

South Africa

Legal Practice Act, 2014

Regulations under section 109(1)(bA) of the Legal Practice Act, 2014 Government Notice R1183 of 2018

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Regulations under section 109(1)(bA) of the Legal Practice Act, 2014

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South Africa

Legal Practice Act, 2014

Regulations under section 109(1) (bA) of the Legal Practice Act, 2014 Government Notice R1183 of 2018

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I, Tshililo Michael Masutha, Minister of Justice and Correctional Services, hereby, under section 109(1)(bA), read with sections 97(6) and 94(1) of the Legal Practice Act, 2014 ([Act No. 28 of 2014](#)), make the regulations in the Schedule.

TM Masutha, MP

Minister of Justice and Correctional Services

1. Definitions

In these regulations any word or expression to which a meaning has been assigned in the Act bears the meaning so assigned to it and, unless the context otherwise indicates—

“the Act” means the Legal Practice Act, 2014 ([Act No. 28 of 2014](#)).

2. Manner in which teachers of law are designated for purposes of Council

- (1) In this regulation “ordinary member” means—
 - (a) in the case of the South African Law Deans Association, a person who is an ordinary member thereof, as defined by the [Constitution](#) for the South African Law Deans Association; and
 - (b) in the case of the Society of Law Teachers of Southern Africa, a person who is an ordinary member thereof, as defined by the [Constitution](#) of the Society of Law Teachers of Southern Africa, as approved on 26 January 1989 and amended in July 1990, July 1994, January 1996 and July 2003.
- (2) Whenever a vacancy in the Council occurs of a dean of a faculty of law the Council must dispatch a notice to the President of the South African Law Deans Association, calling on it, before a stipulated date, to designate a dean of a faculty of law at a university in the Republic to be a member of the Council as contemplated in section 7(1)(b) of the Act.
- (3) The President of the South African Law Deans Association must, within 14 days after receipt of the notice referred to in subregulation (2), send a notice by email to every ordinary member of the Association, calling for nominations of deans of law for designation to the Council in the vacancy that has occurred.
- (4) The notice referred to in subregulation (3) must—
 - (a) draw the attention of the ordinary members to the provisions of section 7(2) of the Act; and
 - (b) stipulate a date by which the nominations must be emailed to the President, which date may not be earlier than ten days from the date of the notice.

- (5) A nomination of a dean of law must be made in a document which provides the following information in respect of the nominee:
 - (a) His or her name and identity number;
 - (b) his or her race and gender;
 - (c) if he or she has a disability and wishes to disclose that fact, a statement to that effect and the nature of the disability; and
 - (d) his or her knowledge and experience in the matters set out in section 7(2)(e) of the Act.
- (6) The nomination document referred to in subregulation (5) must—
 - (a) be signed by two ordinary members;
 - (b) be endorsed, over the signature of the nominee named therein, by his or her acceptance of the nomination;
 - (c) contain the nominee's confirmation that—
 - (i) the information given therein is correct; and
 - (ii) he or she is not disqualified in terms of section 8 of the Act from membership of the Council; and
 - (d) be sent by email to the President of the South African Law Deans Association.
- (7) If more than one candidate is nominated, the President of the South African Law Deans Association must, within 14 days after the last day on which nominations were required to be emailed in terms of subregulation (4), send to every ordinary member of the Association, by email, a copy of all the nomination documents and request that ordinary member to vote, by way of an email sent to the President, before a specified date, for one dean of law for designation to the Council.
- (8) After the date on which the nominations were required to be emailed in terms of subregulation (7), the President of the South African Law Deans Association must—
 - (a) in the presence of at least one other ordinary member, open the emails sent to him or her and count the votes so received;
 - (b) retain the received emails for a period of three months after the date referred to in subregulation (4); and
 - (c) after the three month period, destroy all the emails, unless ordered otherwise by an order of court.
- (9) If there is a tie between two or more nominees, which results in there being uncertainty which one has received the most votes, the question must be resolved immediately by lot drawn by the President of the South African Law Deans Association in the manner determined by him or her and in the presence of at least one ordinary member.
- (10) The President of the South African Law Deans Association must—
 - (a) cause each nominee to be advised of the result of the voting; and
 - (b) advise the Council of the particulars of the designated dean of law.
- (11) Whenever a vacancy in the Council occurs of a teacher of law the Council must dispatch a notice to the President of the Society of Law Teachers of Southern Africa, calling on it, before a stipulated date, to designate a teacher of law at a faculty of law at a university in the Republic to be a member of the Council as contemplated in section 7(1)(b) of the Act.
- (12) The President of the Society of Law Teachers of Southern Africa must, within 14 days after receipt of the notice referred to in subregulation (11), send a notice, by email, to every ordinary member of

