



FINANCIAL SECTOR REGULATION ACT, 2017

FINANCIAL MARKETS ACT, 2012

**NOTICE REGARDING THE PUBLICATION OF DRAFT CONDUCT STANDARD [-] of 2026
(FM) – REQUIREMENTS FOR MARKET INFRASTRUCTURES**

The Financial Sector Conduct Authority (FSCA) hereby invites submissions, in accordance with section 98(1)(a)(iv) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act), on the draft Conduct Standard: Requirements for Market Infrastructures, to be made in terms of sections 53(2A) and 74 of the Financial Markets Act, 2012 (Act No. 19 of 2012) (FM Act) and section 106(1)(a) of the FSR Act, read with Chapter VIII of the FM Act and sections 106(2)(a), 106(3)(a) and 108 of the FSR Act, as per the Schedule below.

The draft Conduct Standard, together with a statement supporting the draft Conduct Standard, is available on the FSCA's website.

Submissions on the draft Conduct Standard must be submitted in writing, using the submission template available on the FSCA's website, on or before 26 May 2026 to the FSCA at FSCA.RFDStandards@fsc.co.za.

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COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY**

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SCHEDULE

DRAFT CONDUCT STANDARD [-] OF 2026 (FM) REQUIREMENTS FOR MARKET INFRASTRUCTURES

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CHAPTER 1

DEFINITIONS AND APPLICATION

1. Definitions

In this Schedule, “**the Act**” means the Financial Markets Act, 2012 (Act No. 19 of 2012), and any word or expression to which a meaning has been assigned in the Act bears the meaning so assigned to it, and unless the context otherwise indicates-

“**Authority**” means the Financial Sector Conduct Authority established in terms of section 56 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017);

“**best execution**” means the execution of orders on behalf of clients in a manner to secure the best possible result for their clients, taking into account factors such as price, costs, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of the order;

“**common authorised user**” means an authorised user that has been admitted as an authorised user by more than one exchange in terms of the rules of the respective exchanges;

“**common listed securities**” means securities that are listed and traded on more than one licensed exchange;

“**failed trade**” means a transaction in securities which neither the client, authorised user, the exchange, the clearing house or central counterparty is able to ensure that such transaction will settle on the settlement date.

“**flash order**” means a type of marketable or orders, that is briefly exposed or displayed to a limited group of market participants before being made public to the wider market;

“**high-frequency trading**” means an algorithmic trading technique characterised by -

- (a) infrastructure intended to minimize network and other types of latencies, including at least one of the following facilities for algorithmic order entry: co-location, proximity hosting or high- speed direct electronic access;
- (b) system-determination of order initiation, generation, routing or execution without human intervention for individual trades or orders; and
- (c) high message intraday rates which constitute orders, quotes or cancellations;

“**interoperability**” means the ability of different trading, clearing, and settlement systems and infrastructures to connect, communicate, exchange, and use information in an accurate, reliable, secure, and effective manner, in accordance with applicable technical standards to allow market participants to exchange data and execute transactions across different platforms without the direct involvement of a natural person;

“**link**” means a set of contractual and operational arrangements between two or more market infrastructures excluding an exchange, that connect or provide access between the market infrastructures directly or through an intermediary;

“**market participant**” means a financial institution as defined in the Financial Sector Regulation Act, authorised by a market infrastructure to perform certain securities services;

“**peer-to-peer link**” means a link that provides for a special arrangement between market infrastructures, excluding exchanges, providing similar or the same services to the market and which is not subject to normal market participant rules;

“**price sensitive information**” means unpublished information that is specific or precise, which if it were made public, would have a material effect on the price of an issuer’s securities;

“primary exchange” means the licensed exchange on which an issuer has a primary listing;

“primary listing” means in relation to a security listed on more than one licensed exchange, a listing by virtue of which the issuer is, in respect of that security, subject to the full requirements applicable to listing on that exchange;

“reference price” means the last auction or automated trade price or the previous closing price, whichever is the most recent, or in the absence of a last auction or automated trade price or a previous closing price, a price as determined by the primary exchange;

“secondary exchange” means a licensed exchange other than the primary exchange on which a security is listed;

“significant event” includes –

- (a) any material systems failure, malfunction, delay or other disruptive systems incidents; system downtime or breach of cyber security or a related system compromise ;
- (b) any breach of data security, integrity or confidentiality;
- (c) developments in the market infrastructure that might reasonably be expected to affect other regulated persons, clients and investors;
- (d) the closure of the market due to a technical outage of the exchange’s trading system;
- (e) a trading halt or suspension, which could be due to the following reasons:
 - (i) Trading activity in a security is being undertaken by persons in possession of unpublished price-sensitive information that relates to that security;
 - (ii) trading activity is being influenced by a manipulative or deceptive trading practice; or
 - (iii) trading activity may otherwise give rise to an artificial price for that security;

“tick size” means the minimum possible price or price increment which can be used for an order; and

“volatility controls” means pre- or post-trade controls that prevent certain orders from being matched.

