NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

THE SOUTH AFRICAN WHOLESALE ELECTRICITY MARKET (SAWEM) TRADING PLATFORM FRAMEWORK

Consultation Paper

Version 1.0 | SEPTEMBER 2026

Issued by

The National Energy Regulator of South Africa

526 Madiba Street

Arcadia, Pretoria

0007

Contact Details:

Tel: +27 (0)12 401 4600

Fax: +27 (0)12 401 4700

www.nersa.org.za

Contents

PART I: FOUNDATION AND LEGAL BASIS 7
1. DEFINITION 8
2. ACRONYMS AND ABBREVIATIONS 109
3. INTRODUCTION 1211
4. MANDATE 12
5. PURPOSE OF THE FRAMEWORK 16
6. REGULATORY OBJECTIVES 17
6.1. Legal Basis for the regulatory principles 1817
7. SCOPE OF APPLICATION 19
7.1. General application 19
7.2. Exclusions 21
8. THE MARKET TRADING PLATFORM 2221
8.1. Functional Components of the Trading platform 2322
PART II: PLATFORM GOVERNANCE AND ACCOUNTABILITY 2827
9. GOVERNANCE STRUCTURE 2928
9.1. Platform Licensing and Accreditation 3029
9.2. Change management 3130
10. Accountability 3432
10.1. Accountability and reporting obligations 3432
PART III: PARTICIPANT ACCESS AND MARKET PARTICIPATION 3534
11. PARTICIPANT ACCESS 3635
11.1. Participant access principles 3635
12. MARKET PARTICIPATION 3736
12.1. Registration and onboarding 3736

12.2. User authentication and access controls 3736
12.3. Suspension and termination of access 3837
12.4. Restriction on Automated Trading 3837
PART IV: TECHNICAL STANDARDS AND SYSTEM INTEGRITY 4039
13. TECHNICAL STANDARDS 4140
13.1. Minimum technical requirements 4140
13.2. Cybersecurity requirements 4342
14. SYSTEM INTEGRITY 4443
14.1. System testing and certification 4443
14.2. Disaster recovery and business continuity 44
PART V: TRADING OPERATIONS AND MARKET CONDUCT 4645
15. TRADING OPERATIONS 4746
15.1. Bid and offer submission 4746
15.2. Gate closure 4847
16. MARKET CONDUCT 4847
16.1. Prohibited conduct on the trading platform 4847
16.2. Automated trading conduct and monitoring 4948
16.3. Platform communication standards 4948
PART VI: DATA GOVERNANCE, PUBLICATION AND RETENTION 5150
17. DATA GOVERNANCE 5251
17.1. Data Capture and Accuracy Obligations 5251
17.2. Real-Time Data Feeds 5251
18. MARKET INFORMATION PUBLICATION, RETENTION AND ACCESS 5352
18.1. Publication Obligations 5352
18.2. Data Retention 5453

18.3. Regulatory Data Access and Market Surveillance 5453

PART VII: INCIDENT MANAGEMENT, SYSTEM DISRUPTIONS AND OPERATIONAL RESILIENCE. 5655

19. INCIDENT MANAGEMENT 5756

19.1. Incident classification 5756

19.2. Post-incident review 5756

20. SYSTEM DISRUPTIONS 5857

20.1. Platform failure during a trading window 5857

21. OPERATIONAL RESILIENCE 5857

21.1. Administered settlement 5857

21.2. Continuous improvement 5958

PART VIII: MARKET SURVEILLANCE, COMPLIANCE MONITORING 6059

22. MARKET SURVEILLANCE, COMPLIANCE MONITORING 6160

22.1. Oversight principles 6160

22.2. Market surveillance data requirements 6160

22.3. Compliance monitoring 6261

22.4. Market conduct monitoring 6261

22.5. Audits and Inspections 6261

22.6. Information Sharing and Cooperation 6261

22.7. Risk-based oversight 6362

PART IX: REGULATORY APPROVAL, CONDITIONS AND CONTINUING COMPLIANCE 6463

23. REGULATORY APPROVAL 6564

23.1. Approval Requirement 6564

23.2. Application Submission Requirement 6564

24. Conditions 6765

24.1. Pre-Submission obligation 6865
24.2. Assessment and decision..... 6866
24.3. Scope of Approval..... 6866
24.4. Commencement Following Approval 6866
25. Suspension, Variation or Withdrawal of Approval..... 6966
26. Consequences of non-compliance 7067
PART X: ENFORCEMENT, REGULATORY INTERVENTION AND APPEALS... 7168
27. Enforcement 7269
27.1. Regulatory Enforcement Principles 7269
27.2. Detection, Investigation and Reporting of Platform Breaches..... 7269
28. REGULATORY INTERVENTION 7370
28.1. Regulatory Information, Inspection and Audit Powers 7370
28.2. Graduated Enforcement Measures 7471
28.3. Liability 7471
28.4. Appeals and review..... 7572
PART XI: REGULATORY REPORTING, ASSURANCE AND INFORMATION MANAGEMENT 7673
29. REGULATORY REPORTING..... 7774
29.1. Reporting Principles..... 7774
29.2. Reporting Obligation 7774
29.3. Standard Regulatory Reports 7875
30. ASSURANCE 8077
30.1. Independent Assurance 8077
31. INFORMATION MANAGEMENT..... 8178
31.1. Information Management..... 8178

31.2. Confidentiality and Information Sharing 8178

PART XII: TRANSITIONAL ARRANGEMENTS AND CONTINUOUS IMPROVEMENT 8380

32. Transitional Arrangements 8481

33. Legacy Market Arrangements..... 8481

Part XIII: Review of Framework..... 8683

34. Review of Framework..... 8784

34.1. Periodic Framework Review..... 8784

List of Table

Table 1: Minimum Functional Components of the SAWEM Trading platform..... 23

Table 2: Institutional Governance Responsibilities 2928

Table 3: Minimum Technical Standards 4140

Table 4: Minimum Publication Requirements 5352

Table 5: Incident Classification..... 5756

Table 6: Enforcement action 7471

Table 7: Minimum Regulatory Reporting Requirements..... 7875

List of Figures

Figure 1: Regulatory Flow Chart 14

Figure 2: Trading Platform Architected Hub 2322

PART I: FOUNDATION AND LEGAL BASIS

1. DEFINITION

In this Framework, unless the context indicates a contrary intention, the following terms shall have the meanings assigned to them below:

Term	*Definition*
Balancing	Ensuring that supply and demand on the NIPS are in balance in real-time.
Balance Responsible party	A licenced or registered generator, distributor or trader that is responsible for balance responsible activities, and which is accountable through the balancing mechanism for deviations.
*Bid**	An offer submitted by a participant indicating the quantity of electricity it is willing to supply or purchase at a specified price and time.
EPP	Electricity Pricing policy, 2006
*Commercial operation**	The execution of trades on the Trading Platform that create legally binding obligations between Market Participants
*Gate Closure**	The point after which bids or offers may no longer be amended
*Imbalance**	The difference between scheduled and actual electricity injections or withdrawals attributable to a market participant.
Market Code	The approved Market Code governing participation and operation of the South African Wholesale Electricity Market.
Market Operator	The person licenced to operate a Trading Platform for power market participants and who takes no ownership of the Energy traded and fulfils the requirements of the Act and this Market Code.

Market Participant	A Party that participates in the Day-Ahead and Intra-Day Markets in the SAWEM and is a BRP for trades undertaken on these platforms.
*Market Rules**	Operational rules approved under the Market Code governing trading, settlement and market participation.
Material market data	means bids and offers, market schedules, dispatch instructions, transmission constraints, metering information, settlement calculations and imbalance calculations, and includes manual interventions, system-generated decisions and audit logs. This list is not exhaustive.
Penetration Testing	Penetration testing means a simulated cyberattack, conducted by qualified independent specialists, used to identify exploitable security weaknesses in the Trading Platform before they can be used by a real attacker
Regression Testing	Regression testing means re-testing previously working functionality of the Trading Platform after a change has been made, to confirm that the change has not unintentionally broken or altered any existing feature or process
*Settlement**	The financial process through which market transactions are calculated, reconciled, invoiced and paid for.
*Trading Platform**	The integrated digital, operational and procedural infrastructure through which wholesale electricity market transactions are conducted.
*Transmission System Operator**	The entity responsible for the safe and secure operation of the transmission system through its system operation functions.

Note: For the purposes of this Framework, terms marked with an asterisk (*) are not defined in the Electricity Regulation Amendment Act, 2024. The definitions provided have been developed

***by the Regulator, taking into account its statutory functions, the provisions of the South African Wholesale Electricity Market (SAWEM) Market Code, and the applicable licence conditions*.**

2. ACRONYMS AND ABBREVIATIONS

In this Framework, unless the context indicates otherwise, the following abbreviations shall bear the meanings assigned to them below:

AEPM	**Additional Day-Ahead Energy Payment**
AER	Australian Energy Regulator
ACER	Agency for the Cooperation of Energy Regulators (European Union)
BRP	Balance Responsible Party
CPA	Central Purchasing Agency
CRMP	Compliance, Risk, Monitoring, and Plan
DAM	Day-Ahead Market
DRB	Dispute Resolution Board
ERA	Electricity Regulation Act 4 of 2006
ESI	Electricity Supply Industry
HDP	Historically Disadvantaged Person
HHI	Herfindahl-Hirschman Index
IDM	Intra-Day Market
IPS	Interconnected Power System

MGC	Market Governance Committee
MoA	Memorandum of Agreement
MO	Market Operator
MSU	Market Surveillance Unit
NERSA	National Energy Regulator of South Africa
NIPS	National Integrated Power System
NTCSA	National Transmission Company of South Africa
PAJA	Promotion of Administrative Justice Act 3 of 2000
SAWEM	South African Wholesale Electricity Market
SME	Small and Medium Enterprises
SMP	System Marginal Price
SO	System Operator
SAPP	Southern African Power Pool
TNSP	Transmission Network Service Provider

Any abbreviation not defined above shall, where applicable, bear the meaning assigned to it in the relevant Code or Applicable Laws.

3. INTRODUCTION

South Africa's electricity sector is undergoing a fundamental structural transition from a vertically integrated industry towards a competitive wholesale electricity market that accommodates multiple market participants, diverse generation technologies and a range of commercial trading arrangements. This transition is supported by the Electricity Regulation Act, 2006 (the ERA), as amended by Act 38 of 2024, which establishes the legislative foundation for competitive electricity market. The amended ERA introduces the institutional arrangements necessary to facilitate competitive electricity trading and supports the introduction of wholesale power trading via the South African Wholesale Electricity Market (SAWEM).

The Market operations will be based on a digital Trading Platform which will constitute the principal component of the SAWEM market architecture. It will provide the digital and operational infrastructure through which market participants submit bids and offer, participate in market clearing, receive dispatch schedules, access settlement information and exchange operational and regulatory data. The integrity of the Trading Platform will therefore directly influence market efficiency, transparency, competition, price formation and investor confidence.

Unlike conventional information technology systems, the Trading Platform performs critical market infrastructure functions. The Platform operates on the basis of predetermined rules, methodologies and algorithms approved under this Framework and the Market Code, and the results it produces are binding on Market Participants. These results carry legal, commercial and operational consequences and directly influence dispatch outcomes, financial settlements and regulatory oversight. For this reason, the Platform must operate within an appropriate governance framework that promotes transparency, fairness, accountability and regulatory compliance throughout its lifecycle.

Accordingly, this Framework establishes the minimum regulatory, governance, operational and technical requirements that the Trading Platform must satisfy before approval by National Energy Regulator of South Africa (“the Regulator or NERSA”) and throughout its continued operation. It also describes the regulatory approval methodology that the Regulator will apply when determining whether the Platform is capable of supporting a lawful, secure, transparent and competitive wholesale electricity market.

4. MANDATE

This Framework is established under the authority of NERSA which is established as a juristic person under section 3 of the National Energy Regulator Act, 2004 (“NERA”). In terms of section 4 of the Electricity Regulation Act 4 of 2006 (“ERA”), the Regulator, as the decision-making authority, is mandated to regulate the electricity industry and

perform the functions set out in the ERA. Therefore, this Framework provides the basis for oversight of the South African Wholesale Electricity Market (“SAWEM”), ensuring that the Trading Platform operates in a manner that is fair, transparent, and efficient.

In terms of *sections 3 and 4* of the ERA, the Regulator is the custodian and enforcer of the national electricity regulatory framework with a detailed mandate outlined in section 4. This mandate has been further strengthened through amendments to the ERA. In particular, *sections 34A, 34B and 35C* provide the statutory foundation for the development of competitive electricity market structures in South Africa. These provisions also strengthen the Regulator's role in overseeing the operation of the electricity market. These provisions enable and support the transition from a vertically integrated electricity supply industry to an unbundled competitive electricity market. A key milestone of the transition will be the launch of a competitive wholesale electricity market, namely the SAWEM.