the Society, calling for nominations of teachers of law for designation to the Council in the vacancy that has occurred.

- (13) The notice referred to in subregulation (12) must—
- (a) draw the attention of the ordinary members to the provisions of section 7(2) of the Act; and
 - (b) stipulate a date by which the nominations must be emailed to the President, which date may not be earlier than ten days from the date of the notice.
- (14) Any nomination of a teacher of law must be made in a document which provides the following information in respect of the nominee:
- (a) His or her name and identity number;
 - (b) his or her race and gender;
 - (c) if he or she has a disability and wishes to disclose that fact, a statement to that effect and the nature of the disability; and
 - (d) his or her knowledge and experience in the matters set out in section 7(2)(e) of the Act.
- (15) The nomination document referred to in subregulation (14) must—
- (a) be signed by two ordinary members;
 - (b) be endorsed, over the signature of the nominee named therein, by his or her acceptance of the nomination;
 - (c) contain the nominee's confirmation that—
 - (i) the information given therein is correct; and
 - (ii) he or she is not disqualified in terms of section 8 of the Act from membership of the Council; and
 - (d) be sent by email to the President of the Society of Law Teachers of Southern Africa.
- (16) If more than one candidate is nominated, the President of the Society of Law Teachers of Southern Africa must, within 14 days after the last day on which nominations were required to be emailed in terms of subregulation (13), send to every ordinary member of the Society, by email, a copy of all the nomination documents and request that ordinary member to vote, by way of an email sent to the President and before a specified date, for one teacher of law for designation to the Council.
- (17) After the date on which the nominations were required to be emailed in terms of subregulation (16), the President of the Society of Law Teachers of Southern Africa must—
- (a) in the presence of at least one ordinary member of the Society, open the emails sent to him or her and count the votes so received;
 - (b) retain the received emails for a period of three months after the date referred to in subregulation (13); and
 - (c) after the three month period, destroy all the emails, unless ordered otherwise by an order of court.
- (18) If there is a tie between two or more nominees, which results in there being uncertainty which one has received the most votes, the question must be resolved immediately by lot drawn by the President of the Society of Law Teachers of Southern Africa in the manner determined by him or her and in the presence of at least one ordinary member.
- (19) The President of the Society of Law Teachers of Southern Africa must—
- (a) cause each candidate to be advised of the result of the voting; and
 - (b) advise the Council of the particulars of the designated teacher of law.

- (20) The first designation of the members of the Council referred to in section 7(1)(b) must be conducted under the authority of the National Forum on the Legal Profession established in terms of section 96(1) of the Act and this regulation will apply, with the necessary changes required by the context, to the process in respect of the first designation.

3. Certificate to be issued by the registrar of a Division of High Court

The certificate which a registrar must issue in terms of section 25(3) of the Act must be in a form that substantially corresponds with Annexure A to these regulations.