2. Application

The Conduct Standard applies to –

- (a) a market infrastructure;
- (b) an external central counterparty; and
- (c) an external trade repository.

CHAPTER 2

GENERAL REQUIREMENTS

3. General principles

- (1) A market infrastructure must at all times –
 - (a) conduct its business transparently, honestly and fairly, with integrity, due skill, care and diligence; and with due regard to the need for information of other market infrastructures and market participants;
 - (b) maintain strong, transparent and accountable governance structures and arrangements;
 - (c) ensure robust risk management frameworks are in place to identify, monitor and mitigate risks;
 - (d) organise and manage its affairs responsibly and efficiently with adequate internal control functions and assurance environment;

- (e) deal with conflicts of interest effectively and fairly and in accordance with paragraph 5 of this Conduct Standard;
 - (f) enhance and support the efficiency and integrity of financial markets and provide for the protection of market participants' interests ;
 - (g) support trust and confidence in the financial sector;
 - (h) deal with the Authority in an open, accountable and co-operative manner and;
 - (i) act in good faith and in the interests of its members and their financial customers.
- (2) A market infrastructure must establish appropriate policies that provide fair and open access to market participants and other market infrastructures, while ensuring its own safety and efficiency.
- (3) Where this Conduct Standard requires or contemplates cooperation, coordination, alignment, information sharing, or the conclusion of agreements between market infrastructures, the relevant market infrastructures must –
- (a) seek to resolve any dispute arising from such requirements in good faith and within a reasonable period;
 - (b) where the dispute cannot be resolved bilaterally, refer the matter to an independent dispute resolution mechanism, including mediation, arbitration, or determination by an independent expert, as agreed between the parties; and
 - (c) where the dispute materially impacts market integrity, orderly functioning of the market, investor protection, or the effective implementation of this Conduct Standard, promptly notify the Authority, which may issue a directive or take any action it considers appropriate in terms of the applicable financial sector laws.

4. Market infrastructure rules and directives

- (1) A market infrastructure must ensure that its rules and directives do not –
- (a) create barriers to entry or the efficient operation of other market infrastructures; and
 - (b) unnecessarily discriminate against any class of market participants.
- (2) The rules of a market infrastructure must enable the use of the market infrastructure's functions by all market participants, including other market infrastructures, thus allowing fair and open access to its functions.
- (3) A market infrastructure must periodically review its rules and directives to ensure that they enable fair participation in markets for all market participants and other market infrastructures.

5. Conflicts of interest

Avoidance of conflicts of interests when providing services

- (1) A market infrastructure must, in addition to section 62 of the Act, avoid any actual or potential conflicts of interest when providing services to market participants and other market infrastructures.
- (2) If the avoidance of a conflict of interest referred to in subparagraph (1) is not reasonably possible, a market infrastructure must manage and mitigate such conflict of interest.

Conflict of interest governance arrangements and measures

- (3) A market infrastructure must –
- (a) establish an appropriate and effective internal governance process to identify potential, perceived or actual conflicts of interest –
 - (i) between its regulatory functions and its commercial services, and
 - (ii) when providing services to market participants and other market infrastructures;

- (b) record, adopt and implement, effective and appropriate policies and measures to avoid, eliminate, disclose or otherwise manage any identified conflicts of interest;
 - (c) in an appropriate policy, clearly set out the manner in which the market infrastructure will deal with any breaches of any governance process, policy or measure implemented in accordance with items (a) and (b), and the sanctions and actions that may be taken by the market infrastructure in the event of such breaches.
- (4) Governance processes, policies and measures referred to in subparagraph (3) –
- (a) may be proportionate to the nature, size, scale and complexity of the market infrastructure, taking into account its business and operating model, scope of activities, customer profile and associated level of risk exposure; and
 - (b) must include –
 - (i) separation of its commercial services from its regulatory functions;
 - (ii) information-barrier arrangements designed to prevent confidential, price-sensitive, or market-moving information from flowing between different functional areas of the same organisation when such leakage could create conflicts of interest or facilitate market abuse; and
 - (iii) clear guidelines for employees regarding security and confidentiality of confidential information.

