



Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 433 Pretoria 27 July 2001 **No. 22510**



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BOARD NOTICE RAADSKENNISGEWING

BOARD NOTICE 116 OF 2001 STOCK EXCHANGES CONTROL ACT, 1985

AMENDMENT OF THE RULES OF THE JSE SECURITIES EXCHANGE SOUTH AFRICA

1. In terms of section 12 (6) of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985), it is hereby notified that the JSE Securities Exchange South Africa has applied to the Registrar of Stock Exchanges for the approval to make amendments to its rules, as set forth in the Schedule hereto.
2. In terms of section 12 (7) of the said Act all interested persons (other than members of the Securities Exchange) who have any objections to the proposed amendments are hereby called upon to lodge their objections with the Registrar of Stock Exchanges, PO Box 35655, Menlo Park, 0102, within a period of 30 days from the date of publication of this notice.

J VAN ROOYEN
Registrar of Stock Exchanges

SCHEDULE

General explanatory notes

1. Words underlined with a solid line (___) indicate the insertions in the existing rules.
2. Words in bold and in square brackets ([]) indicate omissions from existing rules.

AMENDMENTS TO THE RULES OF THE JSE SECURITIES EXCHANGE SOUTH AFRICA

Proposed Amendments to Section 8 - Defaults/Deaths

8.10-8.110 Defaults

- 8.10 A broking member (equities) shall, as soon as it finds itself unable to meet its commitments, notify the **[General Manager] JSE** in writing to that effect and, failing to make such notification, in the event of it being declared a defaulter, it shall be ineligible for re-admission as a broking member (equities).
- 8.20 Should any broking member (equities) default in respect of any stock exchange transaction or in respect of any commitment to a broking member (equities), or the JSE arising from a JSE settlement system instruction, the counterparty members shall forthwith notify the **[General Manager] JSE** in writing of such default. No broking member (equities) shall compromise with or accept a payment on account from any other broking member (equities) in connection with any stock exchange transaction or a JSE settlement system instruction. A broking member (equities) so compromising with or accepting payment on account from any other broking member (equities) shall, in the event of the other broking member (equities) being declared a defaulter within six months from the date of such compromise or payment be liable at the discretion of the JSE to pay into the Stock Exchange Estate of the defaulter any money or securities received from such defaulter at the time of and subsequent to such compromise or payment, and the monies and securities so paid in shall be applied to liquidate the claims of broking members (equities) who have become creditors of the defaulter subsequent to the date of such compromise or payment.

- 8.30 After a broking member (equities) has given the notification provided for in 8.10 and 8.20, no arrangement entered into between such broking member (equities) and its creditors, being broking members (equities), shall be binding or of effect against either party unless approved by the JSE.
- 8.40 8.40.1 8.40.1.1 If a broking member (equities) is unable to meet its commitments to other broking members (equities), a JSE settlement system, or a non-member arising out of a stock exchange transaction or a JSE settlement system instruction, the JSE executive **[shall] may** declare the broking member (equities) to be a defaulter as from the time **[at which] when** the act of default occurred.
- 8.40.1.2 If a broking member (equities) fails to meet any particular commitment to a broking member (equities), a JSE settlement system, or a non-member arising from a stock exchange transaction or a JSE settlement system instruction, the JSE may treat such broking member (equities) as though it were unable to meet its commitments.
- 8.40.2 A broking member (equities) shall cease to be a broking member (equities) upon the passing of **[the] a resolution by the JSE executive** declaring it to be a defaulter. A defaulter shall continue to be bound by the provisions of these rules and directives until such defaulter is finally sequestrated or **[excused] excused** or, in the case of a corporate entity, upon its final liquidation.
- 8.40.3 A notice to the effect that a broking member (equities) has been declared a defaulter shall be posted to all broking members (equities).
- 8.40.4 The Clearing House shall cease to act for a defaulter from the time at which the act of default occurred.
- 8.40.5 Immediately upon a broking member (equities) being declared a defaulter -
- 8.40.5.1 it shall hand over to the JSE all books and accounting records of the broking member (equities) including all scrip registers, safe custody ledgers and cheque books, and all cash, securities, bonds and other assets relating to its stockbroking business including cash and control of securities and bonds held on behalf of clients in safe custody in a banking institution;
- 8.40.5.2 the JSE shall appoint an independent firm of chartered accountants **[at the cost of the JSE]** to audit the defaulter's books and accounting records in respect of the period ending on the date of default and to compile a list of creditors and debtors of the defaulter as at the day of default arising out of the stock exchange business carried on by the defaulter and to compile a statement of assets and liabilities of the defaulter as at the day of default in respect of that business. The JSE and the defaulter shall co-operate fully with the accountants in all respects in connection with that audit, including, but not limited to the production of the list of creditors and debtors and the statement of assets and liabilities as soon as is reasonably possible **[but in any event within three months from the date of default];**
- 8.40.5.3 the JSE shall, notwithstanding anything to the contrary contained in any lease between the defaulter and the lessor of the premises, have the right to occupy and forthwith take possession of any premises in which the defaulter carried on business at the date of default and the defaulter and its employees shall only enter these premises under the supervision of the JSE;

