

SECURITIES SERVICES ACT, 2004

1. In terms of section 61(5) of the Securities Services Act, 2004 (Act No. 36 of 2004), it is hereby notified that JSE 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 26 April 2007 as the date on which the rules in the Schedule come into operation. If any objections are received, another commencement date may be determined by notice in the Gazette.

SCHEDULE

- A Amendments to Equities Rules
B Amendments to Derivatives Rules
C Amendments to Yield-X Rules

<u>"board of appeal"</u>	has the same meaning as that contained in section 1 of the Act;
<u>"exchange market size"</u>	means a <u>quantity of an equity security as specified by the Market Controller from time to time;</u>
("normal market size")	[means a quantity of an equity security as specified by the Market Controller from time to time;]

2.160.2 Any fees, levies, charges, penalties or subscriptions to be paid or which may be imposed in terms of the rules must be paid within such period as may be determined by the JSE. The membership of a member who fails to make such payment when due may be provisionally terminated in terms of rule 3.130.5.

3.100 Application process

- 3.100.1** An applicant for membership or for authorisation to perform one or more regulated services must apply to the JSE in the form and manner prescribed by the JSE. The application must be accompanied by any application fee prescribed by the JSE.
- 3.100.2** The JSE may require the applicant to provide further information and may institute an investigation to verify information submitted by the applicant in support of an application. The investigation may include a request for one or more representatives of the applicant to be interviewed by the JSE.
- 3.100.3** The JSE has the sole discretion to accept or reject the application, or to accept an application subject to certain conditions being **[fulfilled]**met.
- 3.100.4** The JSE must notify the applicant in writing of its decision and of any conditions that are required to be **[fulfilled]**met.
- 3.100.5** A person aaarrieved by a decision of the JSE to reject an application to be admitted as a member mav appeal to the board of appeal in terms of section 111 (1) of the Act.

[3.180 Fees, levies, charges, penalties and subscriptions]

- [3.180.1]** A member must pay to the JSE such fees, levies, charges, penalties or subscriptions as may be prescribed by the JSE.
- 3.180.2** Any fees, levies, charges, penalties or subscriptions to be paid or which may be imposed in terms of the rules must be paid within such period as may be determined by the JSE. The membership of a member who fails to make such payment when due may be provisionally terminated in terms of rule 3.130.5.]

6.30 Reported transactions

6.30.1 ...

6.30.2 Reported transactions..

6.30.2.1 may only be conducted by a single member, with the exception of exercise of options, exercise of warrants, exercise of traded options, delta trades, portfolio transactions and coroorate finance transactions which may be conducted between two members;

6.30.2.[1]2 if conducted during trading hours, must immediately be reported by the member to the JSE equities trading system. Where two members are involved in the transaction, the selling member must report the transaction;

6.30.2.[2]3 if conducted after trading hours, must be reported to the JSE equities trading system on the next business day within 15 minutes of the commencement of the market opening period; and

6.30.2.[3]4 are immediately published unless otherwise stated, except for exercise of options, exercise of warrants, exercise of traded options and delta trades, which are not published.

6.30.3 A block trade is a reported transaction where a member trades as agent or principal in a single equity security and the transaction -

6.30.3.1 has a minimum value of R5 million; and

6.30.3.2 comprises at least twenty times **[normal]** exchange market size.

6.40 Off order book principal trades

6.40.1 An off order book principal trade is a transaction where a member trades as a principal in a single equity security where the transaction -

6.40.1.1 has a minimum value of R500 000; and

6.40.1.2 comprises at least six times the **[normal]** exchanae market size;

except where the transaction is with a foreign professional market participant in which case no minimum value or quantity of equity securities will apply.

6.50 Trade corrections

6.50.1 ...

6.50.2 Contra and post contra trades may only be considered **[in exceptional circumstances and if the trade meets at least the following requirements]**where the following criteria are met –

6.50.2.1 the request is received by the Director: Surveillance within 20 minutes from the time of the first erroneous trade which has arisen as a consequence of an erroneous order; and

6.50.2.2 the price of the trade or trades for which the contra trade is requested is 5% or more away from the reference price **[immediately before the erroneous trade occurred]** at the time that the erroneous order was placed; and

6.50.2.3 ...

6.50.2.4 ...

8.80 Transactions

8.80.1 ...