Sections 4(a) and (b) of the ERA outline the powers and duties of the Energy Regulator. These include the authority to issue licences for electricity sector activities such as generation, transmission, distribution, trading, market operation and system operation.

The Energy Regulator is also required, in terms of *section 4* of the ERA, to issue rules necessary to give effect to national electricity policy and the provisions of the Act, and to establish and manage monitoring and information systems and a national information system, co-ordinating the integration thereof with other relevant information systems. This includes an obligation to maintain an industry-wide information system relevant to the Trading platform's regulated activities, and to enforce compliance with licence conditions and regulatory requirements.

Collectively, these powers empower the Energy Regulator to establish and approve rules governing the functioning of electricity markets.

Section 18 reinforces this enforcement mandate by governing the revocation of licences. It provides the statutory basis for NERSA to suspend or cancel an electricity licence if a licensee fails to comply with its regulatory obligations, market rules or licence conditions or if the licenced activity is no longer viable or required. This revocation authority serves as a critical regulatory mechanism for maintaining market integrity and ensuring compliance within the SAWEM framework.

Section 34A provides for the establishment of a Transmission System Operator responsible for, inter alia, operating an open market platform that enables competitive electricity trading. This provision is central to the transition toward a competitive market structure and creates the institutional foundation for the wholesale electricity market governed by the Market Code and Market Rules. *Section 34B(3)* provides the legal basis for the MO to provide a transparent and non-discriminatory trading platform. It

also requires the development, approval and implementation of the Market Code and associated Rules.

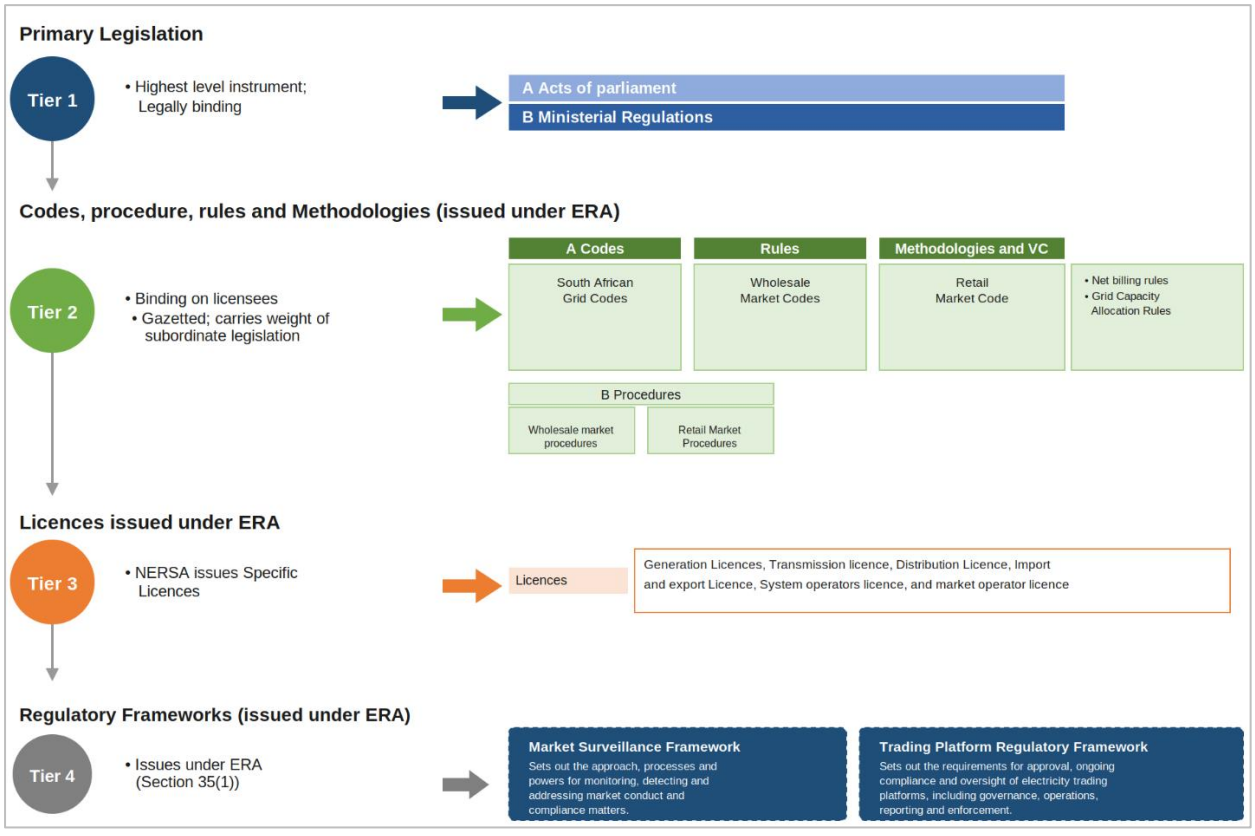
These instruments must include qualifying criteria for market participants and must be submitted to the Regulator for approval. The Market Code and Rules therefore form an integral part of the regulatory framework governing the operation of the electricity market. Finally, section 35 of the ERA confers rule-making authority on the Energy Regulator. It empowers the Regulator to develop and publish rules, guidelines and codes of conduct following consultation with stakeholders.

This authority extends to matters relating to electricity trading, technical and operational standards, information exchange, reporting and compliance requirements. It also covers administrative matters necessary for the effective implementation of the Act. Accordingly, the Regulator is empowered to approve, implement and enforce the Market Code and the Market Conduct Rules published in the Government Gazette.

In interpreting and applying this Framework, regard must be had to the hierarchy of applicable legal instruments. Where any provision of this Framework is inconsistent with primary legislation, and regulation, the provisions of the applicable legislation shall prevail.

The relationship between these instruments is illustrated below.

Figure 1: Regulatory Flow Chart



The principal legal and regulatory instruments informing this Framework include the following:

Regulatory Instrument	*Relevance*
Constitution of the Republic of South Africa	Is the highest level of legal instrument. Establishes the constitutional principles of legality, accountability, transparency and just administrative action that underpin regulatory decision-making.
Electricity Regulation Act, 2006, as amended (Act 4 of 2006)	Establishes the legislative framework for electricity regulation, confers the Regulator's powers and duties (section 4), and provides for the establishment of a competitive electricity market, including the development of SAWEM.
National Energy Regulator Act 40 of 2004	Establishes NERSA as the national regulatory authority responsible for the regulation of the electricity, piped gas and petroleum pipelines industries.
Promotion of Administrative Justice Act 3 of 2000	Governs procedural fairness, rationality and administrative decision-making.
Promotion of Access to Information Act 2 of 2000	Regulates access to information while recognising lawful confidentiality obligations.
Protection of Personal Information Act 4 of 2013	Regulates the protection and lawful processing of personal information.
Competition Act 89 of 1998	Provides the legal framework governing anti-competitive conduct, abuse of dominance and market competition.
Public Finance Management Act 1 of 1999	Establishes governance and accountability requirements applicable to public institutions.

SAWEM Market Code	Provides the operational rules governing market participation and trading arrangements and approved by the Regulator.
SAWEM Market Rules	Prescribe detailed operational, commercial and settlement requirements applicable to market participants and approved by the Regulator.
Market Operator Licence Conditions	Establishes the licence conditions, approved by the Regulator, governing the operation of the Trading platform.
Transmission System Operator Licence	Regulates the operational interface between the Trading Platform and system operation activities, issued and approved by the Regulator.

5. PURPOSE OF THE FRAMEWORK

The purpose of this framework is to establish a comprehensive regulatory basis for the approval, operation and oversight of electricity market trading platforms, including the SAWEM and any future trading platforms (such as balancing, capacity or retail market platforms) established under the Electricity Regulation Act.

Specifically, this framework seeks to:

i. Establish the regulatory principles applicable to the governance and operation of the trading platform;
ii. define the detailed legal, operational, technical and governance requirements that must be satisfied before the platform may commence commercial operation;
iii. provide regulatory certainty to stakeholders, and in particular, the Market Operator (MO), market participants and investors regarding NERSA's expectations for Trading Platform approval and ongoing compliance;
iv. promote transparency, non-discrimination and fair access to the wholesale electricity market;
v. Ensure the integrity, security and reliability of the trading platform through appropriate, cybersecurity and operational resilience requirements; or any other future requirements that may be approved by the Energy Regulator;
vi. ensure that the Trading platform's user interface is fit for purpose;
vii. facilitate effective regulatory oversight by ensuring that NERSA has access to accurate, timely and auditable market data/information or any other future requirements that may be approved by the Energy Regulator; and
viii. establish an approval framework through which the NERSA can objectively assess whether the Trading Platform is capable of supporting efficient, transparent and competitive market outcomes in support of the objectives of the prevailing policy and legislation.
ix. ensure the accurate, secure and timely clearing and settlement of wholesale electricity transactions on the Trading Platform and support the protection of Market Participants and

customers against undue risk, cost or prejudice arising from the operation of the Trading Platform.

This Framework has been developed with due regard to, and in alignment with, the Market Code and Market Rules, and is not intended to duplicate matters already regulated therein. Stakeholders' trust in the market and its trading outcomes is paramount. In pursuing the above, the Framework seeks to enable market integrity, efficiency, transparency and to promote confidence in the operation of SAWEM while supporting its long-term development.

6. REGULATORY OBJECTIVES

The trading platform main outcome should be, efficient electricity price discovery, and transparent price signals capable of incentivising reliable electricity supply. While the issues of affordability are not a direct objective of the Framework, it is expected that if the primary objectives are achieved, then prices will be competitive and affordable over time.

To achieve this outcome the Framework is guided by the following regulatory principles:

- **Lawfulness**, by ensuring that the Trading Platform complies with applicable legislation, licence conditions, the Market Code and regulatory decisions.
- **Non-discrimination**, by ensuring that similarly situated market participants, and potential market participants, are treated fairly and without undue preference or prejudice.
- **Transparency**, by promoting clear, understandable and auditable market processes that enable stakeholders, market participants and the Regulator to understand how market outcomes are produced, and particularly transparent price discovery.
- **Data Visibility**, to provide access to data, available to all participants, at the same time, to enable efficient and competitive trading decisions.
- **Regulatory Disclosure**, of timely, accurate and machine-readable information to enable the Regulator to discharge its statutory oversight responsibilities.
- **Market Integrity**, by supporting the prevention, detection and investigation of market manipulation, abuse of market power, collusion, insider trading and other forms of prohibited conduct.
- **Auditability**, by ensuring that all material market outcomes can be independently reconstructed using retained data, approved methodologies and system records.
- **Multiple market participants**, and appropriate regulation, to mitigate abuse of market power and attract liquidity to the market and promote consumer choice.
- **Availability and Reliability of Capacity**, to enable reliable dispatch, balancing and operational coordination necessary for secure system operation.
- **Public Confidence**, by promoting confidence among market participants, investors, consumers and the public through effective governance, accountability and regulatory compliance.

These principles collectively guide the interpretation and implementation of every provision contained within this Framework.

6.1. Legal Basis for the regulatory principles

The regulatory principles set out in this chapter are exercised pursuant to the mandate established in *Part I chapter 3* of this framework and are further informed by the Constitution of the Republic of South Africa, 1996, and the general principles of South African administrative law. Collectively, these legal instruments require that regulatory powers be exercised lawfully, rationally, transparently and in a manner that promotes accountability, fairness and the rule of law.

Accordingly, the principles contained in this Framework provide the legal and normative basis for the Regulator's oversight of the Trading Platform. The principles of lawfulness, transparency and regulatory visibility are founded on the constitutional doctrine of legality. This doctrine requires every exercise of public power to be authorised by law. Such power must also be exercised only for the purpose for which it was conferred.

The Constitutional Court has consistently affirmed that all exercises of public power are subject to constitutional control. These exercises of power must be rationally connected to their statutory purpose.[1] These principles require the Trading Platform to operate in accordance with the ERA, as amended, and applicable licence conditions, the Market Code and regulatory decisions. They also require NERSA to have access to accurate, timely and reliable information. Such information is necessary for NERSA to discharge its statutory oversight responsibilities.

The principles of **non-discrimination, market integrity** and **auditability** support the establishment of a competitive market. These principles require participants to be treated fairly. They also ensure that market outcomes are capable of independent verification. The equal application of regulatory requirements promotes competitive neutrality and reduces the risk of arbitrary decision-making. Comprehensive record-keeping and auditable market data also support effective regulatory supervision and dispute resolution. Where necessary, such records may also facilitate judicial review.

