.

7.2.2 Where any provision of the Rules is not expressly or impliedly amended by Rule 7, the Rules shall apply in respect of MM Securities in the same manner as they apply to other Eligible Securities.

7.2.3 MM Securities may be created, deposited and held in the MM Securities Accounts in the Securities Ownership Register.

7.2.4 An MM Issuer who wishes to deposit MM Securities must register with the CSD and open a MM Securities Account with a Participant in accordance with the Rules and Directives, and provide the CSD with the following information:

7.2.4.1 the name of its Issuer Agent

7.2.4.2 the name of its Participant; and

7.2.4.3 its Client Identification Data

7.2.5 An MM Issuer creates a MM Security by depositing it with the associated ISIN, amount on issue and other relevant information, as stipulated by Directive, in the Securities Ownership Register.

7.2.6 An MM Issuer must immediately notify the CSD if its Issuer Agent has changed and supply the CSD with the necessary information on the new Issuer Agent.

7.2.7 On receipt of the information as required in terms of Rule 7.2.6, the CSD must ensure that the MM Securities issued under the former Issuer Agent that have not yet matured, are linked to the newly appointed Issuer Agent who will then be the responsible Issuer Agent for those MM Securities.

7.2.8 Subject to Rule 7.10.1, a MM Issuer must not issue certificates or written instruments evidencing, or purporting to evidence, title to MM Securities issued by the MM Issuer.

7.3 MM Securities Accounts

7.3.1 A MM Securities Account may only be opened and maintained in the Securities Ownership Reaister by a Participant.

7.3.2 A Corporate Particioant may only open and maintain an account in the Securities Ownership Reaister for MM Securities owned by it.

7.3.3 One or more MM Securities Accounts may be opened for a Client in the Securities Ownership Reaister.

7.3.4 A Client may have a MM Securities Account with more than one Particioant.

7.3.5 A Participant is not obliged to accept an application to open a MM Securities Account on behalf of any person.

7.3.6 In addition to maintaining MM Securities Accounts on behalf of Clients, a Participant may open one or pore MM Securities Accounts for its own MM Securities in the Securities Ownership Reaister.

3.3.7 A Particioant may not open a MM Securities Account for a Client in the name of a Nominee except where the Nominee is a foreian Nominee and that foreian Nominee has provided the Participant with a certificate of the competent authority in the country in which it is established to the effect that the foreian Nominee Concerned is by or under the law of that other country authorised and reaulated as a Nominee.

7.3.8 A Participant must provide the Client Identification Data.

7.3.9 If the Client Identification Data changes, a Participant must inform the CSD of such change and update the MM Securities Account as stipulated by Directive.

7.3.10 A Participant shall be responsible for ensuring the correctness of the Client Identification Data Provided in Rules 7.3.8 and 7.3.9,

7.3.11 The CSD must assign to each Client a Uniaue Client Code, which must be reflected in each MM Securities Account opened by a Participant on behalf of such Client.

7.3.12 A Participant must ensure that all MM Securities deposited and transferred in the Securities Ownership Register on behalf of a Client are entered in a MM Securities Account opened and maintained by the Participant in terms of the Rules and Directives.

7.3.13 A Client may only operate its MM Securities Account through the Participant that opened the MM Securities Account in the Securities Ownership Register on behalf of such client.

7.4 Information in respect of MM Securities Accounts

7.4.1 Each Participant must maintain in respect of each Client, the following details:

7.4.1.1 Unique Client Code;

7.4.1.2 Client Identification Data;

7.4.1.3 MM Securities Account details in the Securities Ownership Register;

7.4.1.4 the ISIN and nominal value of MM Securities of each kind deposited or transferred; and

7.4.1.5 any further information that may be required by the Act, Rules and Directives.

f le 74. must in

in a manner and time stipulated by Directive.

7.5 The transfer of MM Securities

7.5.1 Transfer of ownership in a MM Security shall be effected by the debiting of the MM Securities Account in the Securities Ownership Register from which the transfer is effected and the crediting of the MM Securities Account in the Securities Ownership Register to which the transfer is effected. In accordance with the Rules and Directives.

7.5.2 A transferee shall, upon the crediting of the MM Securities Account in the Securities Ownership Register, become the owner of the MM Securities.

7.5.3 Transfer of ownership in accordance with Rules 7.5.1. and 7.5.2 shall occur notwithstanding any fraud or illegality which may affect the MM Securities in respect of which the transfer was effected or which may

have resulted in the transfer being effected: **Provided** that a transferee who was a party to or had notice of the fraud or illegality may not rely on this Rule.