Conflict of interest oversight committee

- (5) A market infrastructure must –
- (a) appoint a committee that is tasked with ensuring that the market infrastructure complies with subparagraph (3);
 - (b) take the necessary and appropriate steps to ensure the committee appointed under item (a) is able to independently fulfil its functions and that it does not have a conflicting duty to the management or controlling body of the market infrastructure.
- (6) The committee referred to in subparagraph (5) must comprise –
- (a) independent directors;
 - (b) other suitably qualified individuals who are not employed by the market infrastructure and are not members of the controlling body; or
 - (c) a combination of the persons referred to in sub-items (a) and (b).
- (7) A market infrastructure may utilise a committee of the board to fulfil the oversight functions required in terms of this section.

Annual conflict of interest assessment and report

- (8) A market infrastructure must –
- (a) annually assess the efficacy of the governance processes, policies and measures it has adopted in accordance with subparagraph (3);
 - (b) annually prepare a Conflicts of Interest Assessment Report which report must comprehensively deal with the assessment of all material and relevant matters related to the market infrastructure's management of conflicts of interest, including:
 - (i) An evaluation of the effectiveness of the committee constituted to deal with conflicts of interest;
 - (ii) whether the market infrastructure adhered to and effectively implemented and supported the conflicts of interest governance processes, policies and measures referred to in this Conduct Standard;
 - (iii) whether the committee referred to in subparagraph (5) performed-
 - (aa) an annual review and approval of its terms of reference;
 - (bb) a self-evaluation of its performance as well as the performance of its members;
 - (iv) whether the market infrastructure identified, disclosed and recorded the identified conflicts of interest; and
 - (v) whether the market infrastructure adopted appropriate and effective

- arrangements to separate its regulatory functions from its commercial services;
- (c) submit its Annual Conflicts of Interest Assessment Report referred to in item (b) to the Authority and publish it on its website and any other media it considers appropriate.
- (9) The assessment referred to in subparagraph (8)(a) may include self-evaluation, a request for feedback from stakeholders and any other form of assessment to measure the efficacy with which the market infrastructure has dealt with any actual or potential conflicts of interest.

Additional disclosure of conflicts of interest

- (10) A market infrastructure must, in addition to the publication of the Annual Conflicts of Interest Assessment Report referred to in subparagraph (8)(b), disclose the details of the nature and extent of any conflicts of interest in its annual report contemplated in section 69 of the Act.

6. Fees and charges

- (1) A market infrastructure that is part of a group or that cross-subsidises services within the group must disclose all fees charged for services to its clients, which disclosure must state the specific monetary amount for each service rendered.
- (2) Where the value or costs of the services referred to in subparagraph (1) are not pre-determinable, the disclosure must state the basis of the calculation of the fees for such services.
- (3) The fees charged for services must be reasonable and commensurate with the actual cost of performing the function or the of rendering the service, taking into account the nature of the function and the resources, skills and competencies reasonably required to perform it.

7. Significant events

- (1) A market infrastructure facing a significant event must –
- (a) without delay, inform all other market infrastructures immediately of the event and any potential impact that the significant event may have on their core services, compliance monitoring and reporting system;
- (b) without delay notify the Authority of such significant event, as soon as reasonably possible, but no later than 24 hours after the event occurred; and
- (c) as soon as reasonably possible, but no later than 14 calendar days from the date of the notification, submit a post-incident report to the Authority that includes a root-cause analysis and that specifies the measures introduced to prevent the occurrence of a similar event in the future, in the form and manner determined by the Authority.
- (2) Where a technical problem (including a power outage) prevents a market infrastructure from informing another market infrastructure or the Authority about the significant event, the notification must be made to the other market infrastructures without delay by any other appropriate means.

CHAPTER 3

REQUIREMENTS FOR CENTRAL SECURITIES DEPOSITORIES AND CENTRAL COUNTERPARTIES

8. Requirements for central securities depositories

- (1) A central securities depository must –
- (a) maintain continuous electronic means of communication with all its participants,

- issuers, issuers' agents, clearing houses and clearing organisations of the exchanges and with other central securities depositories;
- (b) extend its co-operation to beneficial owners, issuers, issuers' agents, custodians of securities, other central securities depositories and clearing organisations as is necessary for the effective, prompt, and accurate clearing and settlement of securities transactions and conduct of business;
 - (c) enable mechanisms to ensure best execution for clients in respect of fees and promptness to settle trades where a trade in the same security is settled by different central securities depositories;
 - (d) ensure settlement finality and prevent unwinding of settled transactions;
 - (e) prevent the unauthorised creation or deletion of securities issued, that it maintains through the use of appropriate accounting procedures;
 - (f) verify the securities balances recorded in the central securities registry against relevant internal systems and issuer issued capital, it maintains in its central registries on at least a daily basis;
 - (g) prohibit any situation where securities are delivered or credited without settlement of the corresponding cash obligation thus resulting in a debit balance in any of the securities accounts;
 - (h) identify, measure, monitor, and manage its risks in relation to its functions as a central securities depository from other activities that it may perform;
 - (i) ensure that it has the required additional tools necessary in order to address the risks referred to in subparagraph (h); and
 - (j) implement and maintain robust security measures to protect assets from theft or fraud.