These principles are consistent with the constitutional requirements of equality, accountability and just administrative action, as well as the objectives of promoting fair competition and preventing market abuse. The principles of security of **supply** and **public confidence** recognise that effective market regulation extends beyond

[1] Fedsure Life Assurance Ltd and Others v Greater Johannesburg Transitional Metropolitan Council and Others 1999 (1) SA 374 (CC); Pharmaceutical Manufacturers Association of SA: In re Ex Parte President of the Republic of South Africa 2000 (2) SA 674 (CC).

economic efficiency. It also includes the reliable operation of the national electricity system and the maintenance of confidence in market institutions.

In exercising its oversight functions, NERSA must balance the promotion of competition with the need to safeguard system reliability. It must also protect the interests of consumers and maintain confidence in the wholesale electricity market. This includes ensuring that the market operates with integrity, fairness and transparency. Consistent application of these principles supports investor certainty, regulatory predictability and the long-term development of an efficient and sustainable electricity market.

Collectively, these constitutional, statutory and administrative law principles provide the legal foundation upon which this Framework is developed. They ensure that the NERSA's oversight of the Trading Platform is exercised in a manner that is lawful, rational, accountable and consistent with the objectives of the ERA, as amended, while promoting transparent, competitive, efficiency and well-governed electricity markets that serve the public interest.

7. SCOPE OF APPLICATION

7.1. General application

This Framework applies to the governance, operation, oversight and regulatory approval of the Trading Platform established to support the SAWEM. It governs the digital, operational, procedural and algorithmic arrangements through which Market Participants access the wholesale electricity market and through which market transactions are conducted, processed, monitored and reported.

The Framework applies to the principal functional components of the Trading Platform, including participant registration, access arrangements, market trading functions, bid and offer management, price formation, dispatch coordination, and market clearing and settlement processes. It also applies to regulatory reporting, market data management, governance arrangements and market surveillance activities that support the operation of the SAWEM and are subject to the regulatory oversight of NERSA.

The Framework further applies to the technical systems, business processes and operational controls established and maintained by the MO to support the operation of the Trading Platform. This includes mechanisms for facilitating market transactions, maintaining market records, managing operational and settlement processes, and protecting the integrity and security of market data. These mechanisms must provide the Regulator with the information necessary to perform its statutory oversight and market surveillance functions.

The governance arrangements and allocation of roles and responsibilities between NERSA, the MO and other Market Participants are set out in the Market Code, including Chapters 3 and 4, and are not restated in this Framework.

This Framework must be read together with the applicable provisions of the ERA, the Market Code and the Market Conduct Rules, as well as relevant licence conditions, regulatory directives and other regulatory instruments governing the establishment and operation of the Trading Platform. Compliance with this Framework is required throughout the lifecycle of the Trading Platform and extends beyond the initial approval process to its ongoing operation, maintenance, modification and enhancement.

Without limiting the general application of this Framework, its provisions apply to the following aspects of the Trading platform:

Area	*Scope*
Participant Access	Registration, admission, suspension, termination of access, user credential management and prudential assessment.
Market Participation	Bid and offer submission, bid validation, gate closure processes, participant notifications and trading workflows.
Market Clearing	Market-clearing algorithms, scheduling logic, constrained and unconstrained market outcomes, congestion management and price determination.
Dispatch Coordination	The Trading platform's exchange of dispatch instructions, balancing information and outage-related data with the System Operator, including the technical interfaces supporting that exchange.
Bilateral Transactions	Registration, validation and processing of bilateral transactions and their interaction with centralised market trading.
Regulated Transactions	Transitional regulated arrangements, Central Purchasing Agency transactions and legacy contractual obligations recognised under the market design.

Settlement	Metering data, imbalance calculations, settlement statements, invoicing, adjustments, reconciliation and dispute resolution.
Market Information	Publication of market information, participant notifications, operational reports and regulatory disclosures.
Regulatory Oversight	Market surveillance, regulatory reporting, audit rights, data submission, compliance monitoring investigation support and dispute resolution.
Cybersecurity and Operational Resilience	Information security, business continuity, disaster recovery, incident management, risk assessment and platform resilience.
Governance	Governance structures, change management, audit processes, regulatory approvals and ongoing compliance obligations.

7.2. Exclusions

This Framework is not intended to regulate every aspect of the South African electricity market. Unless expressly provided otherwise in legislation or other regulatory instruments, the Framework does not govern:

- commercial trading strategies adopted by individual market participants;
- privately negotiated commercial prices under bilateral agreements, except where such information is required for regulatory oversight or compliance purposes;
- transmission planning, network investment decisions or infrastructure development, except where such matters directly affect the operation of the Trading platform;
- tariff determination processes undertaken by the Regulator under applicable legislation; and or
- software procurement decisions, proprietary technology choices or internal system design, except to the extent that such matters affect compliance with regulatory requirements, transparency, auditability, cybersecurity or market integrity.

Where matters fall outside the scope of this Framework, they remain subject to other applicable legislation, licence conditions, Market Code provisions or regulatory instruments.

8. THE MARKET TRADING PLATFORM

Trading Platform means the integrated digital, operational and procedural infrastructure through which participants access the SAWEM and conduct wholesale electricity trading.[2]

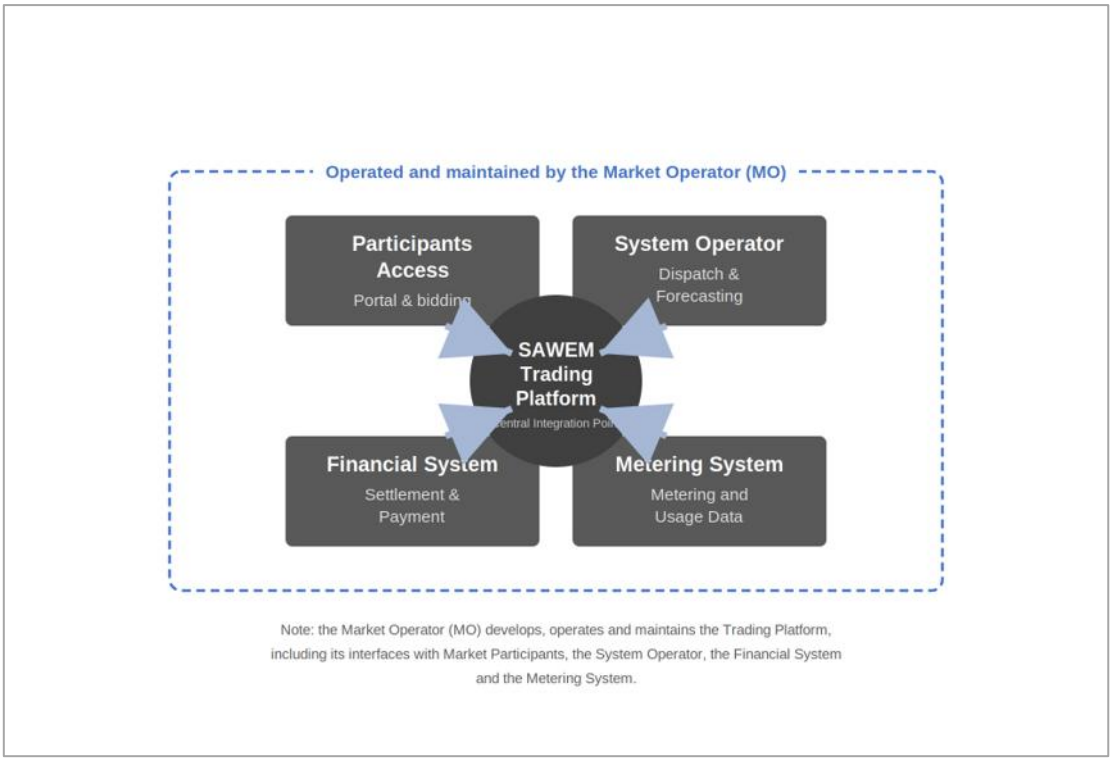
The Trading Platform encompasses the systems, software applications, operational processes, data interfaces and governance arrangements necessary to facilitate participation in the wholesale electricity market and the execution of market transactions. The market rules governing participant eligibility, market conduct and settlement are set out in the Market Code and Market Rules and are not restated in this Framework (see Part I, paragraph 7.2).

The Trading Platform further supports pricing rules, settlement, the publication of market information, dispute management and regulatory reporting. It is therefore a critical, rules-based software system central to the functioning of the wholesale electricity market, rather than a conventional or peripheral IT application. It does not perform functions that fall outside its defined scope, which remain governed by the applicable Grid Code and the System Operator's own functions.

The market architecture. at a market-design level, the Trading Platform gives effect to a single, sequential transaction chain: submission (participants enter bids, offers and bilateral transaction data), matching and clearing (the platform applies the approved market-clearing methodology to determine market outcomes), scheduling (constrained and unconstrained schedules are produced and exchanged with the System Operator for dispatch), and settlement (financial obligations are calculated, invoiced and reconciled). Centralised market trading and legacy bilateral or regulated transactions are processed through this same chain, subject to the differentiated requirements set out in the Market Code. This market architecture is implemented through the functional components described below, and does not alter the allocation of market design responsibilities between NERSA, the MO and the Market Code

[2] For the purposes of this Framework, the term **"Trading platform"** is not defined in the Electricity Regulation Amendment Act, 2024. This definition has been developed by the Regulator, informed by the functions of the MO under the Act, the South African Wholesale Electricity Market (SAWEM) Market Code, and applicable licence conditions.

Figure 2: Trading Platform Architected Hub



This description and the ecosystem diagram above are informed by an architecture assessment of the Market Operator's current systems landscape, conducted with NTCSA, illustrating the categories of external integration typical of the Trading platform's operation.

8.1. Functional Components of the Trading platform

The Trading Platform must comprise of a number of integrated functional components that collectively enable the operation of SAWEM. Each component is to perform a distinct function that contributes to the overall efficiency, integrity, transparency and reliability of the market. The MO must identify, document, implement and maintain each functional component in a manner that supports compliance with this Framework, the Market Code and all applicable legislative requirements.

Table 1: Minimum Functional Components of the SAWEM Trading platform

Functional Component	Description	Purpose
Participant Registration and Access Management (The	Enables the technical registration and access management of market participants who are already eligible under the Market Code and Rules, including authentication, role-based	Ensures that only authorised participants access and transact on the Trading platform.

Functional Component	Description	Purpose
Portal/User Interface)	access controls and the technical credentialing required to access the Trading Platform. This is distinct from, and does not duplicate, the market participation eligibility process governed by the Market Code.	
Bid and Offer Management (Incl. Day-ahead and Intra-day volume adjustments)	Facilitates the submission, amendment, validation and withdrawal of bids and offers in accordance with market rules and gate closure requirements.	Supports orderly market participation and transparent price formation.
User Interface	Provides a clear, stable and intuitive interface that enables participants to view, enter, verify and amend bids and offers prior to submission.	Provides validation, confirmation and error-flagging functionality to help participants identify and correct entry errors before submission, reducing (but not eliminating) the risk of erroneous bids or offers affecting market outcomes.
Dispatch Scheduling Engine)	Determines the Unconstrained and Constrained Schedules for Trading Units by applying the dispatch algorithm set out in the Market Code (chapter 9.5), based on submitted bids and offers, reserve requirements and network constraints, to establish the least-cost dispatch outcome. Where the unconstrained and Constrained Schedules calculation is executed using third-party software, modelling tools or computational engines, **the market-clearing methodology**, business rules and parameters applied by the MO within that tool constitute part of the Trading	Enables competitive market outcomes and efficient allocation of electricity.

Functional Component	Description	Purpose
	Platform for the purposes of this Framework, and are subject to the same approval, due diligence and material change requirements as the Trading platform's own systems. This Framework does not extend to the proprietary internal design of any third-party software or computational engine used solely as a modelling tool.	
Price Formation	Calculates and publishes market prices and volumes based on approved pricing methodologies and market outcomes.	Promotes transparent, efficient and non-discriminatory price discovery.
Dispatch Coordination Interface (Objective / Optimisation Function)	Exchanges operational information with the System Operator to facilitate dispatch instructions and system balancing.	Supports secure system operation and coordination between commercial and operational market functions.
Settlement and Financial Reconciliation	Calculates financial obligations arising from market transactions and supports settlement, invoicing and reconciliation processes. Where settlement or payment obligations involve the Central Purchasing Agency, the System Operatoror any other connected entity in accordance with the Market Code, the MO must maintain and be able to produce a clear record of the settlement counterparty and payment pathway applicable to each category of Market Participant.	Ensures the accurate and timely settlement of market transactions and that Market Participants and NERSA have clarity on which entity is responsible for calculating, validating and executing each settlement and payment obligation.

