

28 AUGUST 2017

FINANCE AND BANKING ALERT

IN THIS ISSUE

MARGIN REQUIREMENTS FOR OTC DERIVATIVES - 8 SEPTEMBER 2017 DEADLINE

Banks, financial institutions and other over-the-counter derivatives providers have until 8th September 2017 to submit comments on the latest margin requirements for non-centrally cleared OTC derivatives published under the auspices of the Financial Markets Act, No 19 of 2002.

MARGIN REQUIREMENTS FOR OTC DERIVATIVES - 8 SEPTEMBER 2017 DEADLINE

The latest version (released on 8 August 2017) significantly amends the previous draft of the Margin Requirements circulated in July 2015.

Unfortunately, the types of OTC trades which will be subject to the mandatory clearing requirements under the FMA, have yet to be prescribed.



Banks, financial institutions and other over-the-counter derivatives providers (ODPs) have until 8th September 2017 to submit comments on the latest margin requirements for non-centrally cleared OTC derivatives published under the auspices of the Financial Markets Act, No 19 of 2002 (Margin Requirements).

The latest version (released on 8 August 2017) significantly amends the previous draft of the Margin Requirements circulated in July 2015.

Whilst most of the proposed changes will be welcomed by ODPs, ODPs will need to carefully consider any deficiencies in this draft of the Margin Requirements and have their comments and submissions collated by 8 September 2017.

A copy of the Margin Requirements for non-centrally cleared derivatives is available at - <https://www.fsb.co.za/Departments/capitalMarkets/Pages/Documents-for-Consultation.aspx>, together with the Financial Services Board's response documents and formal press release.

Unfortunately, the types of OTC trades which will be subject to the mandatory clearing requirements under the FMA, have yet to be prescribed.

It also remains to be seen what will become of the draft margin requirements published late last year under the auspices of a Bank's Act directive from the Registrar of Banks (Bank Margin Requirements). Banks and affected ODPs are cautioned to monitor developments from the Registrar of Banks office, although it seems unlikely that any further Bank Margin Requirements will be circulated.

Bridget King



OUR TEAM

For more information about our Finance and Banking practice and services, please contact:



Deon Wilken
National Practice Head
Director
T +27 (0)11 562 1096
E deon.wilken@cdhlegal.com



Stephen Boikanyo
Director
T +27 (0)11 562 1860
E stephen.boikanyo@cdhlegal.com



Stephen Gie
Director
T +27 (0)21 405 6051
E stephen.gie@cdhlegal.com



Adnaan Kariem
Director
T +27 (0)21 405 6102
E adnaan.kariem@cdhlegal.com



Bridget King
Director
T +27 (0)11 562 1027
E bridget.king@cdhlegal.com



Jacqueline King
Director
T +27 (0)11 562 1554
E jacqueline.king@cdhlegal.com



Izak Lessing
Director
T +27 (0)21 405 6013
E izak.lessing@cdhlegal.com



Mashudu Mphafudi
Director
T +27 (0)11 562 1093
E mashudu.mphafudi@cdhlegal.com



Preshan Singh Dhulam
Director
T +27 (0)11 562 1192
E preshan.singh@cdhlegal.com



Pierre Swart
Director
T +27 (0)11 562 1717
E pierre.swart@cdhlegal.com

Raaziq Ismail
Associate
T +27 (0)11 562 1687
E raaziq.ismail@cdhlegal.com

Kgotso Matjila
Associate
T +27 (0)11 562 1215
E kgotso.matjila@cdhlegal.com

Sidasha Naidoo
Associate
T +27 (0)11 562 1422
E sidasha.naidoo@cdhlegal.com

Vusiwe Ngcobo
Associate
T +27 (0)11 562 1329
E vusiwe.ngcobo@cdhlegal.com

Wandile Sishi
Associate
T +27 (0)11 562 1697
E wandile.sishi@cdhlegal.com

Mulalo Tshikovhele
Associate
T +27 (0)11 562 1193
E mulalo.tshikovhele@cdhlegal.com

BBBEE STATUS: LEVEL THREE CONTRIBUTOR

Cliffe Dekker Hofmeyr is very pleased to have achieved a Level 3 BBBEE verification under the new BBBEE Codes of Good Practice. Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa. Dx 154 Randburg and Dx 42 Johannesburg.
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

©2017 1837/AUG