9. Requirements for central counterparties

- (1) A central counterparty must enable its clearing members to take full control and responsibility for the management of its client's default and establish clear and well-defined procedures for managing defaults by clearing members.
- (2) The rules of the central counterparty must –
 - (a) provide the necessary clarity in respect of the clearing member's obligations towards the central counterparty in relation to the default of one of its clients;
 - (b) specify the extent to which reliance will be placed on information received from non-clearing members or participants in order to identify, monitor and manage any material risks to the central counterparty arising from tiered participation arrangements;
 - (c) make provision for instances where the central counterparty decides to withdraw a service or part of a service being provided, for the timeframes applicable to such withdrawal, and for the appropriate communication of the withdrawal to its clearing members;
 - (d) have requirements for the waiver of certain rules in appropriate instances to be able to apply proportionality in its assessment of admission requirements by clearing member applicants;
 - (e) provide for clear and transparent rules addressing the status and treatment of clearing members that are inactive, including any requirements applicable to the resumption of clearing activity, without prejudice to a clearing member's continued membership where it remains compliant with membership requirements;
 - (f) set out insurance requirements, business continuity and disaster recovery arrangements for its clearing members; and
 - (g) make provision in its rules for the handling of unsettled contracts for newly admitted clearing members, if applicable, and for clearing members ceasing to be members of a central counterparty.
- (3) A central counterparty must have segregation and portability arrangements that effectively protect a clearing member's client's positions and related collateral from the default or

insolvency of that clearing member.

- (4) A central counterparty must –
 - (a) employ an account structure that enables it readily to identify positions of a clearing member's client and to segregate related collateral; and
 - (b) maintain client positions and collateral in individual customer accounts.
- (5) A central counterparty must disclose to clearing members and their clients, in an accessible and appropriate manner –
 - (a) its rules, policies, and procedures relating to the segregation and portability of a clearing member's clients' positions and related collateral;
 - (b) the central counterparty's default waterfall, outlining the sequence of actions in the event of a clearing member default;
 - (c) whether a clearing member's clients' collateral is protected on an individual or omnibus basis; and
 - (d) whether there are any legal or operational constraints that may impair the central counterparty's ability to segregate or transfer a clearing member's clients' positions and related collateral.

CHAPTER 4

REQUIREMENTS FOR EXCHANGES

10. General requirements for exchanges

- (1) The rules of an exchange, including requirements for participation in the exchange, must be clearly stated, and publicly disclosed in a transparent manner to –
 - (a) enable market participants to obtain necessary information about the trading process, including the price, order size, trading volume, risk and trader identity; and
 - (b) eliminate ambiguity.

Time synchronisation

- (2) An exchange must use Precision Time Protocol (PTP) to align with global standards and minimize time drift, thereby ensuring the precision and accuracy required for time-sensitive trading strategies.
- (3) An exchange must disseminate the timescale via a method agreed by exchanges that list common securities or have common authorised users that provides for –
 - (a) a correction for network delays;
 - (b) server authentication;
 - (c) server health or status information sufficient to indicate the availability, operational integrity, and reliability of the time dissemination service;
 - (d) server accuracy information; and
 - (e) leap second notification.
- (4) An exchange must have in place adequate arrangements to ensure –
 - (a) it regularly monitors the clock it uses for recording the time and date in its trading, compliance monitoring and reporting systems to ensure it remains synchronised; and
 - (b) when required, re-setting the clock it uses for recording the time and date in its trading, compliance monitoring and reporting systems.
- (5) An exchange must set the clock it uses for recording the time and date in its trading system, monitoring and reporting system so that it is synchronised to within 5 milliseconds of the South African national standard for time.

- (6) Where an exchange relies on another person to provide any aspect of their trading, compliance monitoring or reporting systems that records the time and date, the exchange must take reasonable steps to ensure that such person synchronises the clock used for that purpose to within 5 milliseconds of the South African national standard for time and has arrangements in place to adhere to the above.

Tick sizes

- (7) An exchange must only use tick sizes equal to or higher than the value as determined by the Authority by notice on its website, and must not accept, display or queue orders in an order book if the tick sizes are less than the tick size as determined by the Authority.
- (8) An exchange must administer the tick size regime as determined by the Authority, calculate and calibrate quoted spreads, determine applicable increments, and publish such relevant information related to the tick size regime, quoted spreads and applicable increments on its website.
- (9) Where a security is listed on multiple exchanges and has common authorised users a secondary exchange must coordinate with the primary exchange to ensure that its tick size is aligned with the primary exchange's tick size.