4. Appropriate relevant experience

- (1) The following experience or service may be recognised as appropriate relevant experience for purposes of section 25(3)(b) of the Act:
- (a) Practice as an advocate by any person who has been admitted to practise as an advocate of the High Court of South Africa under section 3 of the Admission of Advocates Act, or who has been admitted and enrolled as an advocate under the Act and who has practised in that capacity for a continuous period of not less than three years prior to the date of application: Provided that this period may be reduced by the Council if the advocate has undergone a trial advocacy programme approved by the Council as set out in the rules;
 - (b) service as a magistrate by a person who has been appointed as a magistrate under section 9 of the Magistrates' Courts Act, 1944 ([Act No. 32 of 1944](#)), read with section 10 of the Magistrates' Act, 1993 ([Act No. 90 of 1993](#)), and who has served in that capacity for a continuous period of not less than three years prior to the date of application; or
 - (c) service as a prosecutor by any person who has been appointed as a prosecutor under section 16 of the National Prosecuting Authority Act, 1998 ([Act No. 32 of 1998](#)), and who has served in that capacity for a continuous period of not less than three years prior to the date of application.
- (2) A period of not more than ten years may elapse between the date on which such practice or service ended or has been completed or terminated and the date on which application for the right of appearance by the attorney is made.

5. Manner in which application is made to court for order to pay compensation

- (1) The Council may apply to any court having jurisdiction for an order for confirmation of an order by a disciplinary committee that a legal practitioner or a juristic entity be required to pay compensation, with or without interest, to the complainant in respect of alleged misconduct on the part of a legal practitioner, candidate legal practitioner or juristic entity, as contemplated in section 40(3)(a)(i) and section 40(3)(b)(i) of the Act.
- (2) Any application referred to in subregulation (1) must be on notice to the legal practitioner or juristic entity concerned and must be made in accordance with the rules of the magistrates' court or of the High Court, as the case may be.

6. Government and other securities in which Board can invest surplus funds

- (1) For purposes of this regulation—
- “asset in liquid form” means—
- (a) cash;
 - (b) bankers' acceptances, commercial paper, debentures, bank deposits, Land Bank bills, National housing bills, negotiable certificates of deposit, parastatal bills, promissory notes, and treasury bills capable of being converted into cash within seven days; and

(c) participatory interests in a money market portfolio of a collective investment scheme;

“asset portfolio” in relation to the fund, means the portfolio of underlying assets comprising the fund;

“bank” means a bank as defined in the Banks Act, 1990 ([Act No. 94 of 1990](#)), and a mutual bank as defined in the Mutual Banks Act, 1993 ([Act No. 124 of 1993](#)), registered otherwise than provisionally;

“banker’s acceptance” means a bill as defined in the Bills of Exchange Act, 1964 ([Act No. 34 of 1964](#)), drawn on and accepted by a bank;

“bill of exchange” means a short-term negotiable debt instrument;

“call option” means a derivative instrument that allows the holder the right, but not an obligation, to buy a pre-determined quantity of an underlying asset at a predetermined price, on or before a predetermined date;

“call warrant” means an instrument that gives the holder the right to buy shares from the issuer;

“Code of Practice” means the Code of Practice Relating to Fund Classification for South African Regulated Collective Investment Portfolios, as issued by the Association of Collective Investments South Africa, which Code of Practice became effective on 16 September 2008;

“Collective Investment Schemes Control Act” means the Collective Investment Schemes Control Act, 2002 ([Act No. 45 of 2002](#));

“collective investment scheme” means a scheme as defined in the Collective Investment Schemes Control Act;

“commercial paper” means any negotiable acknowledgement of short-term debt issued by a company;

“contract size” or “multiplier”, in relation to a financial instrument, means the factor by which the price of an underlying asset is multiplied to arrive at the value of one contract as specified in either —

(a) the rules of the relevant exchange on which the financial instrument is listed; or

(b) the terms and conditions as defined in the offering document of the relevant financial instrument;

“convertible debenture” means a debenture in terms of which the debenture holder has the option to return the debenture to the issuer in exchange for a specified number of equity shares of that issuer within a specified time period;

“core liabilities” refers to the liabilities of the Fund as determined by section 72(2) of the Act;

“credit default swap agreement” means an agreement between two parties to transfer the credit exposure of fixed income assets according to a prearranged formula which is specified at the time the agreement is entered into;

“debenture” includes debenture stock, debenture bonds and any other securities of a company, whether constituting a charge on the assets of the company or not;