Functional Component	Description	Purpose
Market Data Management	Collects, stores, validates and maintains market data, transaction records and operational information.	Supports regulatory reporting, auditability and historical record-keeping.
External System Interfaces	The Trading Platform must maintain reliable, secure and documented interfaces with external systems relevant to its regulated functions, including but not limited to system operator dispatch and forecasting systems, metering data management systems, and financial and settlement systems. The MO must maintain an up-to-date architecture record of all such interfaces.	Ensures NERSA has visibility of the platform's dependencies on external systems, and that those dependencies are managed with the same rigour as the platform itself.
Market Reporting and Publication	Generates operational, commercial and regulatory reports and publishes market information in accordance with transparency requirements.	Promotes transparency and provides stakeholders with timely market information.
Regulatory Reporting and Surveillance Interface	Provides NERSA with access to market data, transaction records, surveillance information and compliance reports.	Enables regulatory oversight, compliance monitoring and market surveillance.
Audit Trail and Record Management	Maintains complete, secure and tamper-evident records of market activities, transactions and system events.	Supports investigations, dispute resolution, compliance verification and judicial review.
Security and Cybersecurity Controls	Implements identity management, access controls, cybersecurity measures and system resilience mechanisms.	Protects the integrity, confidentiality and availability of the Trading platform.

Functional Component	Description	Purpose
Business Continuity and Disaster Recovery	Provides mechanisms for backup, recovery and continuity of market operations during system failures or emergencies.	Ensures continuity of market operations and minimises disruption to electricity trading.
Change Management and Version Control	Governs the testing, approval, versioning and controlled deployment of changes to the Trading platform, including software updates, configuration changes and system releases. The MO is responsible for testing and technical approval of platform changes. However, material changes affecting market functionality require NERSA's prior approval.	Ensures that changes to the Trading Platform are properly tested and authorised before deployment, reducing the risk of unplanned outages, errors or unintended market impact.

PART II: PLATFORM GOVERNANCE AND ACCOUNTABILITY

9. GOVERNANCE STRUCTURE

Effective governance is fundamental to the integrity, transparency and credibility of the SAWEM. The Trading Platform serves as the central infrastructure through which wholesale electricity transactions are conducted.

It must therefore operate within a clearly defined governance framework. The framework must establish institutional responsibilities, accountability arrangements and regulatory oversight mechanisms.

This Part establishes the governance principles applicable to the Trading platform. It allocates responsibilities **between the NERSA, the MO, the TSO and market participants**.

This Part also establishes the minimum governance arrangements that must be maintained throughout the operational life of the Trading platform. These arrangements are intended to ensure continued regulatory compliance, operational integrity and public confidence.

The governance of the Trading Platform shall be founded on the principles of accountability, fairness, transparency, independence and effective regulatory oversight. Governance arrangements must clearly allocate responsibilities among the institutions involved in operating and overseeing the Platform. Regulatory decision-making must remain independent of commercial market activities.

The governance framework must establish clear lines of authority, accountability and reporting. This is necessary to ensure that decisions affecting the operation of the Trading Platform are properly authorised and documented. Such decisions must also be capable of independent review.

The respective governance responsibilities of the principal market institutions are summarised in **Table 2**.

Table 2: Institutional Governance Responsibilities

Institution	Governance Responsibilities
NERSA (Energy Regulator)	Approve the Trading platform; monitor compliance with this Framework; conduct regulatory audits and inspections; oversee market conduct; enforce regulatory obligations; and, where necessary, impose conditions, suspend approval or withdraw approval in accordance with applicable legislation. Ensure secure handling of the reported trading information.

MO	Develop, operate, maintain and continuously improve the Trading Platform in accordance with this Framework, applicable legislation, the Market Code, licence conditions and regulatory decisions.
Transmission System Operator (TSO)	Provide operational data required for market clearing, scheduling and dispatch; implement dispatch instructions issued through approved market processes; and support secure system operation. This includes providing network constraint data used by the MO in determining the Constrained Schedule, in accordance with the dispatch algorithm set out in the Market Code (section 9.5)
Market Participants	Participate in the wholesale electricity market in accordance with applicable legislation, the Market Code, Market Rules, licence conditions and the requirements of this Framework, while ensuring the accuracy and integrity of information submitted to the Trading platform.

9.1. Platform Licensing and Accreditation

The operation of the Trading Platform constitutes a regulated market activity and may only be undertaken by a Market Operator (MO) authorised in accordance with applicable legislation and the relevant licence issued by NERSA.

Holding an MO licence does not, in itself, authorise the commencement of commercial market operations through the Trading Platform. Before commencing commercial operations, the MO must obtain regulatory authorisation of the Trading Platform from NERSA.

Approval confirms that the Trading Platform satisfies the operational, governance, technical and regulatory requirements prescribed in this Framework. Accreditation is granted through a staged process comprising the following phases:

(a) Design approval: NERSA's review of the Trading platform's proposed architecture, technical specifications and governance arrangements prior to development. Design approval must be informed by consultation with affected stakeholders, including Market Participants, the System Operator and relevant service providers, and the MO must document how stakeholder input was considered;

(b) Factory acceptance testing: verification that the developed platform meets its technical specifications in a controlled, pre-production environment;

(c) Integration testing: verification of the platform's compliance with the Market Code, Market Rules and interface with connected systems, including the Transmission System Operator and participant systems;

(d) Market simulation: testing of market-clearing, settlement, scheduling and dispatch processes under simulated market conditions;

(e) Pilot operation: trial operation of the Trading Platform involving a limited scope of live or shadow market activity, supported by the trial reporting obligations set out in the Reporting Obligation chapter;

(f) Commercial approval: final accreditation authorising full commercial operation of the Trading platform.

NERSA approval is required for all market-clearing, dispatch-scheduling and settlement algorithms employed on the Trading Platform, whether assessed during Design approval, Market simulation or otherwise. An algorithm may not be deployed into commercial operation, and no subsequent change may be implemented, unless it has been tested and approved by NERSA in accordance with this paragraph and the change management requirements of paragraph 9.2.

NERSA may, in its decision, combine, waive or adjust the scope of any stage, having regard to the nature, complexity and materiality of the Trading Platform and the MO's prior accreditation history. The approval process is intended to provide regulatory assurance that the Trading Platform has been appropriately designed, implemented and tested to support fair market participation, reliable market operation and effective regulatory oversight.

In granting accreditation, NERSA may impose reasonable conditions to ensure continued compliance with this Framework. Such conditions may also support ongoing regulatory oversight, mitigate identified risks or address deficiencies identified during the accreditation process.

In addition to reassessment following material modifications, NERSA may require periodic maturity assessments of the Trading Platform to evaluate its ongoing technical, operational and governance performance against the requirements of this Framework and relevant developments in industry practice. NERSA must determine the frequency and scope of such assessments, having regard to the risk profile and maturity of the Trading Platform and the development of the wholesale electricity market.

9.2. Change management

The continued integrity of the Trading Platform depends on the controlled management of changes that may affect market operations, regulatory compliance or system functionality. The MO must therefore establish and maintain a formal change management framework.

This Framework must govern the identification, assessment, approval, implementation and monitoring of material changes to the Trading Platform. The MO's change management procedures must give effect to these requirements and ensure that material changes are appropriately documented, assessed and subject to the required regulatory oversight.

Material changes include any modification that may affect market-clearing methodologies, settlement processes or participant access arrangements. They also include changes affecting regulatory reporting, cybersecurity controls or market algorithms. These categories are in addition to, and do not limit, the categories of material change specified in the MO's licence conditions, including changes to ownership, trading algorithms, gate closure times or system architecture. Such changes remain subject to the independent verification and licence approval requirements applicable under the MO's licence conditions.

Material changes also include:

- the introduction of a new market, product, asset class or trading functionality that has not previously been approved by NERSA;
- a material change to the technology architecture or hosting environment of the Trading Platform, including a migration to a different cloud service provider or data centre;
- the outsourcing, insourcing or material modification of a function critical to the operation, security, resilience or settlement capability of the Trading Platform;
- a material change to the ownership, governance or control arrangements of the MO that may affect the operation or oversight of the Trading Platform;
- a material change to the gate closure times or trading timelines of the Trading Platform; or
- any other change that NERSA reasonably determines may materially affect the integrity, security, transparency, reliability or orderly operation of the Trading Platform.

A modification to any other functionality capable of influencing market outcomes or affecting regulatory compliance also constitutes a material change. Before implementing a material change, the MO must notify NERSA of the proposed modification and its operational and technical implications.

Where a material change falls within a category specified in the MO's licence conditions, including changes to ownership, trading algorithms, gate closure times or system architecture, the change must be subject to independent verification and validation and submitted to NERSA for review and approval before implementation.

For any other material change, NERSA must assess the notification and determine, within 10 business days, whether the change requires prior approval. Where prior approval is required, the MO may not implement the change until NERSA has approved it, with or without conditions. Where prior approval is not required, the MO must implement the change in accordance with its approved change management procedure and report the implementation to NERSA within 5 business days.

Any proposed change that may affect compliance with applicable legislation, licence conditions, the Market Code or approved Market Rules must receive NERSA's prior written approval, except where the change is solely to implement a modification approved under the Market Code and does not itself introduce any additional change to the Trading Platform. This requirement gives effect to the MO's obligations under its licence relating to the Trading Platform and regulatory oversight, including the obligation to notify NERSA in advance of material changes and to submit the results of independent verification and validation for review and approval. The MO may not rely solely on its own assessment to avoid submitting a change to NERSA where this Framework or the MO's licence conditions require prior approval.

Where a proposed change is solely to implement a modification approved under the Market Code, the MO must notify NERSA of the implementation timetable. No separate approval under this Framework is required, provided that the implementation does not introduce any additional material change beyond the approved modification.

NERSA may approve a change, approve it subject to conditionsor reject it where its prior approval is required. The MO must maintain a comprehensive change register recording all proposed, approved, rejected and implemented changes. The register must record the reasons supporting each decision, the relevant approval authority, the date of approval or rejection, where applicable, and the date on which the change was implemented.

The MO may implement emergency changes without prior approval where necessary to protect market integrity, operational reliability or cybersecurity, provided that the change is necessary, proportionate and permitted by applicable law and licence conditions. The circumstances necessitating the emergency intervention must be fully documented, and NERSA must be notified within 24 hours of implementation. The emergency change must be subject to a formal post-implementation review, and any permanent modification arising from the emergency change must subsequently be assessed and approved through the ordinary change management and regulatory process, where required.

All approved material changes must be appropriately tested before implementation and supported by sufficient documentation to enable independent verification and regulatory audit. Testing of material changes must include regression testing to confirm that existing functionality remains unaffected, together with an assessment of the change's potential impact on market outcomes, participant access and regulatory reporting. Every material change must be supported by a documented rollback plan enabling reversion to the prior stable configuration in the event of implementation failure.

10. ACCOUNTABILITY

10.1. Accountability and reporting obligations

The MO bears primary responsibility for ensuring that the Trading Platform is operated in accordance with applicable legislation, this Framework, the Market Code and all conditions imposed by NERSA.

To support effective governance, the MO must designate a suitably qualified compliance Officer(s) with overall responsibility for regulatory compliance, governance oversight and the fulfilment of reporting obligations established under this Framework.

The compliance officer shall ensure that appropriate governance structures, internal controls and compliance monitoring arrangements are maintained to support the continued lawful operation of the Trading platform.

The MO must further establish and maintain appropriate governance measures to identify, manage and mitigate actual, potential or perceived conflicts of interest that may compromise the impartial operation of the Trading platform.

Individuals with access to confidential participant information, market-sensitive data or critical platform controls must be subject to appropriate information barriers and governance controls designed to protect market integrity.

As evidence of continued compliance, the MO must submit an annual compliance report to NERSA confirming that the Trading Platform continues to satisfy the requirements of this Framework and any applicable conditions of approval.

NERSA retains the authority to conduct audits, inspections and compliance assessments of the Trading Platform at any reasonable time. Such oversight may extend to market data, algorithms, business rules and audit logs. It may also include settlement records, manual interventions, governance documentation and incident reports. NERSA may further require any other information reasonably necessary to discharge its statutory responsibilities.

The MO must cooperate fully with any regulatory audit or inspection and provide NERSA with timely access to all information reasonably required for regulatory oversight. NERSA should ensure that all information is securely handled at all times.

PART III: PARTICIPANT ACCESS AND MARKET PARTICIPATION

11. PARTICIPANT ACCESS

11.1. Participant access principles

Open and non-discriminatory access to the SAWEM is fundamental to the successful implementation of electricity market reform. The Trading Platform must therefore provide eligible participants with fair and transparent access to market opportunities while ensuring that participation occurs within an appropriate regulatory and operational framework.

This chapter establishes the principles governing participant admission, registration, authentication, and ongoing access. It also addresses the suspension or termination of participation, where necessary.

These requirements are intended to promote confidence in the market. Participants must be treated fairly and objectively, in accordance with applicable legislation, the Market Code and this Framework.

The principles of fairness, transparency, objectivity, non-discrimination and technical reliability shall govern access to the Trading Platform. The MO must administer participant admission processes in a manner that ensures fair and consistent technical access to the Trading Platform, while safeguarding the integrity and reliable operation. (Broader market competition and integrity objectives are addressed in the Market Code).