High Frequency Trading

- (10) An exchange must introduce rules against a flash order and impose mandatory circuit breakers for authorised users regularly engaging in high frequency trading.
- (11) An exchange must have in place suitable trading control mechanisms, including trading halts, volatility interruptions, limit-up-limit-down controls, to deal with volatile market conditions caused by high frequency trading.
- (12) An exchange must, before allowing authorised users to engage in high frequency trading –
- (a) ensure that the trading systems of the authorised user are robust, resilient, have sufficient capacity, and are able to ensure orderly trading under conditions of market stress caused by high frequency trading; and
 - (b) require that its authorised users ensure their systems are resilient and have sufficient capacity to ensure orderly trading when engaging in high frequency trading.

Transfer of listings between Exchanges

- (13) A primary listing may only be transferred from one primary exchange to another without the primary exchange requiring the issuer to go through the delisting process, if -
- (a) such transfer is approved by the committee of the current primary exchange tasked with regulating issuers;
 - (b) the issuer complies with the listing requirements of the other exchange; and
 - (c) the primary exchange must facilitate the transfer listing of the issuer without unreasonable delay or obstruction.
- (14) An exchange involved in a transfer must regardless of its role act promptly and reasonably in the transfer process, avoiding any undue delay.
- (15) In the event that an agreement cannot be reached between the transferring and receiving exchanges, regarding the transfer of the issuer's listing, the parties must have recourse to a dispute resolution process, as established in the exchange rules or in accordance with section 3(3) of this Conduct Standard.

Detect and deter manipulation

- (16) An exchange must implement appropriate procedures and trading control systems to

prevent, detect and deter market manipulation, fraud and other unfair trading practices and report any instances of market abuse or unfair and abusive trading practices to the Authority as soon as practically possible.

- (17) An exchange that has common listed securities or common authorised users or both must inform the other exchange of the report on instances of market abuse, unfair trading and abusive practices in the manner and timing to be agreed to by the relevant exchanges.

Management of large exposures

- (18) An exchange must implement appropriate procedures for the proper management of large exposures, default risk and market disruption.

Order execution

- (19) An exchange must ensure that its rules for order execution are clear and that orders are executed fairly, promptly and in compliance with regulatory requirements.

Default procedures

- (20) An exchange must have well-defined procedures for handling defaults by authorised users, including the use of funds from insurance, a guarantee, compensation fund or other warranty to cover losses.

11. Cross-trading between exchanges

Application

- (1) The requirements in this paragraph apply to common listed securities.

Investor Protection

- (2) An exchange with common listed securities must provide investors with clear disclosures of the risks and benefits of cross-trading and establish mechanisms for addressing investor complaints and disputes.

Option by issuers to trade on any secondary exchange

- (3) An issuer with a primary listing on one exchange may only trade its securities on any secondary exchange if the issuer has applied to the secondary exchange to be listed and the secondary exchange determines that the issuer meets the listing requirements of that secondary exchange.

Reference price

- (4) Exchanges must agree on and disclose a reference price methodology for cross-market trading.
- (5) Where licensed exchanges enter into cross-market trading arrangements in respect of the same listed security, the exchanges must ensure that there are clearly defined, agreed and publicly disclosed arrangements regarding the determination and use of any reference price required for the purposes of cross-market trading, including where such reference prices are used for –
- (a) cash settlement calculations arising from cross-market executions;
 - (b) transaction reporting or market integrity assessments; or
 - (c) any other purpose directly linked to cross-market trading activity.

Closing price

- (6) An exchange with common listed securities must have clear arrangements and procedures in place with the other exchange on which the securities are listed, to ensure the market is provided with a closing price for the trading day.
- (7) Exchanges must ensure that –
 - (a) the methodology used to determine any opening price is clearly defined, consistently applied and publicly disclosed,
 - (b) the use of the term “opening price” is not misleading to investors; and
 - (c) the methodology used to determine any closing price for a listed security is clearly defined, consistently applied and publicly disclosed, including where different methodologies are applied to different market segments or securities.

Market Data

- (8) An exchange with common listed securities or common authorised users, or both, must provide relevant aggregated and anonymised market data to other exchanges that have the same common listed securities, and must do so free of charge for supervisory and surveillance purposes.
- (9) For purposes of subsection (8), relevant market data includes, at minimum –
 - (a) information relating to executed trades,
 - (b) order book activity,
 - (c) timestamps,
 - (d) volumes,
 - (e) prices, and
 - (f) such other data as may reasonably be required to support effective cross-market surveillance and the detection of market abuse.
- (10) The market data referred to in subsection (8) must be provided at the end of each trading day, or as frequently, and in the format as agreed to between the exchanges.

