



Financial Sector
Conduct Authority

FSCA FM NOTICE 4 OF 2026

FINANCIAL MARKETS ACT, 2012 (ACT NO. 19 OF 2012)

**EXEMPTION OF J.P. MORGAN EQUITIES SOUTH AFRICA (PROPRIETARY) LIMITED FROM
REGULATION 2(1)(a) OF THE REGULATIONS UNDER THE FINANCIAL MARKETS ACT,
2012 READ WITH SECTIONS 5 AND 6(8)(a) OF THE FINANCIAL MARKETS ACT, 2012**

The Financial Sector Conduct Authority, under section 6(3)(m) of the Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA) read with section 281(3) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) exempts J.P. Morgan Equities South Africa (Proprietary) Limited from Regulation 2(1)(a) of the Regulations under the FMA read with sections 5 and 6(8)(a) of the FMA to the extent set out in the Schedule.

A handwritten signature in black ink, appearing to be 'Kedibone Dikokwe', written in a cursive style.

**KEDIBONE DIKOKWE
DIVISIONAL EXECUTIVE: MARKET INTEGRITY AND DECISION SCIENCES
FINANCIAL SECTOR CONDUCT AUTHORITY**

Date of publication: 5 June 2026

SCHEDULE

EXEMPTION OF J.P. MORGAN EQUITIES SOUTH AFRICA (PROPRIETARY) LIMITED FROM REGULATION 2(1)(a) OF THE REGULATIONS UNDER THE FINANCIAL MARKETS ACT, 2012 READ WITH SECTIONS 5 AND 6(8)(a) OF THE FINANCIAL MARKETS ACT, 2012

1. Definitions

In this Schedule “**the Act**” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), “**the FMA**” means the Financial Markets Act, 2012 (Act No. 19 of 2012), and “**the FMA Regulations**” means the Financial Markets Act Regulations published under Government Notice R98 in Government Gazette 41433 of 9 February 2018, and any word or expression to which a meaning is assigned in the Act, the FMA or the FMA Regulations bears, subject to context, the meaning so assigned to it unless a different meaning is assigned elsewhere in this Schedule, and

“**J.P. Morgan Equities South Africa**” means J.P. Morgan Equities South Africa (Proprietary) Limited, a private company incorporated in accordance with the Companies Act, 2008 (Act No.71 of 2008) with registration number 1995/011815/07;

“**J.P. Morgan Securities**” means J.P. Morgan Securities plc, a subsidiary of J.P. Morgan Capital Holdings Limited and incorporated according to the laws of the United Kingdom; and

“**OTC derivative instruments**” for purposes of this notice means equity linked notes or OTC swap derivatives.

2. Applicable Legislation

- (1) In terms of Regulation 2(1) of the FMA Regulations, a person may not-
 - (a) act as an OTC derivative provider; or
 - (b) advertise or hold itself out as an OTC derivative provider; unless authorised by the Authority in terms of section 6(8) of the FMA.
- (2) Section 6(3)(m) of the FMA provides that the Authority may exempt, for a specified period which may be renewed, any person or category of persons from the provisions of a section of the FMA if the Authority is satisfied that—
 - (a) the granting of the exemption will not—
 - (i) conflict with the public interest; or
 - (ii) frustrate the achievement of the objects of the FMA; and
 - (b) the application of the section will cause the applicant or clients of the applicant financial or other hardship or prejudice.
- (3) Section 281(4) of the Act further requires that where the Authority grants an exemption in terms of a financial sector law, the requirements of section 281(3) must be met, and such exemption must be published. The FMA is a financial sector law as defined in section 1(1) read with Schedule 1 of the Act.

3. Extent of the Exemption and conditions

- (1) J.P. Morgan Equities South Africa is hereby exempted from Regulation 2(1)(a) of the FMA Regulations read with sections 5 and 6(8)(a) of the FMA pursuant to section 6(3)(m) of the FMA.
- (2) The exemption is granted to J.P. Morgan Equities South Africa subject to the following conditions:
 - (a) J.P. Morgan Equities South Africa must issue only OTC derivative instruments to J.P. Morgan Securities on a reverse solicitation or enquiry basis;
 - (b) The OTC derivative transactions must, at all times, be restricted to transactions between J.P. Morgan Equities South Africa and J.P. Morgan Securities;
 - (c) J.P. Morgan Equities South Africa may only act as an OTC derivative provider in relation to J.P. Morgan Securities and no origination, issuance and market-making in OTC derivative transactions may take place with external third-party clients and counterparties;
 - (d) J.P. Morgan Equities South Africa may not solicit business in OTC derivative instruments from J.P. Morgan Securities;
 - (e) All OTC derivative transactions must fall below the maximum thresholds for intra-group transactions set in Joint Standard 2 of 2020: Margin requirements for non-centrally cleared OTC derivatives transactions as determined from time to time;
 - (f) J.P. Morgan Equities South Africa must, at all times, maintain appropriate risk management, valuation frameworks, and sound governance structures as well as exercise sufficient oversight over all OTC derivative transactions;
 - (g) J.P. Morgan Equities South Africa will immediately inform the Authority of any change to the particulars furnished in and relating to the exemption application;
 - (h) J.P. Morgan Equities South Africa must report all OTC derivative transactions to the Authority on a monthly basis in the form and manner required by the Authority, and at any time upon receipt of a written request from the Authority;
 - (i) J.P. Morgan Equities South Africa must, upon the written request of the Authority, establish the nominal value of OTC derivatives instruments on a daily basis, and report the values to the Authority
- (3) Failure by J.P. Morgan Equities South Africa to comply with any conditions referred to in subparagraph (2) will result in the exemption no longer being applicable to J.P. Morgan Equities South Africa.
- (4) The Authority may at any time after the granting of the exemption and before the expiry of the exemption, revoke the exemption should it deem it necessary and appropriate to do so.

- (5) This exemption will, subject to paragraph 4 below, be valid for a period of 36 months from the date of publication.

4. Amendment and withdrawal of Exemption

This Exemption is subject to-

- (1) amendment thereof published by the Authority by notice on the website of the Authority;
and
- (2) withdrawal in a like manner.

5. Short title and commencement

This Notice is called the Exemption of J.P. Morgan Equities South Africa (Proprietary) Limited from Regulation 2(1)(a) of the FMA Regulations, 2026 and takes effect on the date of publication.