but the JSE shall not withhold from the defaulter reasonable access to the books and accounting records of such defaulter or to the premises where the books and accounting records are held.

8.40.6 If it should appear from the statement of assets and liabilities referred to in 8.40.5.2 that the defaulter's liabilities exceed **[their] its** assets, and if within 14 days from the date of finalisation of that statement of assets and liabilities no application has been made to a court of competent jurisdiction for the sequestration of the estate of the defaulter or, in the case of the default of a corporate entity, for the liquidation of that corporate entity, the defaulter shall by not later than 28 days after the said date take all requisite steps to the satisfaction of the JSE –

8.40.6.1 in the case of a sole proprietor or a partnership, for the surrender of its estate in accordance with the provisions of the Insolvency Act, 1936;

8.40.6.2 in the case of a corporate entity, for the winding up of that corporate entity by the court in accordance with the provisions of the Companies Act, 1973.

unless the JSE executive decide within that period **[by a majority of three-quarters of the broking members (equities) present at a meeting specially called for the purpose]** that special circumstances exist which make it undesirable for such action to be taken.

8.40.7 Upon receipt of the list of debtors and creditors referred in 8.40.5 the JSE shall within five business days thereafter send to each creditor a notice informing him, inter alia –

8.40.7.1 of the amount owing to him by the defaulter according to the books and accounting records of the defaulter;

8.40.7.2 of the powers conferred upon the JSE by these rules;

8.40.7.3 that he is entitled to institute, in his own right and at his own expense, action against the defaulter to recover the amount owing to him by such defaulter; and

8.40.7.4 if he intends taking action in his own right, that he shall advise the JSE thereof within 30 days from the date of the notice by means of a letter sent by registered post or handed over personally to the JSE.

8.40.8 It shall be a specific condition of membership of the JSE and all stock exchange transactions shall be subject to a condition that –

8.40.8.1 should any creditor of the defaulter, other than the JSE, within 30 days from the date of the notice referred to in 8.40.7 not serve notice upon the JSE advising **[them] it** that he is pursuing his claim against the defaulter in his own right, the JSE may at any time, and shall if the defaulter has not complied with the provisions of 8.40.6, **[at its own cost,]** take sole charge of and conduct in the name of such creditor any legal proceedings which it seems desirable to protect the interests of the Guarantee Fund, the JSE or the clients of the defaulter; provided that the JSE shall not be obliged to take or proceed with any such action if **[three-quarters of those present at a meeting of the JSE specially called for the purpose]** the JSE executive should decide that special circumstances exist which make it undesirable that any such action be taken;

8.40.8.2 a creditor of the defaulter who has not served the notice referred to in 8.40.8.1 shall be deemed to have given express irrevocable authority to **[any broking member (equities) of the JSE]** any member of the JSE executive to sign all and any documents required for the purpose