Admission criteria must be objective, equitable and publicly available. Similar applicants must be assessed against the same eligibility criteria and afforded equal opportunity to participate in the market. Any differentiation between applicants must be supported by lawful, objective and technically justifiable reasons.

The MO must further ensure that no participant receives preferential treatment in relation to access to or onboarding for, the Trading Platform, unless such differentiation is expressly permitted by legislation, the Market Code or another applicable regulatory instrument, and approved by the Regulator. The Market Code governs non-discriminatory access to market information.

Market access requirements such as prudential requirements, including the Required Credit Cover applicable to Market Participants, are established under the Market Code (Credit Cover). The MO must further ensure that no participant receives preferential treatment in relation to access, onboarding to use the Trading Platform, system functionality or market information; unless such differentiation is expressly authorised by legislation, the Market Code or another applicable regulatory instrument, and approved by the Regulator.

12. MARKET PARTICIPATION

12.1. Registration and onboarding

The MO must establish and maintain a transparent participant registration and onboarding process that enables eligible market participants to access the Trading Platform efficiently, consistently, and without discrimination.

The registration process must include clearly documented eligibility requirements, technical capability requirements, cybersecurity requirements, and legal compliance obligations applicable to each participant category, as well as any other aspect of the interface with the Trading Platform that could undermine the credibility and integrity of the Trading Platform. These requirements must be published and made readily accessible to prospective participants.

The onboarding process must define the sequence of activities required for participant admission, including application submission, technical eligibility assessment, technical validation, system testing, approval and activation of market access. Each stage of the process must specify the responsible officials, applicable timeframes and decision-making criteria.

Where an application for access to the Trading Platform is declined, the MO must provide the applicant with written reasons for the decision together with information regarding any available review or appeal mechanisms.

12.2. User authentication and access controls

The security of the Trading Platform depends on robust access control arrangements that protect market information, prevent unauthorised system access, and preserve the integrity of market trading operations.

The MO must implement access controls appropriate to critical market infrastructure, in accordance with the identity and access management standards set out in Part IV (Cybersecurity requirements). Such controls must ensure that every user accessing the Trading Platform can be uniquely identified and that system access is restricted to the functions necessary to perform authorised duties.

- Multi-factor authentication must be implemented for privileged users and for any participant roles identified as presenting an elevated operational or cybersecurity risk.
- Role-based access controls must be established to ensure that users are granted the minimum level of system access necessary to perform their authorised functions. Access rights must be reviewed periodically and updated promptly whenever user responsibilities changeor access is no longer required.

The MO must maintain a comprehensive user role matrix that identifies all authorised user categories, associated permissions, and approval authorities. The user role matrix must be made available to NERSA upon request.

Appropriate information barriers must be implemented to protect confidential participant information and commercially sensitive market data. Individuals with access to such information must not use it for any purpose that is inconsistent with the fair and impartial operation of the wholesale electricity market, and any transgression in this regard will face disciplinary action and may be subject to criminal prosecution and punitive damages.

12.3. Suspension and termination of access

The MO may suspend or terminate a participant's access to the Trading Platform when necessary to protect market integrity, system security or compliance with applicable regulatory requirements.

Except where immediate action is required to address an imminent threat to market operations or the security of the Trading Platform, suspension or termination must be preceded by procedural fairness. The affected participant must be informed of the proposed action and the reasons for it. The participant must also be allowed to respond before a final determination is made.

An emergency suspension may be implemented without prior notice where immediate intervention is necessary to protect the integrity, security or reliable operation of the market. In such circumstances, the MO must immediately notify NERSA. The MO must commence a formal review of the suspension within forty-eight (48) hours of the emergency suspension, conclude that review within a further forty-eight (48) hours, and report the outcome to NERSA within twenty-four (24) hours of concluding the review; resulting in a maximum period of five (5) days from the emergency suspension to NERSA's receipt of the report.

Where access has been suspended, the MO must, within 48 hours of the suspension, inform participants of the corrective actions required for reinstatement and the process through which restoration of market access may be requested.

The MO must maintain complete records of all suspension and termination decisions for regulatory oversight and audit by the Energy Regulator or its appointed independent third party.

12.4. Restriction on Automated Trading

Automated algorithmic trading systems used by Market Participants to submit bids and offers without manual review are not permitted to interact with the Trading Platform during the initial phase of SAWEM operation, defined as the period from commercial launch until 5 years. This restriction does not apply to the Trading Platform's own system interfaces, including the APIs required for participants, the System Operator, and other approved systems to connect to and operate the platform. NERSA will review this restriction and determine whether and how automated trading may be

permitted, based on the market's operating experience and the maturity of the Trading Platform's risk controls.

12.5. Prudential and Default Risk Controls

The Trading Platform must give operational and technical effect to the prudential and credit risk requirements established under the Market Code, including the Required Credit Cover applicable to Market Participants referred to in paragraph 11.1. This paragraph addresses the technical and operational controls required for that purpose; the substantive credit, collateral and prudential requirements themselves remain governed by the Market Code.

At a minimum, the Trading Platform must provide:

a) automated verification of each Market Participant's credit limit and available collateral prior to accepting a bid, offer or transaction that would exceed it;
b) defined procedures, integrated with the suspension and termination provisions of paragraph 12.3, for managing a Market Participant's failure to meet a collateral call or settlement obligation, including any automatic curtailment of further market access pending resolution;
c) confirmation that Required Credit Cover; whether cash collateral in a Market Participant's own Collateral Reserve Account, or a guarantee from an independent Credit Cover Provider; continues to be held by the MO on trust for Creditors in the Trading Clearing Accounts and Collateral Reserve Accounts at the Market Bank in accordance with Market Code paragraph 15.2.1, distinct from the MO's own operating funds and from the Market Operator Charge Account and;
d) regular reporting to NERSA on credit limit utilisation, collateral adequacy and default events, in addition to the Settlement Assurance Report required under paragraph 30.1.

PART IV: TECHNICAL STANDARDS AND SYSTEM INTEGRITY

13. TECHNICAL STANDARDS

13.1. Minimum technical requirements

Automated algorithmic trading systems used by Market Participants to submit bids and offers without manual review are not permitted to interact with the Trading Platform during the initial phase of SAWEM operation, defined as the period from commercial launch until 5 years. This restriction does not apply to the Trading Platform's own system interfaces, including the APIs required for participants, the System Operator, and other approved systems to connect to and operate the Platform. NERSA will review this restriction and determine whether and how automated trading may be permitted, based on the market's operating experience and the maturity of the Trading Platform's risk controls. The Trading Platform constitutes critical market infrastructure enabling the operation of the SAWEM. Its continued availability, integrity and resilience are fundamental to maintaining confidence in market outcomes and ensuring the secure and efficient operation of the electricity market and predictable electricity prices.

The Trading Platform directly facilitates market participation, price formation, dispatch schedule, settlement and regulatory oversight. Any failure affecting the integrity, availability or security of the Platform may compromise market outcomes, including, inter alia, reliable price discovery and increased liquidity. Any loss of trust will undermine participant confidence and adversely affect the operation of the wholesale electricity market.

Accordingly, the MO must establish and maintain technical standards that ensure the Trading Platform operates reliably, securely and transparently throughout its operational lifecycle.

The requirements contained in this Part establish the minimum technical standards that the Trading Platform must satisfy both before regulatory approval and throughout its continued operation. The minimum technical standards applicable to the Trading Platform are summarised in **Table 3**.

Table 3: Minimum Technical Standards

Standard	Regulatory Requirement
Availability	• The Trading Platform must maintain a minimum operational availability of 99.9 per cent during designated trading windows. • Planned maintenance activities must be communicated to all participants at least five business days before implementation.

Performance	• Bid and offer submissions, validation processes, market clearing and publication of market outcomes must be completed within the performance thresholds prescribed by the Market Rules.
Data Integrity	• The Platform must maintain controls that prevent unauthorised alteration of bids, schedules, settlement information and all other material market data. (as defined in chapter 19.2, Data Retention).
Audit Trails	• Every material transaction, system action and user activity must be time-stamped, attributable to an authorised user and recorded in a tamper-evident audit log using timestamps synchronised to the verified time standard referenced in chapter 14.2 (Gate closure).
Reproducibility	• Market outcomes must be capable of independent reconstruction using retained input data, approved market rules and system logs.
Environment Segregation	• Development, testing and production environments must remain logically and operationally separated to preserve the integrity of live market operations.
Backup and Business Continuity	• The Trading Platform must be supported by tested backup, disaster recovery and business continuity arrangements in accordance with chapter 13.2 (Disaster recovery and business continuity).
Scalability	• The Trading Platform must be capable of accommodating growth in transaction volumes, market participants and product types without material degradation in performance and must be able to support capacity expansion as the market develops.
Interoperability	• The Trading Platform must support standardised, documented interfaces enabling reliable data with market participants and regulatory reporting systems, in accordance with recognised industry data standards. Data exchange with the System Operator function is governed by the ring-fencing and system isolation requirements set out in the MO's licence conditions, reflecting that the Market Operator and System Operator functions currently reside within the same licenced entity (NTCSA).
Cloud and Infrastructure Requirements	• Where the Trading Platform relies on cloud services or third-party data centre infrastructure, such arrangements must meet recognised international standards for security, data residency and service continuity, consistent with the disclosure requirements set out in the Application Submission Requirement.

System Observability	• The Trading Platform must implement monitoring, logging and alerting capabilities sufficient to detect, diagnose and respond to system performance degradation, errors and anomalous behaviour in real time.

Compliance with these standards forms part of the ongoing regulatory obligations of the MO and may be verified by NERSA through audits, inspections and independent assurance activities.

13.2. Cybersecurity requirements

The Trading Platform must be protected through a comprehensive cybersecurity framework commensurate with its status as critical market infrastructure.

The cybersecurity framework must safeguard the confidentiality, integrity and availability of market information. It must also protect the Trading Platform against unauthorised access, cyber threats and malicious interference. This includes any interference that could affect market operations.

The MO must establish and maintain policies, procedures and technical controls for identity and access management. These measures must also address network and infrastructure security, vulnerability management, and security monitoring and incident detection.

The cybersecurity framework must be developed and maintained with reference to recognised international and sector-specific standards, including ISO/IEC 27001 (information security management systems), the NIST Cybersecurity Framework, and IEC 62443 (security for industrial automation and control systems)or other recognised standards that NERSA may approve. Where the Trading Platform interfaces with operational technology systems relevant to system operation and dispatch, particular regard must be had to IEC 62443 given its specific application to industrial control environments

The MO must implement appropriate controls for privileged access management and the encryption of sensitive information. Security event logging must be maintained. The MO must also establish incident response and recovery procedures.

Independent penetration testing must be conducted before the Trading Platform enters commercial operation and thereafter at intervals determined by the MO's cybersecurity risk assessment, but not less than annually.

All identified vulnerabilities must be assessed according to their potential impact on market operations. Critical and high-risk vulnerabilities must be solved within defined timeframes appropriate to the associated level of risk.

Any cybersecurity incident that materially affectsor is reasonably capable of affecting, market integrity, operational continuity or participant confidence must be reported to NERSA without undue delay and, in any event, within twenty-four (24) hours after becoming known to the MO. Where an incident materially affects or is reasonably likely to affect Market Participants' ability to access or use the Trading Platform, the MO must, in consultation with NERSA, notify affected Market Participants within a reasonable time, without disclosing information that could compromise the security of the Trading Platform or any ongoing investigation.

14. SYSTEM INTEGRITY

14.1. System testing and certification

Before commencing commercial operations, the Trading Platform must undergo comprehensive testing to demonstrate that it can perform its intended functions reliably, securely, and in accordance with the Market Code and this Framework.

Testing must provide verifiable assurance that the Platform can support market operations under normal operating conditions as well as foreseeable abnormal and stress scenarios. Accordingly, the MO must complete an appropriate testing programme, including user acceptance testing, integration testing, system performance testing, participant simulation testing, and cybersecurity testing.

Independent technical assurance must also be obtained covering the Trading platform's architecture, market-clearing functionality, settlement processes, cybersecurity controls and operational resilience, in accordance with the MO's obligations under its licence conditions (clause 9.2) The results of all testing activities, including identified deficiencies, outstanding issues and proposed remediation measures, must be submitted to NERSA as part of the Trading Platform approval process.

NERSA may require additional testing where it considers this necessary to satisfy itself that the Trading Platform is capable of supporting reliable market operations.

14.2. Disaster recovery and business continuity

The MO must establish and maintain comprehensive business continuity and disaster recovery arrangements to ensure the Trading Platform can support critical market functions during disruptive events.