[8.80.2 No member shall transact any business on the account of a client where such business is being executed in terms of a power of attorney unless a commissioner of oaths or notary public has attested to the power of attorney.]

8.80.**[3]**² A member represents and warrants to the JSE and to persons with or on behalf of whom the member executes transactions in equity securities, that any person employed by the member to deal with such persons in relation to such transactions, has full authority to act on the member's behalf.

8.80.**[4]**³ A member may record any telephone conversation between the member, one of its employees and any client or potential client. Such tape recordings or transcripts may be submitted in evidence in any disciplinary proceedings involving the member or one of its employees.

8.100 Members' commissions and fees

8.100.1 ...

8.100.2 ...

8.100.3 ...

8.100.4 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 **[must] 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.

8.180 Client statements

8.180.1 ...

8.180.2 Statements shall be provided to clients –

8.180.2.1 ...

8.180.2.2 monthly if the client's portfolio as managed by the member includes any **[open] transactions or** positions in derivative instruments; **[or]**

8.180.2.3 at such intervals of less than three months as the client requests, although the member shall not be obliged to provide statements more frequently than monthly~~[.]~~; or

8.180.2.4 at such intervals as may be agreed between the member and a professional client.

B Amendments to Derivatives Rules

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 the existing rules.

2.10 Definitions

In these derivatives rules, unless otherwise clearly indicated by, or inconsistent with the context, the following terms shall have the meanings that are assigned to them hereunder, namely -

<u>"branch of a foreign bank"</u>	<u>means a foreign institution which is authorised in terms of the Banks Act, 1990 (Act No. 94 of 1990) to conduct the business of a bank by means of a branch in the Republic;</u>
"dealer"	means [either a junior dealer or a senior dealer as the context may require] <u>an employee of a trading member who is registered in terms of these derivatives rules to trade either for the member's own account or for or on behalf of clients, or for both;</u>
["junior dealer"]	[means a dealer who is entitled in terms of these derivatives rules to trade for the member's own account, but not for or on behalf of clients;]
<u>"Market Controller"</u>	<u>means the person appointed by the JSE, to supervise, administer and control the daily operations of the ATS;</u>
["senior dealer"]	[means a senior dealer contemplated in rule 5.10.3.2;]

3.70 Duty to furnish information

- 3.70.1 ...
- 3.70.2 ...
- 3.70.3 A member shall submit to the ~~[JSE,]~~ Director: Surveillance within [four] ~~three~~ months after the end of its financial year, ~~[two copies]~~ a copy of its audited annual financial statements, and the audit report prescribed by the ~~Act~~ [Regulations], in respect of such period, [irrespective of whether or not the member is obliged in terms of any legislation to provide such audited financial statements.]
- 3.70.4 Subject to rules 3.70.5 and 3.70.6, a member shall submit the prescribed monthly capital adequacy return to the Director: Surveillance within [seven] ~~ten~~ business days of the end of the month or within such other period that the JSE may require: Provided that the member shall at all times comply with the capital adequacy requirements referred to in these derivatives rules, and provided further that the JSE shall be entitled to suspend a member from trading, should the return not be submitted [within a reasonable time after the member was requested to do so] timeously.
- 3.70.5 [A member may apply in writing to the JSE for exemption from the requirement to submit the return referred to in rule **3.70.4**, and the **JSE** may at its discretion grant such exemption: Provided that the member confirms in writing that it shall submit a similar return to another exchange or to the Registrar of Banks and such other exchange or the Registrar of Banks confirms that it shall accept such returns and ensure compliance by the member with its rules and any other requirements relating to the capital adequacy of the member.] A member that -
- 3.70.5.1 is a bank;

3.70.5.2 is a branch of a foreign bank; or

3.70.5.3 trades in derivative securities solely for its own account,

shall be exempt from the requirement to submit the monthly capital adequacy return referred to in rule 3.70.4, provided the member has advised the JSE, in writing, that it meets the requirements of rule 3.70.5.1, 3.70.5.2, or 3.70.5.3.

3.70.6 A member that is an authorised user of another exchange may apply in writing to the Director: Surveillance for exemption from the requirement to submit the monthly capital adequacy return referred to in rule 3.70.4, provided the capital requirements of the other exchange are, in the opinion of the Director: Surveillance, similar to those imposed by the JSE and the member is required to submit a return to the other exchange.

