

# Directive of Strate (Pty) Ltd

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Special Gazette No. S9-2023  
Strate Directive SJ.2

Operational Market Windows and Securities  
Processing - Bond Securities – Equity Express  
Securities Exchange (ESEE)

**strate**

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**To provide for the settlement of transactions in bond securities traded on EESE; to provide for the processing of capital events; to provide for voting; and to provide for other related matters**

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# 1. Interpretation and Definition

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

## 2. Settlement of On-Market Trades

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### 2.1 General

2.1.1 The following are the basic considerations and assumptions on which the operational timings in this Strate Directive are based:

2.1.1.1 the timings are those established in the Strate System;

2.1.1.2 for all incoming messages, it is 'Received Time' by the Strate System;

2.1.1.3 for all outgoing messages, it is 'Sent Time' by the Strate System; and

2.1.1.4 for internal processing, it is 'Processing Time' by the Strate System.

2.1.2 A Participant must open at least one CSA at Strate.

### 2.2 Operational Timings

The following operational timings apply in respect of the Settlement of transactions in bond Securities traded on EESE. These operational timings are based on the assumptions and considerations provided in sub-section 2.1.

2.2.1 The Strate System BOD is at 03h00. The Strate System EOD is at 19h00. Should EESE or a Participant require Strate to move the EOD parameter beyond 19h00, the requestor needs to inform Strate in writing by no later than 17h30 on such day.

2.2.2 The Settlement cycle for an On-market trade is T+0.

2.2.3 EESE sends new On-market trades to Strate from 09h00 to 12h00 on T. EESE sends corrective On-market Trades to Strate up to 12h00 on T.

2.2.4 Strate will send a Participant new and corrective On-market trades received in terms of 2.2.3 upon receipt of such On-market trades from EESE.

2.2.5 A Participant may reject On-market trades received from Strate. If an On-market trade is rejected by a Participant, EESE may amend such On-market trade by way of a cancellation from 09h00 to 12h00 on S.

- 2.2.6 Subject to 2.2.4 and 2.2.5, a Participant must process its commitment to an On-market trade upon receipt of such On-market trade from Strate. If a Participant is unable to commit to an On-market trade, it must inform Strate Settlement Services of its intentions and reasons for failing to process the commitment. A commitment to an On-market trade must reach Strate by 13h00 on S.
- 2.2.7 A Participant may “uncommit” to an On-market trade prior to 13h00 on S, provided that such trade has not settled. Where a trade is in matched, ready for Settlement status, permission to uncommit to the trade must be requested from the Exchange via Strate.
- 2.2.8 Strate will process Settlement on S upon receipt of each Participant’s commitment to an On-market trade. The first settlement run is initiated at 09h30, and the last settlement run is initiated at 15h15.
- 2.2.9 Cash obligations are netted across all transactions eligible for Settlement. and payment instructions are sent to SAMOS. A Participant must instruct its settlement bank to fund the applicable SAMOS account by 09h00 on S for the first payment run, and within 30 (thirty) minutes of its receipt of the payment advice from Strate Settlement Services for subsequent payment runs. Strate sends Settlement confirmation messages to the relevant Participants and EESE once Settlement is completed.
- 2.2.10 A Participant must reconcile its Securities positions in the Strate System against its own records. For this purpose, the Strate System generates a statement of holdings message at 18h00 on a daily basis or only on such days when there has been a change in Securities positions in a Central Securities Account, as required by a Participant, and sends it to the Participant. In case of any discrepancies, a Participant is required to request a statement of transactions from Strate to trace the origin of the discrepancy.

### 3. Dematerialisation and Rematerialisation

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Dematerialisation and rematerialisation orders must be processed in accordance with Strate Directive SB.2 – *Procedures for Dematerialisation and Rematerialisation of Bond Securities*

### 4. Moment of Finality of Instructions

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The Moment of Finality of Instructions referred to in the Strate Rules is the moment immediately preceding Settlement.

### 5. Processing of Capital Events

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Capital Events must be processed in accordance with Strate Directive SD.3 – *Processing of Capital Events – Bond Securities*.

## 6. Voting Procedures

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Voting must be processed in accordance with Strate Directive SD.4 – *Voting Procedure – Bond Securities*.

## 7. Disclosure of Beneficial Ownership

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The disclosure of beneficial ownership must be processed in accordance with Strate Directive SA.8 - *File Layout for Beneficial Ownership Register – Equities, Bonds and Participatory Interests*.