Business continuity arrangements must be designed to minimise interruptions to market operations and facilitate the timely restoration of essential Trading Platform services following system failures, cyber incidentsor other disruptive events.

The MO must define appropriate Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs) for all critical Trading Platform services and periodically

review these objectives to ensure they remain appropriate to the market's evolving operational requirements.

Disaster recovery arrangements must be tested at least annually and whenever material changes are made to the Trading Platform or its supporting infrastructure. The results of all disaster recovery exercises must be documented and made available to NERSA upon request.

Where automated market operations become unavailable, the MO must implement documented manual fallback procedures that preserve market integrity and support the continuation of essential market functions until normal operations can be restored.

Participants must be informed of applicable business continuity arrangements and their responsibilities during Trading Platform disruptions.

PART V: TRADING OPERATIONS AND MARKET CONDUCT

15. TRADING OPERATIONS

The Trading Platform is the primary mechanism through which participants interact within the SAWEM.

How bids and offers are submitted, validated, matched, and processed directly influences market outcomes, participant confidence, and the efficient operation of the electricity system.

Accordingly, the Trading Platform must facilitate trading in a manner that is transparent, objective and consistent with the principles of competition, non-discrimination and market integrity. Operational rules governing participation must be applied fairly to all market participants and must support reliable, auditable market outcomes.

This Part establishes the minimum regulatory requirements governing trading operations, bid submission, market communication, algorithmic trading and prohibited market conduct.

15.1. Bid and offer submission

The Trading Platform must provide participants with a transparent and reliable mechanism through which bids and offers may be submitted for participation in the SAWEM. The MO must ensure that all bid and offer submissions are securely recorded, time-stamped and retained as part of the permanent market record.

The Trading Platform must implement and give effect to the rules governing the submission, amendment and withdrawal of bids and offers, as established under the Market Code and Market Rules in accordance with section 34B(3)(b) of the Electricity Regulation Act. These rules must be applied uniformly to all Market Participants through the Trading Platform.

Before acceptance, each submission must be validated against the requirements set out in the Market Code (section 9.3, Day-Ahead Market Submissions) and technical validation criteria, including format and completeness checks against the required submission fields (Trading Unit identification, Declared Available Capacity or Consumption, and price). Participant eligibility is assessed at the point of registration (see Part III) and is not re-validated on a per-submission basis. Validation processes must ensure that incomplete, invalid or non-compliant submissions are identified and corrected before participation in market clearing.

Where a bid or offer is rejected, the Trading Platform must provide the submitting participant with an appropriate notification identifying the reason for rejection. Such notifications must be sufficiently detailed to enable the participant to understand the

basis of the decision and, where appropriate, rectify the submission before the applicable trading deadline.

15.2. Gate closure

Gate closure times are established under the Market Code and Market Rules. The MO must publish these times and apply them fairly to all Market Participants.

All gate closure times, and all bid, offer and transaction timestamps recorded under this Framework, must be determined by reference to a verified, nationally traceable time standard (UTC(ZA)), as maintained by the National Metrology Institute of South Africa (NMISA); synchronised via a secure network time protocol. Reliance on individual system clocks, uncalibrated server timeor grid frequency for this purpose is not permitted.

The amendment or withdrawal of bids and offers after the Market Code and Market Rules govern gate closure. The Trading Platform must technically enforce this restriction once the applicable gate closure time has passed.

Any decision to extend, suspend or otherwise modify a gate closure period must be supported by objective operational reasons, fully documented and reported to NERSA. Retain records of all discretionary gate closure decisions for audit purposes.

16. MARKET CONDUCT

16.1. Prohibited conduct on the trading platform

Market participants must conduct all trading activities honestly, fairly and in good faith. Any conduct intended to mislead the market, distort market outcomes or undermine confidence in the Trading Platform is prohibited. Conduct that has such an effect is also prohibited, and the Trading Platform must have appropriate, demonstrable design and architecture to mitigate the risk of prohibited behaviours.

Prohibited conduct includes the submission of false, misleading or deceptive bids or offers. Participants must not deliberately withhold generation capacity or misrepresent availability to influence market outcomes. Participants must not manipulate bid amendment or gate closure processes to obtain an unfair commercial advantage. The use of confidential or inside information to influence trading decisions is prohibited. Coordinated trading behaviour or collusive arrangements intended to distort competition are prohibited. Participants must not interfere with the operation of the market-clearing engine, settlement engine or dispatch systems. Automated trading systems must not be used in a manner inconsistent with the Market Code, applicable Market Rules or this Framework.

Where the MO identifies conduct that may constitute market manipulation, abuse of market power or any serious breach of market rules, the matter must be referred to

NERSA in accordance with the market surveillance and enforcement arrangements established under this Framework.

16.2. Automated trading conduct and monitoring

Automated trading systems and algorithmic bidding technologies can improve market efficiency and operational responsiveness. However, without appropriate governance, these systems may also introduce risks that can affect market integrity, competition, and operational stability.

Part III's "Restriction on Automated Trading" sets out registration requirements, and Part IV sets out technical standards for automated and third-party systems. As set out in that chapter, such systems are not permitted to interact with the Trading Platform during the initial phase of SAWEM operation. This chapter establishes the monitoring arrangements that will apply to automated trading conduct if and when NERSA permits automated and third-party system access under chapter Part III's "Restriction on Automated Trading" of this framework.

Where automated and third-party system access is subsequently permitted, the MO must maintain appropriate monitoring capabilities to detect abnormal trading behaviour, algorithm failures, excessive message traffic, runaway bidding activity and other automated conduct capable of disrupting the orderly operation of the market.

Where an automated trading system interfacing with the Trading Platform presents a material operational or market integrity risk, the MO may suspend or disconnect that system pending investigation and corrective action.

16.3. Platform communication standards

Effective communication is essential to maintaining transparency, consistency and confidence in market operations. The Trading Platform must therefore serve as the primary mechanism for issuing official operational and regulatory communications to market participants.

The MO must establish communication standards governing the publication and distribution of market notices, dispatch instructions, gate closure notifications, settlement alerts, operational advisories and other information necessary for the orderly operation of the market. All material communications issued through the Trading Platform must be accurately time-stamped, retained as part of the official market record and made available for regulatory audit.

Information that may reasonably influence market behaviour or trading decisions must be disseminated simultaneously to all affected participants through the Trading Platform, unless differential disclosure is expressly authorised under applicable legislation or Market Rules.

Communication arrangements implemented under this Framework must promote transparency, support equal access to market information and minimise the risk of information asymmetry capable of affecting market outcomes.

PART VI: DATA GOVERNANCE, PUBLICATION AND RETENTION

17. DATA GOVERNANCE

The integrity and credibility of the SAWEM depend upon the availability of complete, accurate and reliable market information. Every transaction executed through the Trading Platform generates data that serves multiple regulatory and operational purposes, including market clearing, dispatch, settlement, market surveillance, compliance monitoring and regulatory oversight.

The Trading Platform must therefore incorporate appropriate and demonstrable data governance arrangements that ensure market information is captured, validated, retained and made available in a manner that promotes transparency, auditability and confidence in market outcomes.

17.1. Data Capture and Accuracy Obligations

The Trading Platform must capture, process and retain all information necessary to support the efficient operation of the wholesale electricity market and the effective discharge of NERSA's statutory responsibilities.

The MO must ensure that all material market data generated or processed by the Trading Platform is complete, accurate, secure and capable of independent verification throughout the applicable retention period.

Material market data includes bids and offers, market schedules, dispatch instructions and transmission constraints. It also includes metering information, settlement calculations and imbalance calculations.

Manual interventions, system-generated decisions and audit logs are also regarded as material market data. Material market data is not limited to the information specified in this provision.

The MO is responsible for ensuring the integrity of all information generated, processed or published by the Platform following submission.

Appropriate validation controls must be implemented to identify incomplete, inaccurate or inconsistent information before it influences market outcomes or regulatory reporting.

17.2. Real-Time Data Feeds

The Trading Platform must support the timely exchange of operational and regulatory information necessary for the efficient operation of the wholesale electricity market. This section addresses the technical mechanism for data delivery; the Market Code prescribes the substantive content and scope of required market information.

The MO must establish data exchange mechanisms that provide near-real-time access to information required for market operations, dispatch coordination, system balancing, and regulatory oversight.

At a minimum, near-real-time data feeds must be available for bid and offer submissions and dispatch instructions. The data feeds must also include transmission constraint notifications and outage declarations.

Near-real-time data feeds must further be available for any other operational information prescribed by the Market Code or NERSA. Data exchange arrangements must ensure that authorised recipients receive accurate, complete, and synchronised information within the timeframes needed to support market operations.

Where information is published to multiple participants, the MO must ensure that publication occurs simultaneously unless otherwise authorised under applicable legislation or Market Rules.

18. MARKET INFORMATION PUBLICATION, RETENTION AND ACCESS

18.1. Publication Obligations

Transparency is a fundamental principle of the SAWEM design. Timely publication of market information promotes confidence in market outcomes, supports effective competition, and enables participants to make informed commercial decisions.

The MO must publish market information in accordance with the publication requirements prescribed by this Framework, the Market Code and any applicable regulatory decisions.

Publication arrangements must ensure that information is released in a manner that is timely, accurate, consistent and readily accessible to the intended audience.

The minimum publication requirements applicable to the Trading Platform are set out in **Table 4**.

Table 4: Minimum Publication Requirements

Information	Publication Timing	Audience
Unconstrained and constrained schedules	By 14:00 on the day before the trading day	All participants
Market clearing prices	After each trading period	All participants and public (aggregate)
Dispatch instructions	Near-real-time	Relevant participant and TSO
Constraint notifications	Near-real-time	Affected participants; daily summary public

Settlement statements	Within settlement cycle timelines	Individual participants
Market conduct notices	As required	Affected parties and NERSA
Market Code and rule changes	Before implementation	All participants and public

The MO must maintain appropriate records demonstrating compliance with all publication obligations, including the time at which information was released and the recipients to whom it was made available.

18.2. Data Retention

The MO must establish and maintain appropriate arrangements to securely retain all material market data generated through the Trading platform.

Unless legislation or another regulatory instrument prescribes a longer retention period, all material market data must be retained for a minimum of five (5) years.

Retained information must remain complete, searchable and secure. It must be protected against unauthorised alteration. The information must also remain readily accessible for audit, enforcement proceedings and dispute resolution.

The MO must implement appropriate measures to protect retained information against accidental loss, corruption or unauthorised destruction throughout the applicable retention period.

NERSA may require continued retention of specific information where such information is relevant to an ongoing investigation, enforcement proceeding or regulatory review.

18.3. Regulatory Data Access and Market Surveillance

The Trading Platform is the principal source of information NERSA uses to monitor market behavior, investigate potential market abuse, and assess compliance with applicable regulatory requirements.

Accordingly, the MO must ensure that the Trading Platform provides NERSA with timely, complete and reliable access to the information necessary to discharge its statutory oversight responsibilities.

Regulatory data provided under this Framework must be accurate, complete and machine-readable. The data must be appropriately validated and provided within the prescribed reporting timeframes. It must also support the independent reconstruction of market outcomes.

The Trading Platform Framework and the Market Surveillance Framework operate as complementary regulatory instruments. This Trading Platform Framework establishes requirements for the generation, management and reporting of market information.

The Market Surveillance Framework governs how such information is analysed and interpreted. It also provides for the identification, investigation and resolution of potential market misconduct.

The MO must ensure that data governance arrangements under this Framework are consistent with the Market Surveillance Framework. This includes its evidentiary, reporting and information-sharing requirements.

PART VII: INCIDENT MANAGEMENT, SYSTEM DISRUPTIONS AND OPERATIONAL RESILIENCE.

19. INCIDENT MANAGEMENT

19.1. Incident classification

The MO must establish and maintain a formal incident management framework. The framework must provide for the identification, classification, recording and management of incidents affecting the Trading platform.

Incidents must be classified according to their actual or potential impact on market operations and market participants. The classification must also consider the impact on settlement, cybersecurity, regulatory oversight and the integrity of market outcomes.

The minimum incident classifications applicable under this Framework are set out in Table 5.

Table 5: Incident Classification

Classification	Description	Response Timeline
Critical	Platform unavailable during a trading window; settlement engine failure; data integrity breach; cyber incident affecting market outcomes	Immediate notification to NERSA; manual fallback within 1 hour
Significant	Material delay in market results publication; partial system degradation affecting participant access; settlement calculation errors	NERSA notification within 4 hours; resolution plan within 24 hours
Minor	Non-material system errors; cosmetic failures; brief latency spikes with no market impact	Logged and reported in the monthly platform performance report

19.2. Post-incident review

Every critical or significant incident affecting the Trading Platform shall be subject to a formal post-incident review which must commence within 5 business days of the incident and conclude within 20 business days, unless NERSA agrees to an extended timeframe given the complexity of the incident. Where the incident is a cybersecurity breach, incident response and reporting must be conducted in accordance with the MO's licence conditions; this section applies more broadly to post-incident review, including operational and technical incidents not arising from a cybersecurity breach. The review shall determine the root causes of the incident, assess its impact on market operations, Market Participants and market outcomes, evaluate the adequacy of existing controls and the effectiveness of the response, and identify lessons learned together with the corrective and preventative actions necessary to reduce the likelihood of recurrence and improve the resilience of the Trading Platform.

