

Directive of Strate (Pty) Ltd

Special Gazette No. S8-2023
Strate Directive SF.5

Fines Schedule - Money Market Securities

strate

**To provide for the imposition of fines by Strate for the contravention of the Strate Rules and Strate Directive SE.3 –
Operational Market Windows – Money Market Securities**

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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. Application

- 2.1 The following fines, which do not attract Value Added Tax, may be levied on Participants and Business Partners by Strate for contravention of the Strate Rules and Strate Directive SE.3 – *Operational Market Windows – Money Market Securities*.
- 2.2 Notwithstanding the imposition of a fine in terms of this Strate Directive, further penalties may be imposed against a 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

CONTRAVENTION	CROSS-REFERENCE Directive SE.3	FINE
3.1 Late Reporting of Transactions Failure by a Participant or Business Partner to report and match to its leg of an “against payment” transaction by 15h00 and “free of payment” by 18h00.	par 3.3.2.1; 3.3.2.7	R1 000,00 per report and match after the set time parameter.
3.2 Late Committing of Transactions Failure by a Participant to commit to its leg of an “against payment” transaction by 15h30 and “free of payment” by 18h00.	par 3.3.2.2.2.2; 3.3.2.7	R1 000,00 per commit after the set time parameter.

<p>3.3 Processing of an Unauthorised Transaction</p> <p>Reporting and/or committing to a transaction without prior written approval during the extension of the settlement window on S.</p>	<p>par 3.3.2.5</p>	<p>R10 000 per unauthorised transaction leg reported and/or committed.</p>
<p>3.4 SAMOS Funding</p> <p>Failure by the Participant to fund the SAMOS account within 60 (sixty) minutes of receipt of the payment advice from Strate.</p>	<p>par 3 3.2.6</p>	<p>R10 000 for failure to fund within 60 minutes of receipt of the payment advice, and an additional R5 000 for each additional 30 minutes (or part thereof) during which the SAMOS account remains unfunded.</p>
<p>3.5 Late Reporting and Committing of Transactions on Reconciliation Date</p> <p>Failure by a Participant or Business Partner to report and/or commit to its leg of a transaction by 15h00 on Reconciliation Date</p>	<p>par 3.4.1</p>	<p>R1 000,00 per transaction leg reported to Strate after the set time parameter and/or R1000,00 per commit after the set time parameter.</p>
<p>3.6 Balancing of Counters</p> <p>Participants must reconcile balances with Strate on a daily basis.</p>	<p>Strate Rule 5.3</p>	<p>R2 500 per ISIN per Business Day in which the Participant's records remain out of balance with those of Strate.</p>
<p>3.6 Further Contraventions</p> <p>3.6.1 Where a contravention of this Strate Directive in relation to an individual transaction results in a further contravention in respect of the same incident, a fine may be imposed for the first and any subsequent contravention.</p> <p>3.6.2 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>		

4. Payment and Publication of Fines

- 4.1 A Participant or Business Partner 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 or Business Partner.
- 4.2 Where a Participant or Business Partner 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 Participants or Business Partners in terms of this Strate Directive.

5. Technical Difficulties

Where technical difficulties impair a Participant or Business Partner's ability to perform within the stipulated timeframes, such difficulties may only be taken into account as mitigation where the Participant or Business Partner has advised Strate Settlement Services and Strate Supervision timeously of such difficulties. Where technical difficulties of one Participant or Business Partner affect the ability of another Participant or Business Partner to perform within the stipulated time frames, such difficulties may be taken into account as mitigation for the other Participant or Business Partner.