- of any legal proceedings including the power of attorney to commence proceedings on behalf of the creditor;
- 8.40.8.3 notwithstanding that a defaulter ceases to be a broking member (equities) on sequestration or excursion or, in the case of a corporate entity on liquidation, the provisions of Section 8 shall continue to bind every defaulter after it ceases to be a broking member (equities).
- 8.50 8.50.1 In the event of a default **[the JSE shall appoint a sub-Committee of not less than three of its broking members (equities) to which it shall delegate]** the JSE executive shall have the power to call meetings of creditors in the Stock Exchange Estate of the defaulter; to summon the defaulter before such meetings; to enter into an examination of every account; to **[report irregularities to the JSE]** investigate suspected irregularities; and to manage and deal with the Stock Exchange Estate in conformity with these rules, JSE directives, JSE decisions and the usage of the JSE.
- 8.50.2 The **[sub-Committee]** JSE executive shall cause a notice to be issued calling upon all broking members (equities) interested in the Stock Exchange Estate of the defaulter to file statements by a stated date of all amounts owing to and claims against the defaulter's Stock Exchange Estate.
- 8.50.3 Broking members (equities) who are debtors or creditors of the defaulter shall submit such statements by the stated date whether or not they consider that the **[sub-Committee]** JSE executive will admit any or all transactions enumerated in such statements.
- 8.50.4 All JSE settlement systems default procedures shall be binding upon defaulters and broking members (equities).
- 8.50.5 All claims shall be supported by such evidence from a JSE settlement system as may be considered necessary or, in respect of deals not subject to settlement through a JSE settlement system, by advice notes from the defaulter or advice notes from the claimant duly accepted when necessary by or on behalf of the defaulter. This shall not apply in the case of claims arising from loans of scrip against money, loans of money against scrip, general advances accounts and accounts of a similar nature.
- 8.50.6 No loan without reasonable security shall be admitted as a claim against the defaulter's Stock Exchange Estate. Should any creditor in such Estate receive repayment in whole or in part of his loan from a broking member (equities) on the day of his default, he shall refund the amount so received for the benefit of the defaulter's Stock Exchange Estate. A secured creditor shall be entitled to claim from the Stock Exchange Estate the amount so refunded to the defaulter.
- 8.50.7 The **[sub-Committee]** JSE executive shall accept as proof of claims arising from loans such evidence as it deems sufficient.
- 8.50.8 Amounts due by the defaulter to the JSE in terms of **[4.100]** 3.80 shall be a first charge against such defaulter's Stock Exchange Estate.
- 8.50.9 Scrip lent to or borrowed from the defaulter and loans of money made upon security of scrip shall be treated as stock exchange transactions and dealt with in accordance with 8.60.3.
- 8.50.10 A broking member (equities) which is a creditor in a defaulter's Stock Exchange Estate shall not sell, assign, pledge or encumber its claim against such Estate to a non-member without the consent of the **[sub-Committee]** JSE executive.
- 8.60 8.60.1 The **[sub-Committee]** JSE executive shall decide on all claims to be admitted against and contributions to be made to the Stock Exchange Estate of the defaulter.

- 8.60.2 For the purpose of Section 8 –
- 8.60.2.1 Open transactions for settlement through the Clearing House between broking members (equities) and the defaulter shall include –
- all transactions that are not due for settlement in the current settlement period;
 - all uncompleted delivery instructions between nominated deliverers and receivers in the current settlement period;
 - and shall exclude partially completed transactions.
- 8.60.2.2 "Partially completed transactions" means a transaction involving broking members (equities) entered into in terms of these rules which have been completed except for the payment of a monetary accrual or delivery of a scrip accrual.
- 8.60.2.3 A defaulting broking member (equities) shall not be entitled to any scrip that has been delivered to the Clearing House for its account by a deliverer and which is still in the defaulter's Clearing House box and has not been paid for by the defaulter. The **[General Manager] JSE** shall have the power to retrieve any scrip that such defaulter may have taken from the Clearing House box and for which the Clearing House has not been paid in full and which has not been pinned up so as to be identifiable as a client's property. Such scrip shall be returned to the deliverer by placing it in his Clearing House box and debiting his Delivery Account. The transaction to which such scrip relates shall be regarded as an open transaction and dealt with in accordance with 8.60.3.
- 8.60.2.4 In the event of a broking member (equities) being declared a defaulter or a broking member (equities) failing to pay its debit balance by the time required under the rules and directives or on demand or in the event of the securities and other property held for its account by the Clearing House being in the opinion of the **[General Manager] JSE executive** insufficient to afford adequate security for its obligation to the Clearing House or failing on demand to furnish additional collateral, the **[General Manager] JSE executive** in **[his] its** discretion, having been unable to return the scrip to the deliverer under 8.60.2.3, may cause all or any of the securities or other property held by the Clearing House for the account of that broking member (equities) to be sold. The proceeds of such sale shall be applied to the repayment of the defaulter's debit and any surplus shall be paid over to the broking member (equities) or the defaulter's Stock Exchange Estate as the case may be.
- 8.60.3 The closing of transactions of the defaulting broking member (equities) for settlement through the Clearing House shall be dealt with as follows:
- 8.60.3.1 The JSE shall procure that except insofar as obligations to the defaulter are involved, all open transactions or the uncompleted portions of partially completed transactions of the defaulting broking member (equities) are settled by the JSE buying in or selling out the securities in question or taking such other steps as may reasonably be necessary to procure that the obligations of the defaulter under such open transactions, partially completed transactions or settlement instructions are met.