“delta” or “delta factor” in relation to a financial instrument, means the requirement for an exposure calculation for financial instruments as determined in accordance with—

(a) a method prescribed by the relevant exchange for the specific financial instrument; or

(b) the terms and conditions as defined in the offering document of the relevant financial instrument;

“deposit” means a deposit as defined in the Banks Act, 1990;

“direct holding” means a holding without any intermediaries;

“effective exposure” in relation to a financial instrument, means the exposure as calculated in terms of subregulation (18);

“equities” means—

- (a) ordinary or preference shares in companies, excluding shares in property companies;
- (b) convertible debentures, whether voluntarily or compulsorily convertible; and
- (c) participatory interest in a collective investment scheme which are classified as equity portfolios in paragraph 2 of the Code of Practice;

“financial instrument” means—

- (a) a futures contract;
- (b) an option contract, whether a call or put;
- (c) a warrant;
- (d) an index tracking certificate;
- (e) an instrument based on an underlying asset;
- (f) a swap agreement;
- (g) a forward rate agreement; and
- (h) a credit default swap agreement:

Provided such instrument is fully covered, is priced on a mark-to-market basis daily and complies with all limits applicable to it as determined by the exchange on which it is listed;

“forward rate agreement” means an agreement between two parties to borrow or lend a specified amount at a specified future date at an interest rate that is fixed at the time the agreement is entered into;

“futures contract” means a derivative instrument that obligates the holder to buy a predetermined quantity of an underlying asset at a predetermined price, on or before a predetermined date;

“index futures contract” means a future on an index;

“index tracking certificate” means a certificate representing all the companies within a specified index according to their index weighting on an exchange;

“Land Bank bill” means a bill or note as defined in the Bills of Exchange Act, 1964, drawn, accepted or issued by the Land and Agricultural Development Bank of South Africa, established in terms of the Land and Agricultural Development Bank Act, 2002 ([Act No. 15 of 2002](#));

“listed investment company” means a listed company that has as its main objective the generation of a return from its underlying investments, and not for the purpose of exercising control;

“money market instrument” means a—

- (a) banker’s acceptance;
- (b) commercial paper;
- (c) secured debenture;
- (d) deposit;
- (e) Land Bank bill;
- (f) national housing bill;

- (g) a negotiable certificate of deposit;
- (h) parastatal bill;
- (i) promissory note; and
- (j) treasury bill,

in the currency of the Republic and which at the time of inclusion in the Fund may not have a period of maturity exceeding 12 months;

“negotiable certificate of deposit” means a certificate of deposit issued by a bank and payable to order or to bearer;

“nominal exposure” in relation to a financial instrument, means the exposure as calculated in subregulation (18);

“non-equity government securities” means—

- (a) instruments issued by the Government of the Republic of South Africa and listed on an exchange; and
- (b) instruments partly or fully guaranteed by the Government of the Republic;

“non-equity securities” means—

- (a) non-equity government securities;
- (b) debentures, debenture stock and debenture bonds, unsecured notes; and
- (c) participatory interests in collective investment schemes which are classified as Domestic Fixed Interest portfolios by the Code of Practice;

“parastatal bill” means a bill or note as defined in the Bills of Exchange Act, 1964 ([Act No. 34 of 1964](#)), drawn, accepted or issued by a parastatal institution;

“parastatal institution” means a government-owned company or enterprise,

“portfolio” means a portfolio of a collective investment scheme as defined by the Collective Schemes Control Act, 2002;

“promissory note” means a promissory note as defined in the Bills of Exchange Act, 1964;

“property” means—

- (a) direct holding in property; and
- (b) participatory interests in collective investment schemes that are defined as Real Estate General Portfolios by the Code of Practice;

“property company” means a company that invests primarily in real estate or land;

“put option” means a derivative instrument that allows the holder the right to sell a predetermined quantity of an underlying asset at a predetermined price, on or before a predetermined date, or to receive a cash settlement in lieu thereof;