3.70.7 In considering an application for an exemption in terms of rule 3.70.6, the Director: Surveillance will take into account the relative activity undertaken by the member on the JSE and the other exchange in order to determine whether it is preferable for the other exchange to act as the lead regulator in relation to the supervision of compliance with capital adequacy requirements by the member.

3.70.8 If a member is granted an exemption in terms of rule 3.70.6, the member may be required at any time to submit, to the Director: Surveillance, a copy of any capital adequacy return submitted to the other exchange.

3.70.9 Despite the fact that a member may be exempt from submitting monthly capital adequacy returns to the Director: Surveillance, in terms of rules 3.70.5 or 3.70.6, the member is required to advise the Director: Surveillance, in writing, as soon as it becomes aware that it has failed to meet the relevant capital adequacy requirements set out in rules 4.20.2 to 4.20.4.

4.20 Capital adequacy requirements

4.20.1 [A] Subject to rules 4.20.2, 4.20.3, 4.20.4 and 4.20.7, a member shall at all times have own funds equal to the greater of -

4.20.1.1 the initial capital referred to in rule [4.20.2, 4.20.3, 4.20.4 or] 4.20.5 or 4.20.6 as the case may be; or

4.20.1.2 ...

4.20.1.3

4.20.1.4

4.20.1.5 ...

4.20.1.6 ...

4.20.1.7

4.20.1A The following provisions shall apply to a member that is an external company, other than a branch of a foreign bank -

4.20.1A.1 ...

4.20.1A.2 the own funds of the local branch of the external company shall at all times [exceed the liabilities of the said local branch of the external company in the Republic by an amount] be equal to or greater than [that] the amount provided for in rule [4.20.2, 4.20.3, 4.20.4 or 4.20.5] 4.20.1.2, 4.20.5, 4.20.6 or 4.20.7, as the case may be;

4.20.1A.3 the foreign parent of the local branch of the external company shall in writing confirm to the JSE that it is required to comply with capital adequacy requirements similar to those in the Republic, and that they are reporting such as required to an appropriate foreign regulator; and

4.20.1A.4 the thirteen weeks operating costs requirement in rule 4.20.1.2 shall relate to the operating costs of the local branch of the external company in the Republic; [; and]

- [4.20.1A.5** an external company which operates as a branch by means of which a foreign institution conducts the business of a bank, shall submit its capital adequacy returns in terms of rules 3.70.4 and 3.70.5 to the Registrar of Banks, and shall at all times comply with the Banks Act, 1990 (Act No. 94 of 1990) and any Conditions published in terms of the said Banks Act.]
- 4.20.2 **[A trading member that does not have clients in any other market shall have the initial capital as required by his clearing member.]** A trading member that is a branch of a foreign bank, and is exempt from the requirement to submit monthly capital adequacy returns to the Director: Surveillance, in terms of rule 3.70.5, is not required to comply with the requirements of rule 4.20.1 but is instead required to comply with the capital adequacy requirements as prescribed by the Banks Act, 1990 (Act No. 94 of 1990) and the regulations made under that Act.
- 4.20.3 A trading member that trades in derivative securities solely for its own account and is exempt from the requirement to submit monthly capital adequacy returns to the Director: Surveillance, in terms of rule 3.70.5, is not required to comply with the requirements of rule 4.20.1 but shall ensure that its assets (excluding goodwill and other intangible assets) exceed its liabilities (excluding loans validly subordinated in favour of all other creditors).
- 4.20.4 A trading member that is an authorised user of another exchange and is exempt from the requirement to submit monthly capital adequacy returns to the Director: Surveillance, in terms of rule 3.70.6, is not required to comply with the requirements of rule 4.20.1 but shall comply with the capital adequacy requirements as prescribed by such other exchange.
- 4.20.**[3]5** A trading member who trades on behalf of clients but does not receive a client's margins or hold the client's margins in terms of rule 8.60.4 or who does not receive any other assets of [his] a client with respect to the client's buying and selling of JSE authorised investments, shall have an initial capital of at least R200 000 or such other minimum amount that the JSE may decide.
- 4.20.**[4]6** A trading member who receives client's margins or holds clients' margins in terms of rule 8.60.4, or that receives any other assets of his client with respect to the client's buying and selling of JSE authorised investments, shall have an initial capital of at least R400 000, or such other minimum amount that the JSE may decide.
- 4.20.**[5]7** A clearing member shall have own funds of R200 000 000, or such other sum as the JSE may determine: Provided that the JSE may, at its discretion, impose additional suretyship, guarantee or other requirement on a clearing member if -
- 4.20.**[5]7.1** the sum of the initial margin with respect to the positions of the clearing member, its clients, the trading members with which the clearing member has entered into clearing agreements and the clients of such trading members, reaches the limit as contemplated in rule 10.10.1; or
- 4.20.**[5]7.2** the own funds of the clearing member as specified in rule 4.20.**[5]7** have decreased to the limit referred to in rule 10.10.1.
- 4.20.**[6]8** A clearing member shall provide, maintain and keep in force a suretyship in favour of the clearing house by a financial or other institution acceptable to the JSE, in such form and upon such terms and conditions as the JSE may determine, for the due performance of all or any of its obligations to the clearing house in terms of these derivatives rules, jointly and severally, for an amount of not less than R10 000 000 or such other sum as the JSE may determine.
- 4.20.**[7]9** The JSE shall be entitled to suspend a member should there be a deficiency in the capital adequacy **[requirement]** of the member **[as prescribed in the derivatives rules and directives].**