Real Time data feeds or interface between exchanges

- (11) An exchange with common listed securities must –
 - (a) enter into arrangements with other exchanges with common listed securities, for purposes of facilitating cooperation between exchanges in relation to potential or suspected breaches of listing requirements by a common issuer, where trading activity is relevant to such assessment; and
 - (b) provide interface capabilities to other exchanges with common listed securities, so as to avoid duplication of trade related processes and to facilitate the confirmation and effective, orderly implementation of synchronized trade suspensions or resumptions in respect of those securities.
- (12) The real time data feeds and interface capabilities referred to in subsection (11) must –
 - (a) be cost effective and ensure compliance with the regulatory obligations of exchanges;
 - (b) allow for timely electronic access to relevant trading data, including real time data, where necessary for regulatory oversight and enforcement purposes only; and
 - (c) be made available to other exchanges at no additional cost other than the direct, efficient, incremental costs of making the data feed available.
- (13) Where an exchange makes available a data feed referred to in subsection (11) to another exchange, the exchange may limit the purposes for which the other exchange may use the data feed, if such purpose directly related to –
 - (a) the obligation to monitor and enforce compliance with its listing requirements; or
 - (b) in the case of the notification referred to in section 12(10) below, placing trades into

a trading suspension, or lifting or removing that trading suspension, on the market of the other exchange.

- (14) Electronic data transmitted through real time data feeds or interface capabilities must–
 - (a) be in a machine-readable format as agreed to between the exchanges;
 - (b) comply with any data security requirements as agreed between the exchanges;
 - (c) be redelivered by the exchange if there is disruption to the real time feed or interface capability through which the data is provided; and
 - (d) accommodate alternative means of data exchange if the data source is unavailable.

Distribution of price sensitive information and cautionary announcements

- (15) When an exchange is determining what information needs to be disseminated by issuers, it must ensure that issuers at all times comply with the principle of full, timely and accurate disclosure of current and reliable information which may be material to investment decisions.
- (16) A primary exchange must, subject to the principle outlined in subsection (15), disseminate price sensitive information and cautionary announcements to all investors in the market via its distribution channel, whereafter secondary exchanges must as quickly as possible, disseminate the same price sensitive information through its preferred distribution channel.
- (17) A primary exchange is not obligated to delay the publication of price sensitive information and cautionary announcements if the secondary exchange is technically unable to disseminate the information.
- (18) A secondary exchange may not disseminate price sensitive information and cautionary announcements ahead of the primary exchange.

Corporate actions

- (19) The primary exchange is responsible for the procedure and timetable in respect of corporate actions to ensure that investors will, in the interest of fair treatment, receive the same entitlements and on the same timetable.
- (20) The primary exchange must consult on the procedure and timetable for corporate actions referred to in subsection (19) with the secondary exchange, especially where the corporate action has an impact on a secondary exchange from a clearing and settlement perspective.
- (21) Pursuant to subsection (19), the primary exchange and secondary exchange must ensure alignment between their listing requirements and clearing rules in respect of the corporate action process.

Mechanisms to enable issuance of single written trade confirmation and best execution

- (22) An exchange with common listed securities and common authorised users must enter into an agreement with the other exchange setting out a mechanism to enable the issuance of a single written trade confirmation by authorised users in respect of trades executed across multiple exchanges, provided that such trade confirmation separately identifies the trades executed on each exchange and does not involve the aggregation of trades or the consolidation of settlement instructions across exchanges.
- (23) An exchange with common authorised users must enter into an agreement with the other exchange setting out a mechanism to facilitate and support best execution for clients of the common authorised users, which agreement must address the following –
 - (a) make reasonable arrangements, within the scope of its licensed functions, to facilitate access and interoperability for common authorised users, without requiring harmonisation of order matching, order priority or trade execution mechanisms, in order to support the ability of authorised users to pursue best execution across

- different exchanges;
 - (b) ensure that exchange rules and arrangements do not impede the ability of common authorised users to determine and implement their own best-execution strategies across trading venues, without prescribing or supervising the manner in which best execution is achieved;
 - (c) enter into arrangements to facilitate appropriate coordination and escalation, including information-sharing with the Authority, in respect of recurrent market integrity concerns relating to common authorised users, without extending trade surveillance beyond trading conducted on each exchange's own market;
 - (d) whether the common authorised user deals as principal or agent with clients; and
 - (e) the arrangements the common authorised users must have in place for the management of conflicts of interest that may arise between the authorised user and those clients.
- (24) An exchange must require common authorised users to report on the method chosen for best execution in line with proving that execution of client's orders adhere to the best price, cost, and speed principles outlined in subparagraph (23) above.
- (25) An exchange must publish aggregate statistical information relating to execution outcomes, on a quarterly basis, which information must be anonymised, non-attributable to any authorised user or client, and may not disclose proprietary execution methodologies or strategies.
- (26) An exchange must notify the Authority on a quarterly basis of the results of best execution by common authorised users set out in this paragraph.