- 8.60.3.2 If the JSE cannot act in terms of 8.60.3.1 at a price which the JSE, in its sole opinion, considers reasonable and within such period as may be stipulated in the JSE directives, the JSE shall procure that the open transactions, the uncompleted portions of partially completed transactions or settlement instructions referred to in 8.60.3 are reversed at a make-up price, fixed by the [sub-Committee] JSE executive appointed in terms of 8.50.1.
- 8.60.4 Monetary accruals on transactions for settlement through the Clearing House shall be dealt with as follows:
- 8.60.4.1 Subject to the provisions of 8.60.4.2, particulars of all monetary accruals due to or by a broking member (equities) in default as at the date and time of default shall be withdrawn from the Clearing House records and the broking members (equities) concerned shall deal with claims or contributions in connection with such monetary accruals in accordance with this rule.
- 8.60.4.2 All monetary accruals due to or by a broking member (equities) in default which have been included in a Clearing House statement for the settlement period current on that date shall be dealt with in terms of that statement.
- Settlement by other broking members (equities) shall proceed normally. Any cash shortfall in respect of such defaulter's dividend settlement account shall be met by the JSE which shall claim the shortfall from the defaulter's Stock Exchange Estate. Any cash surplus shall be paid by the Clearing House to the Stock Exchange Estate of the defaulter.
- 8.60.4.3 In cases where a transaction has been completed except for the payment of a monetary accrual to the defaulter, the accrual shall not form part of the defaulter's Stock Exchange Estate but shall be paid or delivered by the broking member (equities) concerned to the defaulter or to his executor or trustee as the case may be.
- 8.60.4.4 In cases where a transaction has been completed except for the payment of a monetary accrual by the defaulter, the broking member (equities) to whom the accrual is due, whether or not the accrual has been paid by the company, shall claim on the Stock Exchange Estate of the defaulter for the amount of the accrual; provided that no claim in respect of an accrual on a partially completed transaction shall be admitted if the accrual had been paid by the company more than seven business days prior to the default.
- 8.60.4.5 In cases where a monetary accrual is due to the defaulter on an open transaction, whether or not the accrual has been paid by the issuer, the amount of the accrual shall be paid to the defaulter's Stock Exchange Estate.
- 8.60.4.6 Subject to the provisions of 5.120.1, in cases where a monetary accrual is due by the defaulter on an open transaction, whether or not the accrual has been paid by the issuer, the broking member (equities) to whom the accrual is due shall claim on the defaulter's Stock Exchange Estate for the amount of the accrual.
- 8.60.5 Scrip accruals on transactions for settlement through the Clearing House shall be dealt with as follows:
- Scrip accruals which have not been converted into new and separate transactions in terms of 5.120.4 –

- 8.60.5.1 where a transaction has been completed except for the delivery to the defaulter of a scrip accrual on which no payment is due, such scrip accrual shall not form part of the defaulter's Stock Exchange Estate but shall be delivered by the deliverer to the defaulter or his executor or trustee as the case may be;
- 8.60.5.2 where a transaction has been completed except for the delivery by the defaulter of a scrip accrual on which no payment is due, the broking member (equities) to whom the accrual is due, whether or not the accrual has been delivered by the issuer, shall claim on the Stock Exchange Estate of the defaulter for the value of the accrual as fixed by the [sub-Committee] JSE executive; provided that no claim in respect of an accrual due on a partially completed transaction shall be admitted if the accrual was delivered by the issuer more than seven business days prior to the default;
- 8.60.5.3 where an accrual is due to the defaulter on an open transaction whether or not the accrual has been delivered by the issuer, the value of the accrual as fixed by the [sub-Committee] JSE executive shall be paid to the defaulter's Stock Exchange Estate;
- 8.60.5.4 where an accrual is due by the defaulter on an open transaction whether or not the accrual has been delivered by the issuer, the broking member (equities) to whom it is due shall claim on the defaulter's Stock Exchange Estate for the value of the accrual as fixed by the [sub-Committee] JSE executive.
- 8.60.6 In the event of the default of either party to a transaction in which one broking member (equities) is acting as agent for the other, the [sub-Committee] JSE executive may, provided it is satisfied that there has been no negligence on the part of the non-defaulting broking member (equities), admit claims based on balances due whether for cash or securities.
- 8.65 8.65.1 For the purpose of Section 8, open transactions for settlement through STRATE -
- 8.65.1.1 shall include all transactions due for settlement which have been concluded by the defaulter through the main order book of the JSE trading system; and
- 8.65.1.2 shall exclude all report only transactions which have been reported to the JSE trading system by the defaulter.
- 8.65.2 The closing of transactions of the defaulting broking member (equities) for settlement through STRATE shall be dealt with as follows;
- 8.65.2.1 The JSE shall use its best endeavours to procure that all open transactions in terms of 8.65.1.1 between the defaulter and other broking members (equities) and non-members are settled, by taking such steps as may reasonably be necessary.
- 8.65.2.2 In procuring settlement of these open transactions, the JSE shall require clients of the defaulter to meet their settlement obligations in respect of all open transactions executed on their behalf.
- 8.65.2.3 Any funds or securities held by the defaulter or their custody and settlement agent on behalf of controlled clients or received by the defaulter or the JSE from controlled clients subsequent to the default, which are required to effect settlement of open transactions conducted on behalf of those clients, will be applied by the JSE to settle such transactions.