“put warrant” means a warrant that gives the holder the right to sell shares to the issuer;

“rating” means a credit rating, which is an opinion regarding the creditworthiness of an entity, a credit commitment, a debt or debt-like security or an issuer of such obligation, conducted at the request of the issuer of an instrument, by a rating agency with access to all confidential and other sensitive information supplied by the issuer, including management interaction, and which rating must be publicly available;

“ratings agency” means—

- (a) Standard & Poor’s (S&P);
- (b) Moody’s Investor Services Limited or Moody’s Investor Services South Africa (Pty) Limited (Moody’s);
- (c) Fitch Ratings Limited or Fitch Southern Africa (Pty) Limited (Fitch Ratings); and
- (d) Global Credit Rating Co. (GCR);

“secured debenture” means a debenture that is backed or secured by collateral to reduce the risk associated with lending;

“securities” means—

- (a) shares;
- (b) preference shares, whether redeemable, convertible or perpetual;
- (c) exchange depositary receipts in public companies;
- (d) stock or bonds;
- (e) participatory interests in a collective investment scheme, excluding participatory interests in a collective investment scheme in participation bonds;
- (f) debentures, debenture stock and debenture bonds; or
- (g) notes, whether secured or not and whether or not they have inherent option rights or are convertible;

“strike price” means a predetermined price;

“swap agreement” means a binding agreement between two parties to exchange future cash flows according to a prearranged formula which is specified when the agreement is entered into;

“transaction sign”, in relation to a financial instrument, means the transaction direction, whether buying or selling, of a financial transaction, and is positive for a financial instrument purchased and negative for any financial instrument sold;

“treasury bill” means a bill drawn by the Government of the Republic on the Secretary to the National Treasury, calling on the latter to pay a certain sum to a specified person or his or her order or to bearer, on demand or on a certain specified future date;

“underlying asset”, means the asset that underlies and gives value to a security, and in relation to a financial instrument, warrant, option contract or futures contract, means—

- (a) any security;
- (b) an index as determined by an exchange; or
- (c) a group of securities which is the subject matter of the financial instrument, whether such group of securities is represented by an index or not; or
- (d) in the case of a warrant, option contract or futures contract, any underlying asset referred to in paragraphs (a), (b) or (c) of this definition; and

“warrant” means an instrument that allows the holder the right to purchase a predetermined quantity of shares from the issuer at a pre-determined price on or before a predetermined date.

- (2) So much of the money as may be determined by the Board in terms of section 72(2) of the Act which is not immediately required for purposes of the Fund’s obligations in terms of the Act must be

invested by the Board in terms of section 72(3) of the Act in any one or more of the following forms of security:

- (a) Money market instruments;
 - (b) non-equity government securities;
 - (c) stock of any local authority in the Republic authorised by law to levy property rates; and
 - (d) loans against security of a first mortgage bond on urban immovable property, subject to the relevant investment limits as prescribed in subregulations (3) and (4).
- (3) The Board may not invest in—
- (a) securities issued by a company to an amount in excess of 5%, or in the case of a company with a market capitalisation of R2 billion or more, 10%, of the market value of all the assets comprising the Fund; and
 - (b) securities of any one class issued by a company to an amount in excess of 5%, or in the case of a company with a market capitalisation of R2 billion or more, 10%, or in the case of securities in any listed investment company, 10%, of the aggregate amount of the securities of any one class issued by such company.
- (4) (a) The Board may only invest in money market instruments that have a credit rating by a ratings agency, which rating must be publicly disclosed, as provided in Annexure "B" to these Regulations: Provided that the Board may not invest in money market instruments if the value thereof exceeds the percentage of the value of the Fund as indicated in the table below against the applicable domestic or international rating:

Rating band as per table in Annexure C	Inclusion limit per instrument and issuer as a percentage of all assets comprising the fund
1	30%
2	20%
3	5%