The MO shall prepare a post-incident report documenting the findings of the review and setting out an implementation plan for all agreed corrective and preventative actions. Where the review identifies systemic weaknesses in governance, operational processes or technical controls, the MO shall review the relevant policies, procedures and system controls and implement appropriate improvements.

A pattern of recurring incidents of a similar nature shall be regarded as an indicator of potential deficiencies in governance, operational processes or technical controls. It may result in enhanced regulatory oversight or such other action as NERSA considers appropriate. NERSA may itself commission or require the MO to commission, subject to NERSA approval of the reviewer's independence and terms of reference, an independent review where it considers this necessary to protect market integrity, promote the reliable operation of the Trading Platform or verify the adequacy of the MO's response to the incident.

20. SYSTEM DISRUPTIONS

20.1. Platform failure during a trading window

The Trading Platform must respond effectively to operational failures during active trading periods to minimise disruption to market operations and preserve the integrity of market outcomes.

Where a System Failure (as defined in the Market Code) occurs during an active trading window, the MO must immediately activate its approved incident response procedures and implement appropriate contingency arrangements. Settlement during a System Failure is governed by the Administered Settlement provisions of the Market Code; this Framework addresses only the Trading Platform's technical incident response.

The MO must immediately notify NERSA upon becoming aware of the incident and affected Market Participants must be informed through appropriate communication channels. The MO must undertake an initial assessment of the likely operational and market impact of the incident and maintain comprehensive records of all actions taken during the incident response process.

The MO must submit a formal incident report to NERSA within five (5) business days after normal operations are restored.

21. OPERATIONAL RESILIENCE

21.1. Administered settlement

When normal settlement processes are disrupted by a System Failure or other exceptional event, the Market Code governs administered settlement. NERSA may

direct the MO to implement such arrangements. All decisions relating to administered settlement must be fully documented and made available to NERSA for review.

21.2. Continuous improvement

The MO must use the outcomes of incident investigations and post-incident reviews to support the continuous improvement of the Trading platform. Post-incident reviews must not be treated solely as reporting or compliance exercises.

Lessons identified through incident reviews must be used to strengthen governance arrangements, operational processes and technical controls. The MO must continuously assess whether existing policies, procedures and system controls remain relevant and effective.

In implementing continuous improvement measures, the MO should have regard to recognised international standards and good industry practice. This includes ISO 22301, which guides business continuity management and organisational resilience. It also includes ISO/IEC 27035, which guides information security incident management and incident response.

These standards may be used as reference benchmarks when developing and reviewing incident management, recovery and continuous improvement arrangements.

Reference to these standards does not, in itself, require certification or mandatory compliance unless expressly required by NERSA or applicable legislation.

Where weaknesses or gaps are identified, the MO must implement appropriate corrective and preventative measures. The effectiveness of these measures must be monitored and reviewed.

Recurring incidents of a similar nature may indicate weaknesses in governance, operational processes or system controls. The MO must assess the underlying causes of such incidents and implement measures to reduce the likelihood of recurrence.

NERSA may require evidence of improvements implemented following an incident. It may also require an independent review where necessary to protect market integrity or promote the continued reliability and resilience of the Trading platform.

PART VIII: MARKET SURVEILLANCE, COMPLIANCE MONITORING

22. MARKET SURVEILLANCE, COMPLIANCE MONITORING

22.1. Oversight principles

Oversight shall be exercised on the Trading Platform in a manner that facilitates effectiveness throughout its operational lifecycle.

The MO must ensure that the Platform enables NERSA to perform its statutory functions through timely access to accurate, complete and auditable market information as detailed in the Market Surveillance Framework's Data-Sharing Requirements section.

Regulatory oversight under this Framework is intended to promote confidence in market outcomes and ensure compliance with applicable legislation, licence conditions and Market Rules. It also supports identifying potential market misconduct and promoting effective competition.

Regulatory oversight seeks to protect market participants against unfair or discriminatory conduct. It further supports continuous improvement in market governance.

Regulatory oversight shall be exercised in a proportionate and risk-based manner. It must be consistent with the principles of procedural fairness and administrative justice.

22.2. Market surveillance data requirements

The Trading Platform must generate and retain sufficient information to enable NERSA to identify, investigate, and assess actual or potential breaches of applicable regulatory requirements, as detailed in the Market Surveillance Framework and the Data-Sharing Requirements section.

The MO must ensure that the Trading Platform captures, stores and preserves information relating to bids and offers. This includes bid amendments, withdrawals and gate closure activities. Information relating to dispatch instructions and settlement calculations must also be retained.

The Trading Platform must preserve relevant participant communications, system-generated decisions and manual interventions. User access logs, algorithm outputs and system alerts must also be captured and retained.

The MO must maintain complete audit trails and any additional information reasonably required by NERSA. All surveillance information must be independently verifiable. It must remain available throughout the applicable data retention period.

22.3. Compliance monitoring

The Trading Platform must maintain complete audit trails and other technical capabilities necessary to support NERSA's compliance monitoring functions. The substantive compliance monitoring process, including assessment of governance, operational and market conduct matters, is addressed in the Market Surveillance Framework and enforced through applicable Market Code and Market Rules provisions. Where the Trading Platform's technical monitoring capabilities identify material non-compliance, the MO must notify NERSA.

22.4. Market conduct monitoring

The Trading Platform must incorporate technical monitoring capabilities capable of supporting the identification of conduct that may adversely affect the integrity, transparency or efficient operation of the wholesale electricity market, including unusual bidding behaviour, abnormal price movements, repeated bid withdrawals, capacity withholding, coordinated participant behaviour, market concentration, and potential insider trading or manipulation. The Market Surveillance Framework addresses the substantive assessment, investigation, and enforcement of market conduct matters

22.5. Audits and Inspections

NERSA may conduct audits, inspections or compliance reviews of the Trading Platform. NERSA may undertake these activities whenever necessary to discharge its statutory responsibilities.

Regulatory reviews may examine any aspect of the Trading Platform relevant to regulatory oversight. This may include governance arrangements, market-clearing processes and cybersecurity controls. Settlement systems and participant access management may also be reviewed.

NERSA may further examine surveillance information, audit logs and incident reports. Business continuity arrangements and compliance monitoring activities may also form part of a regulatory review.

The MO must provide NERSA with reasonable access to all relevant records, systems, personnel and information. Such access must be sufficient to facilitate the effective conduct of regulatory audits and inspections.

22.6. Information Sharing and Cooperation

The effective regulation of the SAWEM requires cooperation between NERSA and the MO. Given that the Market Operator and System Operator functions currently reside within the same licenced entity (NTCSA), this cooperation also extends to the System Operator function where operational data exchange or coordinated response is

required. Cooperation may also extend to other institutions exercising lawful regulatory or oversight functions.

The MO and NERSA must establish appropriate arrangements for the secure exchange of regulatory information. Commercially sensitive information and confidential participant data must remain appropriately protected.

Information sharing must comply with applicable legislation. This includes the Protection of Personal Information Act, 2013 and the Promotion of Access to Information Act, 2000. Information sharing must also comply with confidentiality obligations established under the Market Code or applicable licence conditions.

Where NERSA shares information with another competent authority for lawful regulatory purposes, it must implement appropriate safeguards. These safeguards must preserve confidentiality and protect commercially sensitive information.

22.7. Risk-based oversight

The Trading Platform must support NERSA's risk-based oversight activities. Relevant information may include bids and offers, dispatch instructions and market-clearing results. Settlement statements and audit logs may also be considered.

NERSA may review system alerts, incident reports and user activity logs. NERSA may also review API transaction logs and algorithm outputs. NERSA may use this information to assess regulatory or market integrity risks.

PART IX: REGULATORY APPROVAL, CONDITIONS AND CONTINUING COMPLIANCE

23. REGULATORY APPROVAL

This chapter establishes the requirements and process for obtaining NERSA's approval of a Trading Platform before commercial operation, and for the continued regulatory oversight of approved Trading Platforms. It prescribes the information the MO must submit, the criteria against which applications will be assessed, NERSA's decision-making process, and the obligations applicable to approved Trading Platforms, including material changes, renewal, and ongoing compliance. The purpose of this chapter is to ensure that Trading platforms operate in a manner that promotes the integrity, transparency, efficiency, resilience, and orderly functioning of the wholesale electricity market, while safeguarding the interests of Market Participants and supporting the objectives of the Electricity Regulation Act and the Market Code, Market rules and the Market Surveillance Framework.

23.1. Approval Requirement

The MO shall not commence or continue the Operational Deployment of a Trading Platform unless it has obtained NERSA's prior written approval, granted in accordance with this Framework and any applicable legislative or regulatory requirements, which shall be the Operational Deployment Date (ODD).

For this chapter, "Operational Deployment" means executing trades on the Trading Platform that create legally binding obligations between Market Participants. Operational Deployment excludes testing activities, including system testing, user acceptance testing (UAT), and parallel-run activities conducted before the Operational Deployment.

Before submitting a complete application, as outlined in the Application Submission Requirement, for approval under this Framework, the MO may direct inquiries about the approval process and applicable regulatory requirements to NERSA through the designated email address or other communication channel specified by NERSA, as authorised in terms of section 3 of the ERA.

23.2. Application Submission Requirement

The MO must submit an application to NERSA for approval to commence commercial operation of the Trading Platform within the timeframe prescribed by applicable legislation, the Market Operator Licence conditions or any directive issued by NERSA. Where no such timeframe has been prescribed, the application must be submitted not less than 120 business days before the intended Operational Deployment Date, to allow NERSA adequate time to assess the application. NERSA may, by written notice to the MO and on reasonable grounds including the novelty, complexity, or scale of the Trading Platform, or the extent of its interconnection with other systemically

important infrastructure, require that the application be submitted earlier than this minimum period.

The application and accompanying supporting documentation must provide sufficient information to enable NERSA to assess the MO's compliance with its applicable regulatory and licence obligations and the readiness of the Trading Platform for commercial operation. The information and documentation required under this section are intended to support NERSA's assessment of compliance with the existing obligations applicable to the MO, including those relating to the operation and integrity of the Trading Platform, independent verification and validation, cybersecurity, governance, operational readiness, market readiness, regulatory oversight and the provision of information to NERSA.

Accordingly, the application must include, where applicable:

a. Details of the MO and the Trading Platform, including the type, principal characteristics, features, functionalities, capabilities and modus operandi of the Trading Platform, sufficient to enable NERSA to assess the proposed operation against the applicable regulatory requirements and the approved scope of the Trading Platform, as set out in Chapter 24.3 (Scope of Approval). This requirement is aligned with Licence Condition 8.1, which regulates the operation of the Trading Platform, and Licence Condition 8.2, which requires transparency regarding the Trading Platform and its trading algorithms.
b. Information on the MO's governance structure, including the Board composition, senior management, accountable officers and relevant organisational arrangements, sufficient to demonstrate the independence, accountability and governance arrangements applicable to the operation of the Trading Platform. This requirement must be read together with Chapter 24.3 (Scope of Approval) and is supported by Licence Condition 13, which provides for independent governance, accountable officers, conflict-of-interest arrangements and separation of roles.
c. Information relating to the Chairperson, directors, Chief Executive Officer and other accountable officers, to the extent necessary to assess the governance, independence, accountability and conflict-of-interest requirements applicable to the Trading Platform. This requirement is supported by Licence Condition 13 and should not be construed as imposing a separate fit-and-proper requirement unless such requirement is established under an applicable law, rule, licence condition or other binding regulatory instrument.
d. The results of the MO's internal verification, validation and due diligence undertaken before submission of the application, including in relation to the Trading Platform's core functionalities, interfaces and supporting systems, in accordance with Chapter 24.1 (Pre-submission Obligation). This requirement is aligned with Licence Condition 9.2, which requires the Trading Platform, its core functionalities and interfaces to undergo independent verification and validation before commencement of market operations.
e. An independent verification, validation, audit or assurance report prepared by a suitably qualified independent party (also defined in the market code as market Auditor), including the material findings, recommendations and corrective actions arising from the assessment, as contemplated in Chapter 24.1 (Pre-submission Obligation). This requirement is supported by Licence Conditions 9.1 and 9.2, which provide for NERSA's inspection and independent review of the Trading Platform and require independent verification and validation before commencement of market operations and following material changes.
f. Information concerning the operational scope of the Trading Platform, including a description of the target market, categories of market participants, products to be traded, projected operational volumes and anticipated business viability, where applicable, to enable NERSA to assess operational and market readiness in

accordance with Chapter 24.3 (Scope of Approval). This requirement is further supported by Licence Condition 17, which requires the MO to maintain the Trading Platform in a fully operational, reliable and secure condition and provides for market-readiness and performance requirements.