- 8.65.2.4 If the JSE is unable to procure the settlement of any open transactions in terms of 8.65.1.1, the failed trade procedures set out in 14.150 will be applied.
- 8.70 8.70.1 A broking member (equities) owing an amount to and having a claim against the Stock Exchange Estate of a defaulter shall have the right of set-off in respect thereof.
- 8.70.2 In the event of a transaction between broking members (equities) being in dispute and unsettled at the time of default, the [sub-Committee] JSE executive shall have the power to investigate and decide such dispute, such decision being binding on both the defaulter and the counterparty to the deal.
- 8.70.3 Differences arising out of buying in securities in terms of 5.100.7 shall be allowed as claims in the defaulter's Stock Exchange Estate and any profit made thereon shall be paid to the defaulter's Stock Exchange Estate.
- 8.70.4 Subject to any right it may have to repudiate the contract for any lawful reason, a broking member (equities) shall be responsible to its client for the due fulfilment of a transaction in the same manner as if such transaction had not been closed by the [sub-Committee] JSE executive.
- 8.70.5 The admission or otherwise of claims against or contributions to the Stock Exchange Estate of a defaulter, which arise from transactions in securities the listing of which is suspended or terminated as at the time of default, shall be at the discretion of the [sub-Committee] JSE executive. The [sub-Committee] JSE executive shall have discretion also to fix prices at which such transactions shall be closed if admitted, irrespective of any action which may have been taken in terms of 1.40.3.3 and 5.100.16 to 5.100.21.
- [8.70.6 The JSE shall fund any shortfall between the amount of a defaulter's guarantees in respect of the JSE settlement systems and its actual liability to these systems. In such case the JSE shall have a claim for such amount against the defaulter and against its Stock Exchange Estate.]
- 8.70.6 In procuring that open transactions for settlement through STRATE are settled in terms of 8.65.2.1, the JSE shall be entitled to buy in or sell out any securities which cannot be either delivered or paid for by the defaulter or its client, in those instances where the settlement authority is able to procure the settlement of a transaction by means of the borrowing of securities or funds.
- 8.70.7 Any loss or costs incurred by the JSE in buying in or selling out securities in terms of 8.60.3.1 or 8.70.6, or in otherwise procuring the settlement of open transactions for settlement through the clearing house or through STRATE, shall, in the first instance, be recovered by the JSE from any guarantees or any margin provided by the defaulter in respect of these JSE settlement systems.
- 8.70.8 Any loss or costs which cannot be recovered by the JSE in terms of 8.70.7 shall be recovered by selling so many of any other listed securities belonging to the defaulter and held by or in the custody of the defaulter or their custody and settlement agent, as is necessary to realise an amount equal to the amount still owing to the JSE by the defaulter.
- 8.70.9 The provisions of 8.70.8 shall not apply to any listed securities belonging to the defaulter which have been provided as security for a loan or an advance.
- 8.70.10 In the event that the JSE is unable to recover any loss or costs in terms of 8.70.7 or 8.70.8 and such loss or costs were incurred in either settling or closing transactions for settlement through STRATE concluded by the defaulter on behalf of a client, the JSE may, notwithstanding anything else contained in these rules, claim such loss or costs from the client.

