



A2X Markets
Media release

A2X approved to secondary list ETFs and ETNs on its platform

Tuesday, 5 February 2019: [A2X](#) has been authorised to secondary list exchange traded funds (ETFs) and exchange traded notes (ETNs) on its platform from Monday, 4 February 2019.

“We are pleased to announce that our application to extend our licence to include the secondary listing and trading of ETFs and ETNs, a high growth segment of the market, has been approved by our dual regulators, the FSCA and the Prudential Authority,” said Kevin Brady, CEO of A2X.

The extension of this licence to include ETFs and ETNs is an important development for the local market, as issuers now have an additional venue on which to list their funds and notes for trade. This comes at no cost, risk or additional regulation for the issuers, while providing the underlying investors with a low cost alternative venue on which to transact.

By using the latest exchange technology, licenced from Aquis Exchange in the UK, A2X is able to pass on efficiency gains in the form of large fee reductions. The end-to end cost of a trade on A2X is approximately 50% cheaper than current rates in South Africa.

The global ETF industry has experienced strong growth over the past two decades as the trend towards low cost passive investing has captured a growing share of the market. In keeping with global trends, the local industry has also developed significantly.

Passive investments, including ETFs and ETNs, are products that are by their nature cost sensitive. By adding a secondary listing, issuers can now ensure that investors not only benefit directly through lower fees but also via the indirect savings that accrue as result of narrower spreads and increased liquidity.

“Both local and international market participants are very supportive of A2X bringing competition to the South African financial market. They have also expressed the need for the extension of competition across all the different products offered in South Africa and not just shares in publicly listed companies and the inclusion of ETFs and ETNs is a first step in achieving this,” added Brady.

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