

CSDs: **Strate (South Africa)**Date: **06 Aug 2012**SMI Markets: **South Africa**CMIRR Markets: **South Africa**

Amendment to Proxy Voting Directive and CSD Rules

Following the promulgation of the new Companies Act 71 of 2008 and Companies Regulations 2011, Strate has amended the CSD rules and Directives in order to reflect the new market practice. Please note that the Companies Act 71 of 2008 Section 59(2) (a) and (b), which has been expanded on in Companies Regulation 37(1), requires issuers of listed securities to publish two record dates: a notice record date and a meeting record date.

Accordingly, Strate has included CSD Rule 3.20 for issuers, detailing the manner in which they may set the record date provided for in Chapter 2 part E of the Companies Act, and has amended rules 5.9 and 5.10. These are subject to approval of the Financial Services Board (FSB).

In addition, two new clauses have been added to Directive SC.5 (Proxy Procedure – Domestic Companies - Equities) Central Securities Depository:

- Clause 2.4.1, which states that participants must upon receipt of announcements distribute such announcements to their clients in accordance with Directive SC.4 Processing of Corporate Actions – Equities.
- Clause 2.13.1, which states that issuers must publish a meeting record date that is at least three business days prior to the meeting.

The new clauses will become effective on 3 September 2012. The official announcement and further details are available here, page 10: [Starte Talk](#).

CSD Risk Impact

Strate (South Africa)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = AA

Flash Impact = Positive

The requirement for participants to distribute announcements to their clients upon receipt of such announcements, and for issuers to publish a meeting record date that is at least three business days prior to the meeting, is considered positive for the market and particularly for Asset Servicing Risk.

Market Information Impact

South Africa

This information affects the data contained in the Proxy Voting/Corporate Governance sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

South Africa

Market Rating: AA-

Market Flash Impact: Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = AA-

Flash Impact = Positive

The requirement for participants to distribute announcements to their clients upon receipt of such announcements, and for issuers to publish a meeting record date that is at least three business days prior to the meeting, is considered positive for the market and particularly for Asset Servicing Risk.

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