- 8.70.11 Notwithstanding the provisions of 8.70.10, any claim by the defaulter or the JSE against a client of the defaulter in terms of 8.70.10 shall be reduced by the amount of margin paid by the client to the defaulter in respect of the particular transactions in terms of 14.190.
- 8.70.12 In the event that a non-controlled client or a controlled client of the defaulter is unable to meet its settlement obligations in terms of 8.65.2.2, the provisions of 14.120.5 and 14.130.4 respectively shall apply. If the settlement authority is able to procure the settlement of the transaction by means of the borrowing of securities or funds, as the case may be, the JSE shall be entitled to proceed in terms 14.140.9 by concluding the relevant purchase or sale transactions for the account of the client.
- 8.70.13 Any amount claimed from a client by the JSE in terms of 8.70.10 and 8.70.11 may be recovered directly out of any funds or securities held by the defaulter or their custody and settlement agent on behalf of the client.
- 8.70.14 In the event that the JSE is unable to recover any loss or cost incurred in terms of 8.70.7 to 8.70.13, the JSE shall have a claim for such amount against the defaulter and against its Stock Exchange Estate.
- 8.80 8.80.1 A broking member (equities) whose estate is provisionally sequestered or a corporate entity which is placed in provisional liquidation or under provisional judicial management shall be automatically suspended during the period of such provisional sequestration, liquidation or judicial management.
- 8.80.2 A broking member (equities) whose estate is finally sequestered or a corporate entity which is finally placed in liquidation or under judicial management shall ipso facto cease to be a broking member (equities) and 3.350, 8.10 to 8.60, 8.90 and 8.100 shall apply in the same manner as if such insolvent were a defaulter.
- 8.90 The assets of the Stock Exchange Estate of a defaulter or insolvent shall consist of –
- 8.90.1 any JSE rights held by the defaulter or insolvent;
- 8.90.2 any difference paid to the **[General Manager] JSE** in terms of 8.60;
- 8.90.3 any money or security paid to such Estate in terms of 8.20;
- 8.90.4 any amounts refunded in terms of 8.50.6;
- 8.90.5 any profit accruing to such Estate in terms of 8.120;
- 8.90.6 any dividend accruing from the Stock Exchange Estate of another defaulter or insolvent;
- 8.90.7 any cheque received from another broking member (equities) in respect of stock exchange transactions and which cheque has not been paid;
- 8.90.8 any amounts paid to such Estate in terms of 3.80.5;
- 8.90.9 any amount paid by a JSE settlement system to the Stock Exchange Estate;
- 8.90.10 any margin paid to the JSE which has not been utilised to compensate the JSE for any amounts incurred in settling or closing transactions for settlement through STRATE on behalf of the defaulter.
- 8.100 Claims in respect of dishonoured cheques may, provided they otherwise comply with these rules, be admitted in a defaulter's or insolvent's Stock Exchange Estate if such cheques are dishonoured on the day of default or insolvency or within a reasonable time thereafter.
- 8.110 Rules 8.10 to 8.100 shall apply in respect of securities and other items which may be dealt in through the JSE trading system.

8.120 Deaths

- 8.120.1 On the death of a sole proprietor or the director of a single director corporate entity having transactions open with a broking member (equities) under these rules the JSE may, in its discretion, close any or all transactions on learning of the death or on the date when each of such transactions would otherwise have respectively matured, and all differences shall be settled on a price to be fixed by the JSE. Should there be a profit on any of such transactions in favour of the broking member (equities) such profit shall be paid by the **[General Manager] JSE** to the executor of the deceased sole proprietor or director if the JSE considers such deceased person's estate to be solvent. If the JSE considers the deceased person's estate to be insolvent such profit shall form part of such deceased person's Stock Exchange Estate and be dealt with in terms of the rules relating thereto.
- 8.120.2 Any transactions which are not closed by the JSE shall be dealt with by the executors in accordance with the terms of the transactions.
- 8.120.3 On the death of the sole proprietor or on the death of the director of a single director corporate entity or of a former sole proprietor, or single director of a corporate entity if the broking member (equities) through which the sole proprietor or director conducted business had a residue of unsettled transactions, all transactions with the broking member (equities) that were recorded by a JSE settlement system but were not due for settlement at the date of death shall be withdrawn from the records of the relevant JSE settlement system. The counterparty members shall settle all such transactions with the executor of the deceased person's estate. All uncompleted delivery instructions in the current settlement account of the Clearing House between a nominated deliverer or receiver, as the case may be, and the broking member (equities) through which the sole proprietor or director conducted business shall be settled by such party direct with the executor of the deceased person's estate. Should the nominated deliverer or receiver incur a loss by so doing it shall be reimbursed by the JSE.