- (b) The total investment exposure of the Fund to—
 - (i) any single issuer may not exceed the percentage applicable to the short term institutional rating assigned to that issuer in the corresponding rating band; and
 - (ii) all issuers with ratings in rating band 3 may not exceed 20% of the market value of the Fund.
 - (c) If, after the date on which the Board invested in a money market instrument, that money market instrument is rated lower than its rating at the date of investment, the Board must rectify the position within 30 days of such lower rating: Provided that if the Board is satisfied that such rectification would be to the detriment of the fund, the Board must, within 14 days of the date of becoming aware of the lower rating, submit a plan for approval to the Minister setting out measures to rectify the position.
- (5) Such amount of money as may be available for investment in terms of section 72(2) of the Act, may be invested by the Board as prescribed in this regulation.

- (6) The Board is subject to the relevant conditions and investment limits as prescribed in subregulations (2) and (3).
- (7)
 - (a) The Board may invest in equities to a maximum aggregate amount of 75% of the market value of all the assets of the Fund.
 - (b) The Board may invest in offshore securities to a maximum aggregate amount of 25% of the market value of all the assets of the Fund.
- (8) The Board may invest in property to a maximum aggregate amount of 10% of the market value of all the assets of the Fund.
- (9) The Board may not invest in non-equity securities issued by a company to an amount in excess of 20% of the market value of all the assets comprising the Fund.
- (10) The Board may invest in the participatory interest of a collective investment scheme that is defined by the Code of Practice as equity portfolios.
- (11) The investment limits prescribed in this regulation may be exceeded only if such excess is due to the appreciation or depreciation of the value of the instruments comprising the Fund.
- (12) The Board may not, for as long as the excess contemplated in subregulation (11) continues, purchase any further instruments of the class in respect of which the excess occurs.
- (13) The Board may include financial instruments and if in accordance with the provisions of these Regulations the Board—
 - (a) sells futures contracts, call options or call warrants, or buys put options or put warrants, based on specific underlying assets which are not indices, the Board must maintain a market value of such underlying assets in the Fund with positive nominal exposures to the same underlying assets;
 - (b) sells futures contracts, call options or call warrants, or buys put options or put warrants, based on index futures or a group of securities, the Board must maintain an exposure to appropriate underlying assets in the Fund, or other financial instruments with positive exposures to similar underlying assets in the Fund, which is at least equal to the nominal exposure of these financial instruments;
 - (c) buys futures contracts, call options or call warrants, or sells put options or put warrants based on any underlying asset, the Board must maintain an exposure to assets in liquid form in line with the nominal exposure prescribed in subregulation (15):
 - (d) sells put options or put warrants the Board may maintain a bought put option or bought put warrant in lieu of assets in liquid form as required in paragraph (c), only if the strike price of the bought put option or bought put warrant is not lower than the price of the sold put option or sold put warrant;
 - (e) sells call options or call warrants, the Board may maintain a bought call option or bought call warrant in place of underlying assets as required in paragraph (a) or (b), only if the strike price of the bought call options or bought call warrants is lower than the price of the sold call option or sold call warrant;
 - (f) sells or buys multiple options or multiple warrants based on the same underlying assets and requires the nominal exposure to liquid instruments prescribed in paragraph (c), the Board may maintain assets in liquid form as needed for only one such option or warrant transaction; and
 - (g) sells or buys multiple options or multiple warrants based on the same underlying assets the Board requires the nominal exposure to underlying assets contemplated in paragraph (a) or (b).
- (14) The Board may only sell financial instruments which it has bought.