12. Sharing of information

- (1) An exchange with common listed securities and common authorised users must share information set out in this paragraph with the other exchanges in a clear and timely manner.

Trading halts, suspension and removal of securities

- (2) An exchange with common listed securities must ensure that the listing requirements relating to the suspension or the removal of securities from the list of securities, whether at the instance of the issuer or the exchange concerned, is aligned to the listing requirements of other applicable exchanges in order to co-ordinate and synchronise the exchanges' processes to ensure consistency.
- (3) An issuer may request a licensed exchange to suspend trading in its securities on that exchange for any valid operational, regulatory, or disclosure-related reason. Where the issuer's securities are listed on multiple exchanges, the exchange receiving such a request must immediately notify all other affected exchanges in accordance with subsection 12(7). This provision applies to primary and secondary listings, whether local or external, and ensures coordinated suspension where required.
- (4) Where a primary exchange has suspended the listing of an issuer at the request of an issuer, all exchanges where such securities are listed must, after following the requirements in sections 11 and 12 the Act, place the affected securities on a trade suspension.
- (5) If an exchange intends to place common listed securities into a trade suspension or to lift a trade suspension, or to remove common listed securities from the list of securities, it must inform all other exchanges where those securities are listed, to enable the exchanges to take the same action simultaneously.
- (6) An exchange with common listed securities must –
- (a) ensure that its rules are sufficiently aligned, and its processes are appropriately

- coordinated and synchronised to that of other affected exchanges, to give effect to halting or suspending of trading of a security when the security is halted or suspended on another exchange; and
- (b) provide reasonable notice to all other exchange in advance of any significant technological or infrastructural changes that could either impact the exchange's ability to share data or impact the common authorised users.
- (7) An exchange with common listed securities, must immediately notify the other affected exchange each time it –
 - (a) places a relevant security on a trading halt or suspension; or
 - (b) lifts or removes a trading halt or suspension on a relevant security.
 - (8) A secondary exchange may only lift or remove a trading suspension after it receives a written notification from the primary exchange of the exact date, hour and minute on which the trading suspension will be lifted.

Failed trades affecting common authorised users and common listed securities

- (9) In the event that an exchange declares a transaction executed by a common authorised user to be a failed trade, the exchange must provide the relevant information in respect of the trade, including the securities being traded, the value of the trade and the identity of the common authorised user, as soon as possible after the trade being declared a failed trade, to any other exchange, of which the authorised user is also a member and which has common listed securities.

Default of common authorised users

- (10) In the event of a default of a common authorised user, and in order to determine whether cross-exchange netting is possible and to minimise the contagion risk that the cross-exchange netting or set-off of transactions across exchanges would afford, an exchange that has admitted that authorised user must coordinate its efforts, consult and share information with –
 - (a) other exchanges of whom the authorised user is also a member;
 - (b) the central securities depository; and
 - (c) the participant of the defaulting authorised user.

Communication of business outages and significant events to market participants

- (11) An exchange with common listed securities or with common authorised users must notify all market participants immediately and the public as soon as reasonably practicable of any significant event or business outage that may interfere with the fair, orderly or transparent operation of its markets.
- (12) Notification in accordance with subsection (11) must occur via any means which enables the exchange to communicate simultaneously to market participants and should also be published on the exchanges' website and include a dedicated contact line or person at the affected exchange allowing market participants and the public to ask questions and share information relating to the on-going outage.
- (13) An exchange with common authorised users and common listed securities must ensure that, following the initial notice of disruption mentioned in subsection (11), it provides continuous status updates on the outage to all market participants and the public.
- (14) An exchange affected by a business outages or significant events must provide effected common authorised users, market participants and the public with the necessary information on orders, including in respect of –
 - (a) which orders were affected referring, where possible, to the time when orders were submitted; and

- (b) which orders were cancelled / executed and provide clear procedures for validating cancellations, in case validations are needed by common authorised users.

