

JSE Clear is now an independent clearing house

The Johannesburg Stock Exchange (JSE) is pleased to announce that JSE Clear, its wholly owned subsidiary, has been granted a licence to operate as an independent clearing house and central counterparty (CCP) by the Financial Sector Conduct Authority (FSCA).



Source: Supplied.

This is in agreement with the Prudential Authority (PA) and the South African Reserve Bank (Sarb). The licence is subject to certain terms and conditions.

To-date, JSE Clear has been operating as a central counterparty and licensed associated clearing house as per the Financial Markets Act.

JSE Clear will continue to be the central counterparty and clearing house for the JSE's derivatives markets (which include the commodity, interest rate, equity, and currency derivative markets), performing the clearing operations and risk-management functions that allow these markets to remain a safe and attractive investment destination.

Under the new independent clearing house licence, JSE Clear will fulfil its licensed functions and regulatory responsibilities in terms of its own rules (having previously operated as an associated clearing house in terms of the JSE's rules). It will also manage its own fully capitalised balance sheet and will be governed by an independent board of directors.

SA's only licensed independent clearing house

JSE Clear is now the only licensed CCP and independent clearing house operating in South Africa.

CCP clearing is globally recognised by regulators as the preferred and most appropriate approach for risk management, clearing and settlement of capital markets.

JSE Clear has been formally recognised by various international regulatory bodies since 2016 as meeting the global standards set for CCPs.

The effective date of the new licence (and the accompanying rules) is 1 September 2022, as announced by means of a press statement by the FSCA, South Africa's financial institutions market conduct regulator.



JSE gives the green light to actively managed certificates

5 Aug 2022



JSE Clear will commence operating as an independent clearing house only once the consequential changes to the JSE rulebooks have been approved by the regulatory bodies, and the appropriate market communications and preparation activities have been completed.

JSE Clear anticipates commencing operations as an independent clearing house before the end of 2022 and will continue to operate as an associated clearing house until then.

"We are extremely pleased to have been granted this licence as we continue our excellent track record of delivering robust post-trade services to the listed derivatives markets, and as we execute our plans to expand to new markets.

"We pride ourselves in making markets safer, by providing unique and sophisticated risk-management capabilities and advanced clearing and settlement systems," says Alicia Greenwood, chief executive officer of JSE Clear.

JSE Clear's new rules have been published in today's edition of the government gazette. The Notice is available [here](#).

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