

Directive of Strate (Pty) Ltd

Special Gazette No. S3-2022
Strate Directive SA.3

Client Acceptance Procedure

The logo for Strate, consisting of the word "strate" in a bold, lowercase, sans-serif font, enclosed within a white rectangular border. The background of the logo area is a dark grey triangle pointing downwards, set against a black background.

strate

To provide for the requirements that participants need to follow before opening a securities account for a client

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1. Interpretation and Definitions

This Strate Directive should be read in conjunction with Strate Directive SZ.1 - *Interpretation and Definitions*.

2. Client Verification

- 2.1 A Participant may not open an account for a Client in terms of the Strate Rules' unless:
 - 2.1.1 the Participant takes reasonable measures to verify the Client's name and identity in accordance with the provision of the Financial Intelligence Centre Act (FICA); and
 - 2.1.2 the Client confirms in writing whether or not it will act as a Nominee.
- 2.2 Where a Client is a Nominee or purports to be Nominee, the Participant must take reasonable measures to ascertain whether the Client has been approved as a Nominee in terms of Strate Rule 6.5.

3. Client's Banking Details

- 3.1 A Participant may not open an Account for a Client in terms of Strate Rules, unless:
 - 3.1.1 the Client has a bank account opened in the name of the Client;
 - 3.1.2 the Client has a joint bank account opened in the name of the Client and another person;
 - 3.1.3 the Client and the Participant have agreed in writing to a third-party bank account; or
 - 3.1.4 where the Client is an estate (including but not limited to a deceased estate; an insolvent estate or an estate under curatorship) and has no estate bank account, the authorised estate representative has nominated a trust account in accordance with the applicable legislation or as directed by the Master.
- 3.2 The Participant must take reasonable measures to verify the bank account provided or nominated by the Client

4. Untraceable Clients Pursuant to IID

Where there are untraceable clients pursuant to IID:

- 4.1 the Issuer must appoint a Participant;
- 4.2 the Participant must open a Central Securities Account in the name of a Participant Nominee or Issuer Sponsored Nominee to Deposit the Untraceable Clients' Securities, as instructed by the Issuer;
- 4.3 the Participant must, as instructed by the Issuer, Deposit the Untraceable Clients' Securities into the Central Securities Account designated for holding the Untraceable Clients' Securities;
- 4.4 the following restrictions or conditions apply to an Untraceable Clients' Central Securities Account:
 - 4.4.1 only the Untraceable Clients' Securities can be Deposited into the Central Securities Account;
 - 4.4.2 Securities of different ISINs may be Deposited into the Central Securities Account of the Untraceable Client;
 - 4.4.3 no Transfer of Securities may be effected in the Central Securities Account of the Untraceable Client, unless the Client has:
 - 4.4.3.1 been traced and verified; and
 - 4.4.3.2 given Instructions to the relevant Participant to Transfer or Deposit the Client's Securities into a Securities Account or Central Securities Account nominated by such Client. A Participant may effect a Transfer of Securities by operation of law.