7.5.4 Only the CSD may effect the transfer of MM Securities in the Securities Ownership Register.

7.5.5 The CSD must only on receipt of an Authenticated Instruction by a Participant or by order of court transfer MM Securities in the Securities Ownership Register in terms of the Rules and Directives.

7.5.6 Participant must ensure that every entry in a MM Securities Account is executed pursuant to an Authorising Instruction or a Standing Instruction received from a Client or the Client's duly authorised agent and reflect in the Participant's Records of the Client the content of such instruction.

7.5.7 Nothing in this Rule 7.5 shall prejudice any power of the CSD to effect transfer to a person to whom the right to any MM Security has been transmitted by operation of law or agreement.

7.5.8 The Securities Ownership Register shall be *prima facie* evidence of any matters directed or authorised to be entered therein by the Rules and Directives.

#### 7.6 Commitment to settle

7.6.1 In the event that a Participant who has committed to settle a transaction fails to ensure that it is in a position to settle such transaction on settlement day, the CSD may, in its sole discretion (notwithstanding any action taken in accordance with Rule 7.7.2), impose a fine on that Participant in accordance with a schedule as stipulated by Directive or proceed in terms of the disciplinary procedures set out in terms of the Rules.

#### 7.7 Settlement of transactions

7.7.1 Settlement of transactions in MM Securities must take place in the manner stipulated by Directive and in accordance with the Rules.

7.7.2 Any Settlement of MM Securities which fails as a result of a Participant being unable to meet its commitment to such Settlement or its failure to adhere to the stipulated timelines or operational requirements shall be deemed to be a failed Settlement and will be dealt with in accordance with the Rules and Directives.

## 7.8 The Pledge or Cession to Secure a Debt

7.8.1 A Participant must record a pledge or cession to secure a debt on behalf of a Client in a MM Securities Account in accordance with the provisions of the Act, Rules and Directives.

7.8.2 Where a Participant records a pledge or cession to secure a debt on behalf of a Client in a MM Securities Account:

7.8.2.1 the requirements of the Act, Rules and Directives shall, where the Client is a foreign Nominee, be applicable to any MM Securities Account in which the Client's Securities are held;

7.8.2.2 it must, in accordance with the Act, prevent the Securities from being transferred from the MM Securities Account or the account in the name of the foreign Nominee in which the Client's MM Securities are held, except with the written consent of the pledgor or cessionary;

7.8.2.3 it must, in its statements to its Clients, indicate which MM Securities have been pledged or ceded to secure a debt and specify the nominal amount of such MM Securities; and

7.8.2.4 it must, at least monthly, send to the person to whom the MM Securities are pledged or ceded to secure a debt, a confirmation of its recording of the pledge or cession to secure a debt

## 7.9 Debit Balances

in f e M M rities

Accounts maintained by the Participant reflecting a Debit Balance.

7.9.2 In the event that a Participant instructs the CSD to execute a transaction which could result in a Debit Balance, such Participant shall be liable to the CSD and all other Participants to make good to the CSD and the Participants any direct damage which they have sustained as a result of the instruction not being processed.

## 7.10 Withdrawal

7.10.1 Any Client who wishes to withdraw her MM Securities held by a Participant in a MM Securities Account in the Securities Ownership Register and obtain a certificate or written instrument in respect of all or part of those MM Securities must notify the Participant thereof, in which case -

7.10.1.1      the Participant must notify the relevant MM Issuer to provide such a certificate or written instrument and immediately remove the details of the MM Securities so withdrawn from the MM Securities Account

7.10.1.2      the MM Securities must be transferred by the relevant Participant to the MM Issuer's Securities Ownership Register MM Securities Account

7.10.1.3      the Issuer Agent must reduce the amount on issue in the Securities Ownership Register for the particular MM Securities by the withdrawn amount and

7.10.1.4      the MM Issuer must prepare and deliver to the relevant person a certificate or written instrument in respect of the MM Securities so withdrawn.

7.10.2      Transfer of ownership and any interest, capital redemption payments or other entitlements in respect of the MM Securities so withdrawn shall not be capable of being effected through the CSD.

7.11 Closing and Retention of MM Securities Accounts

7.11.1      Where there has been no activity and no balance on a MM Securities Account for a period of 5 (five) years, such Account must be removed by the CSD from the Securities Ownership Register and archived and retained for a period of 5 (five) years.

7.11.2      After the retention period as set out in Rule 7.11.1, the CSD may delete all Records of the MM Securities Account from SAFIRES.

---