- (15) The sum of the nominal exposures to assets in liquid form as a result of the inclusion of financial instruments in the Fund, together with the market value of all the physical underlying securities in the Fund, may not exceed 100% of the market value of the Fund.
- (16) The nominal exposure to financial instruments on any specific underlying asset, which is not an index or group of securities, together with the market value of any direct holding of that specific underlying security, may not exceed the limitations laid down in subregulation (3).
- (17) For the purposes of subregulations (15) and (16) the provisions of subregulation (3) in respect of excesses, which are due to appreciations or depreciations of the market value of the relevant securities must apply.
- (18) The effective exposure of any financial instrument to an underlying asset, a group of underlying assets or an index must be calculated as the product of the—
 - (a) number of contracts;
 - (b) relevant contract size;
 - (c) current market value of that contract;
 - (d) delta, if applicable; and
 - (e) transaction sign.
- (19) The net effective exposure of financial instruments to equity securities is the sum of all effective exposures to all financial instruments calculated in accordance with subregulation (18).
- (20) The nominal exposure to assets in liquid form of any financial instrument required in accordance with subregulations (15) to (17) must be calculated as the nominal exposure of any financial instrument calculated in accordance with subregulation (18).
- (21) The nominal exposure to assets in liquid form for the Fund must be calculated as the sum of the nominal exposures of all the assets in liquid form calculated for all financial instruments in the fund in accordance with subregulation (20).
- (22) Exposure created through the inclusion of financial instruments must be fully covered by assets in liquid form or, in order of priority, by the same, similar or appropriate underlying assets.
- (23) Cover for the exposure of financial instruments to equity securities with positive effective exposure as calculated in accordance with subregulation (19), must be in the form of assets in liquid form of, at least, equivalent in value to such exposure.
- (24) Cover for the exposure of financial instruments to equity securities with a negative effective exposure, as calculated in accordance with subregulation (19), must be in the form of underlying assets of at least equivalent in market value to such exposure.
- (25) The sum of effective exposure as calculated in subregulation (19) must be matched by an equivalent value of assets in liquid form: Provided that the assets in liquid form, together with the market value of all the physical underlying assets in the portfolio, may not exceed 100% of the market value of the Fund.
- (26) The value of assets in liquid form that must be held as cover in terms of this regulation may be reduced by the amount held in a margin account with an exchange.

7. Matters to be included in annual report of the Legal Practitioners' Fidelity Fund Board

The Board must include the following information in the annual report to be submitted to the Council and the Minister in terms of section 75(3) of the Act:

- (a) Any changes in the composition of the Board during the period covered by the report; and

- (b) where a member of the Board has been removed in terms of section 69 of the Act, details of such removal and the reasons therefor.

8. Short title

These Regulations are called the Regulations under section 109(1)(bA) of the Legal Practice Act, 2014.

Annexure A (Regulation 3)

Form

[Editorial note: The form has not been reproduced.]

Annexure B (Regulation 6(4))
National rating scales of ratings agencies

		S&P	Moody's		Fitch Ratings		GCR	
Money market rating band	Long term rating	Short term rating	Long term rating	Short term rating	Long term rating	Short term rating	Long term rating	Short term rating
1	AAA	A-1 +	Aaa.za	Prime 1.za	AAAzaf	F1+zaf	AAA	A1 +
	AA+	A-1 +	Aa1.za	Prime 1.za	AA+zaf	F1+zaf	AA+	A1 +
	AA	A-1 +	Aa2.zaq	Prime 1.za	AAzaf	F1+zaf	AA	A1 +
	AA-	A-1 +	Aa3.za	Prime 1.za	AA-zaf	F1+zaf	AA-	A1
2	A+	A-1	A1.za	Prime 1.za	A+zaf	F1+ zaf or F1zaf	A+	A1
	A	A-1	A2.za	Prime 1.za or Prime 2.za	Aazaf	F1zaf	A	A1
	A-	A-2	A3.za	Prime 1.za or Prime 2.za	A-zaf	F1zaf or F2zaf	A-	A1-
3	BBB+	A-2	Baal.za	Prime 2.za	BBB+zaf	F2zaf	BBB+	A2
	BBB	A-2	Baa2.za	Prime 2.za or	BBBzaf	F2zaf or F3zaf	BBB	A2

				Prime 3.za				
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Note:

1. *The above table refers to the domestic or national rating scales.*
2. *In the instance of an instrument, entity or concern being assigned a rating by two or more rating agencies, the lowest rating applies.*
3. *Where the short-term rating of an instrument or issuer spans more than one rating band, reference must be made to the long-term issuer rating to determine the applicable rating band for inclusion limit purpose.*