5.10 Members' obligation to ensure registration of officers

Each member which is a body corporate or a partnership-

- 5.10.1 ...
- 5.10.2 ...

5.10.3 shall ensure the registration by the JSE of dealers who, subject to rule 5.20, shall be the only persons entitled to trade for a trading member's own account and for or on behalf of clients and who shall have obtained such qualification as may be required by the JSE [on behalf of the member and who shall be either •

5.10.3.1 junior dealers who may trade for a member's own account but not for or on behalf of clients and who shall have obtained such qualification that may be required by the **JSE**; or

5.10.3.2 senior dealers who may trade for a trading member's own account and for or on behalf of clients and who shall have obtained such qualification that may be required by the **JSE.**]

5.10.4 Reserved.

5.20 [Registered dealers to trade for a member] Reserved

[A member shall not trade for his own account without having at least one junior dealer or one senior dealer present at the member's place of business or, for or on behalf of clients, without at least one senior dealer present at the member's place of business, unless the **JSE** has in writing granted temporary registration to a person nominated in writing by the member to trade for a period not exceeding fifteen business days in the absence of such junior or senior dealer. The JSE shall publish the name of such nominee in a notice to members.]

5.40 [Natural persons functioning as registered officers] Reserved

[A member who is a natural person shall fulfil all the functions of the compliance officer and junior dealer referred to in rule **5.10**: Provided that he may appoint the compliance officer of his clearing member to act on his behalf as his compliance officer.]

7.90 Trading times

7.90.1 [Trading on the ATS shall take place between **07:30** and **17:30** on every business day or, subject to the approval of the Registrar, at such other times as the **JSE** may determine.] The ATS will operate on every business day according to standard periods and times as set out in the directives.

[7.90.2] The ATS shall be available for the allocation of trades, reporting of off-ATS trades or any other administrative purposes for fifteen **(15)** minutes after closing time.

7.90.3 The **JSE** may suspend the ATS at any time by giving 5 minutes notice on the screen specifying the expected duration of suspension and alternative methods of trading, if any.

7.90.4 The **JSE** may extend ATS trading times on any business day by giving 5 minutes notice on the ATS specifying the closing time for trading on that day.]

7.90.2 The Market Controller and any one member of the JSE Executive may decide that the agricultural products market or equity derivatives market be closed in the event that a fair and realistic market does not exist. A fair and realistic market will be deemed not to exist after consideration of the percentage of members not able to access the ATS, their contribution to price formation and the reasons for such lack of access.

7.90.3 Despite any other provision of the derivatives rules or any directive and subject to rule 1.40, the JSE Executive, in accordance with prevailing circumstances, may –

7.90.3.1 reduce or extend the hours of operation of the ATS for any particular business day;

7.90.3.2 without prior notice to any person, halt or close the ATS for trading at any time and for any period;

7.90.3.3 without prior notice to any person suspend automated trading;

7.90.3.4 if there has been any failure of the ATS, for any reason, or if the ATS has been closed, suspended or halted, declare that a transaction executed through or by the ATS is void. Such declaration is binding on the members who entered into such transaction and on the clients for or on whose behalf the transaction was executed;

7.90.3.5 exercise such further powers and take such further action as may be exercised or taken by the JSE in terms of the derivatives rules and directives, and as may be necessary to resolve any issue which may arise from the closure, suspension, halt or failure of the ATS; and

7.90.3.6 take such other steps as may be necessary to ensure an orderly market.