CHAPTER 5

CO-OPERATION, INTER-OPERATION AND ESTABLISHING LINKS BETWEEN MARKET INFRASTRUCTURES

13. Co-operation and inter-operation between market infrastructures

- (1) A market infrastructure must enter into an appropriate agreement that enables co-operation or inter-operation, as applicable, with all other market infrastructures where they have admitted any of the following: common issuers; common listed securities; common authorised users and/or common participants and where they intend to establish a peer-to-peer link.
- (2) An agreement referred to in subsection (1) must –
 - (a) enable fair and open access to their services, based on reasonable risk-related access requirements, and
 - (b) set out the rights and obligations of the respective market infrastructures, including in relation to confidentiality, system requirements, capability and risk management.
- (3) An agreement required in terms of this section must make provision for at least the following:
 - (a) The rights, obligations and responsibilities of each participating market infrastructure;
 - (b) clearly defined decision-making processes and responsibilities for interoperability initiatives;
 - (c) with the exception of exchanges, developing common standards and protocols for interoperability to facilitate efficient cross-market transactions;
 - (d) reconciliation procedures, where applicable, to ensure that records exchanged, shared or generated pursuant to the co-operation and interoperation agreement are accurate and current;
 - (e) policies, procedures and systems to effectively identify, monitor and manage the risks arising from the arrangement so that each market infrastructure can meet its obligations;
 - (f) the identification, monitoring and effective management of link-related risk exposures, including inter-market infrastructure exposures;
 - (g) the identification, monitoring and provision for potential interdependences and correlations that arise from an interoperability arrangement that may affect the financial resources of a market infrastructure, including the management of a default where one of the parties with which an interoperability arrangement has been concluded is in default; and
 - (h) the identification, monitoring and mitigation of risks generated from multiple links, so that risks from one link do not affect the soundness of the other links and linked market infrastructures and which would necessitate the mitigation of such spill-over effects through the use of effective risk-management controls, including additional financial resources or the harmonisation of risk-management frameworks across linked market infrastructures.
- (4) Interoperability between market infrastructures must, where relevant, be established through peer-to-peer links, which applicability depends on the nature, function and risk profile of the relevant market infrastructure.
- (5) Market infrastructures may exchange margin and other financial resources on a reciprocal basis based on mutually agreed margining models.

14. General requirements for establishing links between market infrastructures

- (1) Market Infrastructures must, where applicable, establish a form of link or links and must ensure compliance with all requirements related to the establishment of links as set out in this section.
- (2) Before entering into a link and on an ongoing basis once the link is established, a market infrastructure must establish a risk management framework for the systematic and consistent identification, monitoring, and management all potential sources of risk arising from the link arrangement.
- (3) Where central securities depositories enter into a link, each central securities depository must measure, monitor, and manage the credit and liquidity risks arising from each central securities depository forming part of the link.
- (4) Any credit extensions between central securities depositories forming part of a link must be subject to limits and be covered fully with high-quality collateral.
- (5) A central securities depository forming part of a link may not provisionally transfer or retransfer any securities until such time as the transfer becomes final.
- (6) A trade repository must carefully assess the additional operational risks related to its links to ensure the scalability and reliability of any information technology and related resources and ensure technology and cybersecurity measures are robust and effective in ensuring the protection of the integrity and confidentiality of data transmitted through links.
- (7) Before entering into a link with another central counterparty, a central counterparty must identify and manage through appropriate processes and procedures the potential spill-over effects from the default of the linked central counterparty.
- (8) Each central counterparty in a link must be able to cover, at least daily, its current and potential future exposures to the linked central counterparty and its clearing members, if any, fully with a high degree of confidence without reducing the central counterparty's ability to fulfil its obligations to its own clearing members at any time.
- (9) Where central counterparties establish a peer-to-peer link, risk management between the central counterparties must be based on a bilaterally approved agreement and the central counterparties are required to exchange margin and other financial resources on a reciprocal basis.
- (10) Where central counterparties choose to establish a link, the participating central counterparty must provide margin to the host central counterparty and the participating central counterparty is required to hold additional financial resources to protect itself against the default of the host central counterparty.
- (11) In the event of a default by a market participant under a cross-margining arrangement, in terms of a link, participating central counterparties may use excess collateral in the cross-margined accounts to cover losses caused by the defaulting central counterparty.

CHAPTER 6

REPEAL

15. Repeal

- (1) This Conduct Standard repeals the following notices, with effect from the date referred to in section 16(1) –
 - (a) FSB Board Notice 1 of 2015 published in Government Gazette No. 38369 of 2 January 2015; and

- (b) FSB Notice to licensed market infrastructures to report significant events to the Registrar in terms of section 6(3)(d) of the Act dated 20 June 2017.

CHAPTER 7

SHORT TITLE AND COMMENCEMENT

16. Short title and commencement

- (1) This Conduct Standard is called the Conduct Standard for market infrastructures, 2026 and comes into operation 18 months after date of publication.