



**MEDIA RELEASE**



Johannesburg  
Stock Exchange

Tel: +27 11 520 7000  
Fax: +27 11 520 8584

[www.jse.co.za](http://www.jse.co.za)

**JSE and Eris Exchange Announce Swap Futures Licensing Partnership**

*JSE to Launch Interest Rate, Cross-Currency and Credit Default Swap Futures Based on the Eris Methodology™*

**Johannesburg, 15 April 2015**, The Johannesburg Stock Exchange (JSE), Africa's largest exchange, today announced that it signed a multi-year licensing agreement with Eris Exchange (Eris), a U.S.-based futures exchange group, to list swap futures on the South African Exchange. The license agreement enables the JSE to launch multiple swap futures products based on the Eris Methodology, Eris' product design for constructing capital-efficient futures that replicate the economics of OTC swaps, which incorporates intellectual property, expertise and patent-pending innovations.

"Signing this license agreement with Eris is an important move for the JSE. We consulted with our market participants to garner their needs and we believe that providing these swap futures products via the JSE will offer our clients the regulatory certainty of futures and allow market participants to operate within the familiar eco-system of futures while broadening their international exposure," says Warren Geers, Head: Interest Rates and Currencies at the JSE.

The initial focus of the agreement will be to list and trade Interest Rate Swap (IRS) futures. These products will be based on the Johannesburg Interbank Agreed Rate (JIBAR) and denominated in South African Rand (ZAR). The products will follow the standard South African swap market conventions while using the Eris Methodology, allowing the contracts to replicate the cash flows of OTC swaps. Authorised trading members and their clients will only need standard futures documentation, rather than ISDA Master Agreements that are required to trade bilateral OTC swaps.

The Eris Methodology replicates the economics of OTC swaps in the form of capital-efficient futures products that consolidate the gross cash flows of analogous OTC swaps into a single futures price, resulting in cash flow occurring through variation margin. Swap futures based on the Eris Methodology remain futures throughout the full lifecycle of the position with no risk of delivery, and can be held to their maturity date.

"As Eris continues to roll out the Eris Methodology for designing cash-settled swap futures to new jurisdictions and asset classes, we are delighted to partner with JSE as the leading exchange in South Africa," said Neal Brady, CEO of Eris Exchange. "Having recently set a new monthly volume record of 5,122 contracts per day in March—along with a new open interest record—for our flagship Eris Swap Futures in the U.S. dollar interest rate market, we are eager to see this momentum translate into growth in South African Rand-denominated swap futures."

The agreement also allows the JSE the potential to list Cross-Currency Swap Futures, as well as Credit Default Swap Futures on South African single names and baskets.

Recent announcements from Eris include Intercontinental Exchange (ICE) and Montreal Exchange (MX) licensing the Eris Methodology. The JSE believes this is a clear indication of the benefit and direction that exchange traded swap futures are heading.

**ENDS**

---

#### **ABOUT JSE**

The Johannesburg Stock Exchange is based in South Africa where it has operated as a market place for the trading of financial products for 125 years. It connects buyers and sellers in equity, derivative and debt markets. The JSE is one of the top 20 exchanges in the world in terms of market capitalisation and is a member of the World Federation of Exchanges (WFE). The JSE offers a fully electronic, efficient, secure market with world class regulation, trading and clearing systems, settlement assurance and risk management. [www.jse.co.za](http://www.jse.co.za)

#### **ABOUT ERIS EXCHANGE**

The Eris Exchange group includes a futures exchange registered in the U.S. as a Designated Contract Market with the CFTC. The Exchange lists cash-settled interest rate swap futures with current open interest exceeding 170,000 contracts. Contracts traded on the Exchange are cleared by clearing firms through CME Clearing. For more information, visit Eris Exchange online at [www.erisfutures.com](http://www.erisfutures.com) or follow us on Twitter @erisfutures

Trademarks of Eris Exchange and/or its affiliates include Eris, Eris Exchange, Eris SwapBook, Eris BlockBox, Eris PAI and Eris Methodology.

#### **Media Contacts**

##### **JSE**

Pheliswa Mayekiso  
Media Officer  
JSE Limited  
(011) 520 7495

##### **Eris Exchange**

Christopher Rodriguez  
Chief Marketing and Relationship Management Officer  
(212) 561-5472  
[Christopher.Rodriguez@erisfutures.com](mailto:Christopher.Rodriguez@erisfutures.com)