

Directive of Strate (Pty) Ltd

Special Gazette No. S5-2024
Strate Directive SF.8

Fines Schedule – Equities and Bonds – I-EX

strate

To provide for the imposition of fines for the contravention of Strate Directive SJ.1 – Operational Market Windows and Securities Processing – Equities – I-EX and Strate Directive SJ.2 - Operational Market Windows and Securities Processing – Bonds – I-EX

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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 the Participant by Strate for contravention of Strate Directive SJ.1 - *Operational Market Windows and Securities Processing – Equities – I-EX* and Strate Directive SJ.2 - *Operational Market Windows and Securities Processing – Bonds – I-EX*.
- 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 in the Strate system is applicable.

3. Fines

CONTRAVENTION	DIRECTIVE SJ.1	DIRECTIVE SJ.2	FINE
<p>3.1 Late reporting of transactions in respect of:</p> <ul style="list-style-type: none"> Portfolio Movements (Client type 31). Portfolio Movements on Record Date where there is a pending Corporate Action reported after 17h00 on S (Client type 31). Corporate Action transactions reported after 14h00 on S for transactions involving payment; and after 18h00 on S for free of payment transactions (Client type 23). 	<p>par 3.3.2</p> <p>par 3.3.4.2</p> <p>par 8.2</p>		<p>R1 500 per transaction leg that is reported to Strate after the set time parameter.</p>
<p>3.2 Late committing to transactions in respect of:</p> <ul style="list-style-type: none"> On-market trades. 	<p>Par 2.2.6; 2.2.9 and 2.2.10</p> <p>par 3.3.2</p>	<p>Par 2.2.6</p>	<p>R1 500 per transaction leg that is committed to after the set time parameter.</p>

	<ul style="list-style-type: none"> • Portfolio Movements (Client type 31). • Portfolio Movements on Record Date where there is a pending Corporate Action committed to after 17h00 on S (Client type 31). • Corporate Action transactions committed to after 14h00 on S for transactions involving payment; and after 18h00 on S for free of payment transactions (Client type 23). 	<p>par 3.3.4.2</p> <p>par 8.2</p>		
3.3	Portfolio Movements are permitted provided that there is no change in beneficial ownership.	par 3.3.3		R1 500 per transaction leg that is reported to Strate with the taxable indicator as “yes”.
3.4	Portfolio Movements must be processed with the free of payment Settlement type.	par 3.3.5		R1 500 per transaction leg that is reported and settled to Strate against payment.
3.5	Dematerialisation or Rematerialisation sent to Strate on Record Date where there is a pending Corporate Action.	Par 7.2.2		R1 500 per transaction leg that is sent to Strate on Record Date.
3.6	Election instructions sent after 13h00 on RD+1 or not in accordance with the time as stipulated in the Announcement sent by Strate.	Par 7.4.2		R1 500 per transaction leg that is sent to Strate after 13h00 on RD+1 or not in accordance with the time as stipulated in the Announcement sent by Strate
3.7	Cash or Securities not distributed to a Client on the same day that it is received.	Par 7.6.10		R10 000 per day that a Client’s account is not credited with Cash or Securities.
3.8	Strate’s designated bank account not funded with cash entitlement to re-invest by 12h00 on PD+2	Par 7.7.2		R5 000 for failure to fund Strate’s designated bank account by 12h00 on PD+2.
3.9	Funding of the SAMOS account on S Failure by the Participant to fund the SAMOS account by 09h00 for the first settlement run or within 30 minutes of receipt of the payment advice from Strate for subsequent runs.		2.2.9	R20 000 for failure to fund by 09h00 for the first settlement run or within 30 minutes of receipt of the payment advice for subsequent settlement runs, and an additional R10 000 for each additional 30 minutes (or part thereof) during which the SAMOS account remains unfunded.

<p>3.5 Further Contraventions</p> <p>3.5.1 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>3.5.2 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

- 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

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 Settlement Services and Strate Supervision timeously of such difficulties.