C Amendments to Yield-X Rules

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 the existing rules.

2.10 Definitions

In these Yield-X rules, unless otherwise clearly indicated by, or inconsistent with the context, the following terms shall have the meanings that are assigned to them hereunder, namely -

"branch of a foreign bank"

means a foreign institution which is authorised in terms of the Banks Act, 1990 (Act No. 94 of 1990) to conduct the business of a bank by means of a branch in the Republic;

3.40 Capital adequacy requirements

- 3.40.1 **[A]** Subject to rules 3.40.3, 3.40.4, 3.40.5 and 3.40.8, a member shall at all times have own funds equal to the greater of -
- 3.40.1.1 the initial capital referred to in rule **[3.40.3, 3.40.4, 3.40.5 or]** 3.40.6 or 3.40.7 as the case may be; or
- 3.40.1.2 ...
- 3.40.1.3 ...
- 3.40.1.4 ...
- 3.40.1.5 ...
- 3.40.1.6 ...
- 3.40.1.7 ...
- 3.40.2 The following provisions shall apply to a member that is an external company, other than a branch of a foreign bank-
- 3.40.2.1 the own funds of the local branch of the external company shall at all times **[exceed the liabilities of the said local branch of the external company in the Republic by an amount]** be equal to or greater than **[that] the amount** provided for in rule **[3.40.3, 3.40.4, 3.40.5 or 3.40.6]** 3.40.1.2, 3.40.6, 3.40.7 or 3.40.8, as the case may be;
- 3.40.2.2 the foreign parent of the local branch of the external company shall in writing confirm to the JSE that it is required to comply with capital adequacy requirements similar to those in the Republic, and that they are reporting such as required to an appropriate foreign regulator; and
- 3.40.2.3 the thirteen weeks operating costs requirement in rule 3.40.1.2 shall relate to the operating costs of the local branch of the external company in the Republic. [; and]
- [3.40.2.4** **an external company which operates as a branch by means of which a foreign institution conducts the business of a bank, shall submit its capital adequacy returns in terms of rules 3.90.4 and 3.90.5 to the Registrar of Banks, and shall at all times comply with the Banks Act, 1990 (Act No. 94 of 1990) and any Conditions published in terms of the said Banks Act.]**

