

## JSE fails in halting ZAR X licence

The Financial Services Board (FSB) Appeal Board has dismissed the JSE's urgent application to suspend its decision to grant ZAR X a stock exchange licence.

ZAR X was granted its licence to operate as a stock exchange on August 31, clearing the way for the launch of South Africa's first new stock exchange in more than 100 years.



500,000	1.03	▲	+0.24
25,000	0.98	▲	+0.98
30,000	105.53	▲	+1.99
500,000	20.32	▲	+0.23
30,000	403.15	▲	+0.88
300,000	10.10	▲	+0.32
4,000,000	0.12	▲	+0.14
300,000	1.53	▲	+0.50
150,000	2.88	▲	+1.08
100,000	6.03	▲	+0.03

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Geoff Cook, ZAR X commented: "We welcome the FSB judgment. Deputy chair of the appeal board, Judge LTC Harms, clearly states there is no evidence the JSE would suffer harm or prejudice. It is disappointing that the JSE has persisted in their strategy of pursuing technical legal processes in an attempt to delay the emergence of a genuine competitor."

"The JSE's latest failed attempt questioned the process followed by the FSB and raised the spurious possibility of harm to investors and the country's financial system. The suggestion that competition to the JSE is bad for investors and financial markets is not only baseless, it poses a risk to the hard-won reputation of South Africa's robust and efficient financial system."

### JSE responds

In a statement, the JSE said it acknowledges the decision by the FSB to dismiss its urgent application for the suspension of the FSB's decision to grant ZAR X an exchange licence.

"South Africa is known for its high regulatory standards in financial markets and we believe this plays a significant role in attracting investment," it said.

"The JSE is not opposed to competition. However, we believe that all competitors must compete on a level playing field with all participants bound by the same set of rules and in an environment in which important issues of public policy have been settled - issues such as regulatory standards, systemic risk and investor protection."

The bourse explained that this is how regulators around the world have approached the introduction of more than one exchange or financial market infrastructure provider

The board's ruling noted:

- The application failed at the first hurdle as there was no allegation the JSE as appellant would suffer harm or prejudice.
- On costs, if the judge had had the power he would have made an order in favour of ZAR X.
- On the merits of the case, this was "not a matter where it can be said with confidence the appeal will succeed".

"The main JSE appeal against the award of a stock exchange licence to ZAR X will be heard at a future date. Hopefully, the judgment will discourage the continuation of the main appeal as well as any other party looking to employ a similar tactic," he said.

ZAR X sets out a new vision for stock exchange operations by introducing a low-cost model that promotes financial inclusion for both investors and issuers.

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