

# Directive of Strate (Pty) Ltd

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Special Gazette No Y2-2020  
Strate Directive SF.7  
Fines Schedule – On-market and Off-  
market – Cape Town Stock Exchange  
(CTSE)

**strate**

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To cater for the imposition of fines by Strate for the contravention of Strate Directive SH.1 – *Operational Market Windows and Securities Processing – Equity Securities – <sup>1</sup>Cape Town Stock Exchange (CTSE)*<sup>2</sup> and Strate Directive SH.2 – *Operational Market Windows and Securities Processing – Bond Securities – <sup>3</sup>Cape Town Stock Exchange (CTSE)*

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<sup>1</sup> [Amended with effect 13 October 2021](#)

<sup>2</sup> Amended with effect from 24 March 2017

<sup>3</sup> [Amended with effect 13 October 2021](#)

<sup>4</sup> Amended with effect from 1 August 2017

# 1 INTERPRETATIONS AND DEFINITIONS<sup>5</sup>

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.

'Corporate Action or Corporate Event' means an action taken by an Issuer or any other entity or third party which affects the owners of Securities in terms of entitlements or notifications;

<sup>6</sup>'CTSE' or 'the Exchange' means <sup>7</sup>Cape Town Stock Exchange Proprietary Limited, Registration Number 2013/031754/07;

'On-Exchange Trade' or 'On-Exchange' means a transaction in Securities executed on the <sup>8</sup>CTSE;

'Record Date (RD)' means the date on which the holdings, upon which the Corporate Action entitlement is based, are ascertained;

'S' means Settlement date, the day on which a transaction in a particular Security is Settled through Strate;

'Strate Operations' means the operations division of Strate responsible for communication between Participants, Exchanges, Authorised Users, SARB and Strate relating to Settlement operations;

'Strate Supervision' means the Supervision Division of Strate headed by the Head of Strate Supervision and set up by the Controlling Body in terms of the Strate Rules;

'T' means trade date, the day on which a particular transaction was entered into; and

'T+X' means trade date plus X Business Days, 'X' being the number of Business Days stipulated in the Strate Directive.

## 2 APPLICATION<sup>9</sup>

2.1 The following fines, which do not attract Value Added Tax, may be levied on the Participant by Strate for contravention of Strate Directive SH.1 – *Operational Market Windows and Securities Processing – Equity Securities* – <sup>10</sup>Cape Town Stock Exchange (CTSE) and Strate Directive SH – *Operational Market Windows and Securities Processing – Bond Securities* – <sup>11</sup>Cape Town Stock Exchange (CTSE).<sup>12</sup>

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<sup>5</sup> Amended with effect from 24 March 2017 and 19 November 2018

<sup>6</sup> Amended with effect 13 October 2021

<sup>7</sup> Amended with effect 13 October 2021

<sup>8</sup> Amended with effect 13 October 2021

<sup>9</sup> Amended with effect from 24 March 2017 and 19 November 2018

<sup>10</sup> Amended with effect 13 October 2021

<sup>11</sup> Amended with effect 13 October 2021

<sup>12</sup> Amended with effect from a date to be determined by notice

2.2 Notwithstanding the imposition of a fine in terms of this Strate Directive, further penalties may be imposed against the Participant in terms of the Strate Rules.

2.3 Where any time is stipulated by Strate Directive, the time as reflected on the Strate System is applicable.

### 3 FINES<sup>13</sup>

CONTRAVENTION	SH.1 CROSS-REFERENCE	SH.2 CROSS-REFERENCE <sup>14</sup>	FINE
<b>3.1 Late reporting of transactions in respect of:</b> <ul style="list-style-type: none"> <li>Corporate Action transactions reported to Strate after 14h00 on S for transactions involving payment; and after 18h00 on S for free of payment transactions (Client type 23).</li> </ul>	Par 6.2		R1 000 per transaction leg reported to Strate after the set time parameter.
<b>3.2 Late committing to transactions in respect of:</b> <sup>15</sup> <ul style="list-style-type: none"> <li>On-Exchange Trades committed to after 17h45 on S.</li> </ul>	Par 2.2.6	Par 2.2.6	R1 000 per transaction leg committed to after the set time parameter.
<b>3.3 Failed trades</b> <ul style="list-style-type: none"> <li>Failed On-Exchange Trades due to a Participant failing to commit, where such Participant has not informed Strate Operations of its intentions and reasons for failing to commit.</li> </ul>	Par 2.2.6	Par 2.2.6	R10 000 per failed transaction.

<sup>13</sup> Amended with effect from 24 March 2017 and 19 November 2018

<sup>14</sup> Inserted with effect from a date to be determined by notice

<sup>15</sup> Amended with effect from 24 May 2019

<p><b>3.4 Further Contraventions</b></p> <p>3.4.1 Where an individual transaction results in a contravention of this Strate Directive any further contravention arising from the same incident, may result in further fines.</p> <p>3.4.2 Where a Batch of transactions results in a contravention of this Strate Directive, a fine may be imposed for each transaction within the batch.</p>			
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## 4 PAYMENT AND PUBLICATION OF FINES<sup>16</sup>

- 4.1 The 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.
- 4.2 Where the 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 the Participant in terms of this Strate Directive.

## 5 TECHNICAL DIFFICULTIES<sup>17</sup>

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

<sup>16</sup> Amended with effect from 19 November 2018

<sup>17</sup> Section 5 "Capturing Errors" deleted with effect from 1 August 2017. Section 6 re-numbered with effect from 1 August 2017 and amended with effect from 19 November 2018

