

BOARD NOTICE 121 OF 2008**SECURITIES SERVICES ACT, 2004****PROPOSED AMENDMENTS TO THE RULES OF THE BOND EXCHANGE OF SOUTH AFRICA LIMITED**

1. In terms of section 61(5) of the Securities Services Act, 2004 (Act No. 36 of 2004), it is hereby notified that the Bond Exchange of South Africa Limited ("BESA") 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, Dube Tshidi, hereby determine 17 December 2008 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.

D P TSHIDI**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.

PART C - SECTION 2**AUTHORISED USER STATUS****C2.3 Privileges and obligations of authorised users**

- C2.3.1.9 comply with the provisions of the Financial Advisory and Intermediary Services Act, 2002 (Act No.37 of 2002) if that authorised user undertakes the management of listed securities, as defined in section 1 of the Act, for remuneration or benefit in any form; **[and]**
- C2.3.1.10 not effect a transaction in securities with a person whom the authorised user believes or suspects requires approval to undertake management of securities in terms of the law without having taken reasonable measures to ascertain that such person has the necessary approval[.] ;
- C2.3.1.11 ensure compliance with the provisions of the Financial Intelligence Centre Act, 2001 (Act No.38 of 2001) "FICA"; and

C2.3.1.12 allow BESA on reasonable notice, to conduct an on-site review or investigation into the authorised user's activities, which are subject to regulation in terms of the Act, the Rules, the Directives, and FICA, at the request of BESA.

C2.4 Registration and functions of officers

C2.4.3.9 if any breach or error arises in respect of any trades entered into by, or affecting the authorised user, upon being so requested by the chief executive officer or the licensed clearing house, must take or cause to be taken all such steps as may be necessary to rectify the breach or to eliminate the error; **[and]**

C2.4.3.10 must submit to BESA a compliance report as prescribed by Directive [.] ; and

C2.4.3.11 must monitor compliance by the authorised user and its employees, with the provisions of FICA and notify BESA of any non-compliance.

C2.7 Adherence to the Act **[and] , the Rules, the Directives and FICA**

C2.7.1 BESA may require an authorised user to instruct its auditor to examine any or all procedures and transactions of an authorised user's business relating to BESA and the licensed clearing house, and verify the authorised user's adherence to the Act, the Rules, the Directives, FICA, a decision or determination of BESA or the constitution of the affected market association in question.

PART C - SECTION 12

DICIPLINARY MATTERS

C12.1 Preliminary Investigations

C12.1.1 an alleged contravention or non-compliance with the Act, the Rules, the Directives, FICA or a decision or determination of BESA, which allegation must be reduced into writing, shall be the subject of a preliminary investigation by the chief executive officer or by a person authorised by the chief executive officer, who must report in writing his findings to the chief executive officer.

C12.1.5 Notwithstanding the provisions of Rule C12.1.3, the chief executive officer must report to the Registrar any non-compliance by the authorised user with the provisions of FICA for an appropriate action.