- 3.40.3 ~~[A trading member that does not have clients in any other market shall have the initial capital as required by its clearing member.] A trading member that is a branch of a foreign bank, and is exempt from the requirement to submit monthly capital adequacy returns to the Director: Surveillance, in terms of rule 3.90.5, is not required to comply with the requirements of rule 3.40.1 but is instead required to comply with the capital adequacy requirements as prescribed by the Banks Act, 1990 (Act No. 94 of 1990) and the regulations made under that Act.~~
- 3.40.4 ~~A trading member that trades in interest rate securities solely for its own account and is exempt from the requirement to submit monthly capital adequacy returns to the Director: Surveillance, in terms of rule 3.90.5, is not required to comply with the requirements of rule 3.40.1 but shall ensure that its assets (excluding goodwill and other intangible assets) exceed its liabilities (excluding loans validly subordinated in favour of all other creditors).~~
- 3.40.5 ~~A trading member that is an authorised user of another exchange and is exempt from the requirement to submit monthly capital adequacy returns to the Director: Surveillance, in terms of rule 3.90.6, is not required to comply with the requirements of rule 3.40.1 but shall comply with the capital adequacy requirements as prescribed by such other exchange.~~
- 3.40.[4]6 A trading member who ~~trades on behalf of clients but~~ does not receive a client's margins or hold the client's margins or who does not receive any other assets of [its] ~~a~~ client with respect to the client's buying and selling of JSE authorised investments, shall have an initial capital of at least R200 000 or such other minimum amount that the JSE may decide.
- 3.40.[5]7 A trading member who receives a client's margins or holds the clients' margins, or that receives any other assets of [its] ~~a~~ client with respect to the client's buying and selling of JSE authorised investments, shall have an initial capital of at least R400 000, or such other minimum amount that the JSE may decide.
- 3.40.[6]8 A clearing member shall have own funds of R200 000 000, or such other sum as the JSE may determine: Provided that the JSE may, at its discretion, impose additional suretyship, guarantee or other requirement on a clearing member if -
- 3.40.[6]8.1 the sum of the initial margin or settlement margin with respect to the positions of the clearing member, its clients, the trading members with which the clearing member has entered into clearing agreements and the clients of such trading members, reaches the limit as contemplated in rule 10.10.1; or
- 3.40.[6]8.2 the own funds of the clearing member as specified in this rule 3.40.[6]8 have decreased to the limit referred to in rule 10.10.1.
- 3.40.[7]9 A clearing member shall provide, maintain and keep in force a suretyship in favour of SAFCOM by a financial or other institution acceptable to the JSE, in such form and upon such terms and conditions as the JSE may determine, for the due performance of all or any of its obligations to SAFCOM in terms of these Yield-X rules, jointly and severally, for an amount of not less than R10 000 000 or such other sum as the JSE may determine.
- 3.40.[8]10 The JSE may suspend a member if there is a deficiency in the capital adequacy [requirement] of the member [as prescribed in these **Yield-X** rules and directives].
- 3.90 Duty to furnish information
- 3.90.1 ...
- 3.90.2 ...
- 3.90.3 A member shall submit to the ~~[JSE,] Director: Surveillance~~ within [four] ~~three~~ months after the end of its financial year, [two copies] ~~a copy~~ of its audited ~~annual~~ financial statements, and the audit report prescribed by the ~~Act~~ **[Regulations]**, in respect of such period, [irrespective of whether or not the member is obliged in terms of any legislation to provide such audited financial statements.]
- 3.90.4 Subject to rules 3.90.5 and 3.90.6, a member shall submit the ~~prescribed monthly~~ capital adequacy return to the ~~Director: Surveillance~~ within [seven] ~~ten~~ business days of the end of the month or within such other period that the JSE may require: Provided that the member shall at all times comply with the capital adequacy requirements referred to in these Yield-X rules, and provided further that the JSE may suspend a member from trading, if the return is

- not submitted [within a reasonable time after the member was requested to do so] timeously.
- 3.90.5 [A member may apply in writing to the JSE for exemption from the requirement to submit the return referred to in rule 3.90.4, and the JSE may at its discretion grant such exemption: Provided that the member confirms in writing that it shall submit a similar return to another exchange or to the Registrar of Banks and such other exchange or the Registrar of Banks confirms that it shall accept such returns and ensure compliance by the member with its rules and any other requirements relating to the capital adequacy of the member.] A member that -
- 3.90.5.1 is a bank;
- 3.90.5.2 is a branch of a foreign bank; or
- 3.90.5.3 trades in interest rate securities solely for its own account,
- shall be exempt from the requirement to submit the monthly capital adequacy return referred to in rule 3.90.4, provided the member has advised the JSE, in writing, that it meets the requirements of rule 3.90.5.1, 3.90.5.2 or 3.90.5.3.
- 3.90.6 A member that is an authorised user of another exchange may apply in writing to the Director: Surveillance for exemption from the requirement to submit the monthly capital adequacy return referred to in rule 3.90.4 provided the capital requirements of the other exchange are, in the opinion of the Director: Surveillance, similar to those imposed by the JSE and the member is required to submit a return to the other exchange.
- 3.90.7 In considering an application for an exemption in terms of rule 3.90.6, the Director: Surveillance will take into account the relative activity undertaken by the member on the JSE and the other exchange in order to determine whether it is preferable for the other exchange to act as the lead regulator in relation to the supervision of compliance with capital adequacy requirements by the member.
- 3.90.8 If a member is granted an exemption in terms of rule 3.90.6, the member may be required at any time to submit, to the Director: Surveillance, a copy of any capital adequacy return submitted to the other exchange.
- 3.90.9 Despite the fact that a member may be exempt from submitting monthly capital adequacy returns to the Director: Surveillance, in terms of rules 3.90.5 or 3.90.6, the member is required to advise the Director: Surveillance, in writing, as soon as it becomes aware that it has failed to meet the relevant capital adequacy requirements set out in rules 3.40.3 to 3.40.5.