g. Where applicable, information concerning cloud services, data-centre infrastructure, hosting arrangements and relevant third-party service providers supporting the Trading Platform, including information necessary to assess system security, resilience, business continuity, disaster recovery and third-party risk. This requirement is aligned with Licence Condition 12, which provides for cybersecurity, system isolation, disaster recovery, business continuity, independent cybersecurity assessments and third-party/vendor risk management.
h. Information and supporting documentation relating to governance arrangements, operational procedures, cybersecurity controls, data management, recordkeeping and regulatory reporting capabilities, as contemplated in Chapter 24.3 (Scope of Approval). These requirements are supported by Licence Conditions 8.3 to 8.6, Licence Condition 12, and Licence Condition 22, which respectively address system integrity and resilience, regulatory oversight, recordkeeping, cybersecurity and the provision of information to NERSA.
i. Evidence of testing, trial, pilot or parallel-operation activities undertaken in preparation for commercial operation, including the outcomes, identified deficiencies and corrective actions, where applicable, in accordance with Chapter 29.2 (Reporting Obligation). Such information must support NERSA's assessment of the readiness and proper functioning of the Trading Platform and is aligned with Licence Conditions 9.2 and 17, which require verification and validation before commencement of market operations and provide for market-readiness and performance requirements.
j. A current architecture record describing the Trading Platform's core functionalities, system components, external interfaces, dependencies and integration arrangements, including information concerning material integration risks. This requirement is aligned with Licence Conditions 8.3 and 8.4, which address system integrity, resilience, regulatory oversight and notification of material changes to system architecture and interfaces.
k. Any other information or documentation reasonably required by NERSA for the purpose of assessing the MO's compliance with its applicable licence conditions and regulatory obligations, the readiness, integrity, resilience and proper functioning of the Trading Platform, or NERSA's exercise of its regulatory functions under the applicable legislation. Such requests must be related to the MO's existing regulatory and licence obligations and are supported, in particular, by Licence Conditions 18, 19 and 20, concerning NERSA's inspection, investigation, independent review and assessment of the adequacy and operational readiness of the MO's systems and resources, as well as Licence Condition 22.1.2, concerning the provision of information and documents required by NERSA for the performance of its regulatory functions

24. CONDITIONS

This chapter sets out the criteria and process NERSA will apply to assess applications for approval of a Trading Platform, the conditions that may be imposed upon approval, and the ongoing obligations applicable to approved Trading Platforms. It establishes the requirements for demonstrating that a Trading Platform is capable of operating in a secure, resilient, transparent, and efficient manner, while enabling NERSA to ensure that the Trading Platform continues to comply with this Framework, the Market Code, applicable Market Rules, and any other relevant regulatory requirements throughout its operational lifecycle.

24.1. Pre-Submission obligation

Before submitting an application as detailed in the Application Submission Requirement 23.2, the MO must conduct appropriate internal verification and due diligence on the Trading platform, including, at a minimum, an assessment of its technology architecture, algorithms, cybersecurity controls, and business continuity arrangements. Where NERSA considers that an application is incomplete or that additional information is required to conduct its assessment, it may notify the MO in writing, specifying the outstanding information to be provided.

The MO must also obtain an independent external audit or assurance report on the Trading Platform from a suitably qualified and independent third party. The scope of the independent audit or assurance shall, inter alia, address system resilience, cybersecurity, data integrity, and algorithmic controls, having regard to the requirements of pre-submission obligation.

24.2. Assessment and decision

When evaluating an application, the Regulator is bound by, inter alia, sections 11, 12 and 1, and when making a decision to approve an application or not, the Regulator bound by, inter alia, section 10 of the NERA, Act No. 40 of 2004.

24.3. Scope of Approval

The approval requirement, and any assessment approval granted by NERSA under this Chapter applies to the Trading Platform as an integrated market infrastructure ecosystem, including its systems, algorithms, business processes, interfaces, governance arrangements, operational procedures, cybersecurity controls, data management arrangements, and regulatory reporting capabilities regardless of whether the market-clearing methodology, business rules or parameters are executed using the MO's own systems or third-party software, modelling tools or computational engines licenced for that purpose or any other aspect the Energy Regulator decides is necessary. This Framework does not extend to the proprietary internal design of any third-party software or computational engine used solely as a modelling tool.

24.4. Commencement Following Approval

Where NERSA approves an application under *Assessment and* decision (chapter 24.2*)*, the MO must commence commercial operation of the Trading Platform by the Operational Deployment Date specified in the approval. Where the MO fails to commence commercial operation by the specified Operational Deployment Date, such failure may constitute a ground for NERSA to consider exercising its powers under sections 16 and 17 of the Act in respect of the MO’s licence or applicable licence conditions, including varying, suspending or removing a licence condition or, where the statutory requirements are met, revoking the licence.

Before taking any action in terms of sections 16 or 17 of the Act, NERSA must follow the applicable statutory and procedural requirements, including providing the MO with written notice of the proposed action and the reasons for it, and affording the MO a reasonable opportunity to make representations, where required by law.

In considering whether to exercise its powers, NERSA may have regard to any written representations submitted by the MO demonstrating good cause for the delay. Such representations may include circumstances relating to the novelty, complexity or scale of the Trading Platform, or other circumstances that materially affected the MO's ability to commence commercial operation by the specified Operational Deployment Date. Where NERSA considers that the circumstances justify additional time for commencement, NERSA may, in accordance with its powers under the Act and the applicable licence conditions, consider an appropriate extension or variation of the relevant licence condition rather than taking further regulatory action.

25. SUSPENSION, VARIATION OR WITHDRAWAL OF APPROVAL

Where the Trading Platform no longer satisfies the requirements applicable to its operation, including the requirements of this Framework, the approved Market Code and Market Rules, or the MO's licence conditions, or where its continued operation presents a material risk to market integrity, operational reliability, regulatory oversight or participant confidence, NERSA may consider exercising its powers under sections 16 and 17 of the Act in respect of the MO's licence or applicable licence conditions.

Such regulatory action may include the variation, suspension or removal of a licence condition under section 16 of the Act or, where the statutory requirements are met, the revocation of the MO's licence under section 17 of the Act. The consequences of such action may include restricting or preventing the MO from continuing to operate the Trading Platform where the relevant licence or licence conditions no longer authorise such operation. Before varying, suspending or removing a licence condition, or revoking the licence, NERSA must follow the applicable statutory and procedural requirements, including providing the MO with written notice of the proposed action and the reasons supporting it, and affording the MO a reasonable opportunity to make representations, where required by law.

Where urgent intervention is necessary to protect the market, NERSA may take such interim or precautionary measures as are lawfully available to it, pending further assessment or a final decision. Such measures may include enhanced reporting requirements, temporary restrictions on specified Trading Platform functionality, mandatory remedial actions or other proportionate measures available under the Act or applicable licence conditions to manage the identified risk. In exercising its powers, NERSA must have regard to the nature and severity of the identified non-compliance or risk, the potential impact on market integrity and participants, the MO's

representations and any remedial measures proposed or implemented by the MO, and the need for the regulatory response to be proportionate to the circumstances.

26. CONSEQUENCES OF NON-COMPLIANCE

Operating or continuing to operate a Trading Platform without the approval required *under Approval Requirement* (chapter 23.1*)* or in breach of this Framework or any condition imposed by NERSA, constitutes non-compliance and, where applicable, may constitute a breach of the MO's licence conditions. NERSA may take enforcement action in accordance with applicable legislation, licence conditions and the enforcement provisions of this Framework.

PART X: ENFORCEMENT, REGULATORY INTERVENTION AND APPEALS

27. ENFORCEMENT

This chapter establishes the framework for monitoring compliance with, investigating breaches of, and enforcing this Framework, the Market Code, applicable Market Rules, conditions of approval, and regulatory directives issued by NERSA. It sets out the principles governing the exercise of NERSA's enforcement powers, the obligations of the Market Operator, TSO and Market Participants in relation to compliance, and the measures available to NERSA to promote and enforce compliance while protecting the integrity, transparency, security, and orderly operation of the Trading Platform and the wholesale electricity market.

27.1. Regulatory Enforcement Principles

In exercising its powers under this chapter, NERSA must act lawfully, fairly, transparently, consistently and proportionately, having regard to the nature, seriousness and impact of the relevant non-compliance.

a. In exercising its enforcement functions, NERSA must seek to:
b. promote compliance with applicable legislation, licence conditions, this Framework, the Market Code and applicable Market Rules;
c. preserve the integrity, transparency, efficiency and orderly operation of the wholesale electricity market;
d. protect Market Participants and the public interest from conduct that is unfair, discriminatory or detrimental to the operation of the Trading Platform;
e. encourage the timely identification and remediation of regulatory deficiencies before they materially affect market outcomes;
f. deter conduct that may undermine market integrity, competition, public confidence or effective regulatory oversight; and
g. ensure that enforcement measures are proportionate, consistent and appropriate to the nature and consequences of the non-compliance.

27.2. Detection, Investigation and Reporting of Platform Breaches

A breach occurs where the Market Operator, a Market Participant or any other person subject to this Framework fails to comply with a provision of this Framework, the Market Code, applicable Market Rules, a condition of approval or a regulatory direction issued by NERSA.

Without limiting the generality of the above, a breach may include:

- submitting false, inaccurate or misleading information or data to the Trading Platform or NERSA;
- manipulatingor attempting to manipulate, the market clearing engine, settlement engine, dispatch interface or any other core Trading Platform functionality;
- misusing access to the Trading Platform or confidential information to obtain an unfair or anti-competitive advantage;
- failing to comply with gate closure requirements or other operational obligations prescribed in the Market Code or applicable Market Rules;
- operating automated trading systems or interfaces in contravention of approved technical, operational or regulatory requirements;

- obstructing, delaying or failing to cooperate with a regulatory audit, inspection or investigation conducted by NERSA;
- implementing unauthorised material changes to the Trading Platform, its systems, algorithms or operational processes; or
- failing to maintain required audit trails, records, regulatory reports or data retention arrangements in accordance with this Framework or applicable legislation.

The Market Operator must establish, maintain, and periodically review appropriate systems, controls, and procedures to identify, detect, investigate, record, and report to NERSA breaches occurring onor in connection with, the Trading Platform. Where the Market Operator identifiesor has reasonable grounds to suspect, a breach, it must investigate the matter without undue delay, maintain appropriate records of the investigation and its outcome, and make such records available to NERSA upon request.

The Market Operator must notify NERSA in writing of any material breach or suspected material breach within the period prescribed by NERSA or, where no period has been prescribed, as soon as reasonably practicable after becoming aware of the breach. A breach is regarded as material where it has or is likely to have, a significant impact on the integrity, security, resilience, availability or orderly operation of the Trading Platform, the fair treatment of Market Participants, market confidence or the Market Operator's ability to comply with its regulatory obligations. Notification under this chapter does not relieve the Market Operator of any other reporting obligation arising under applicable legislation, licence conditions or this Framework.

28. REGULATORY INTERVENTION

28.1. Regulatory Information, Inspection and Audit Powers

For the purpose of monitoring compliance with this Framework and exercising its regulatory functions, NERSA may require the Market Operator, any Market Participant or any other person subject to this Framework to provide information, electronically stored information, records, audit logs, system data or any other document reasonably required for regulatory purposes.

NERSA may conduct inspections, audits or technical reviews of the Trading Platform, either directly or through appropriately qualified independent experts (market *Auditors as referred to in the market code*), and such inspections may be conducted on-site or remotely where reasonably necessary. The Market Operator must provide NERSA and any appointed expert with reasonable access to its premises, personnel, systems, records and other information necessary to conduct the inspection, audit or technical review and must cooperate fully with any investigation undertaken under this Framework.

28.2. Graduated Enforcement Measures

Where NERSA determines that non-compliance has occurred, it may impose one or more enforcement measures commensurate with the nature, seriousness and impact of the non-compliance.

In determining the appropriate enforcement response, NERSA must have regard to all relevant circumstances, including the seriousness and duration of the breach, whether the conduct was deliberate, reckless or negligent, the impact on Market Participants, market integrity and system reliability, any financial or competitive advantage obtained, previous instances of non-compliance, the degree of cooperation shown during the investigation and the effectiveness of any voluntary corrective action undertaken.

Depending on the circumstances, NERSA may impose one or more enforcement measures, including a written warning, remedial actionor any other enforcement action authorised by applicable legislation. This is seen in the table below.

Table 6: Enforcement action

Stage	Action	When applied
1	Written warning	First or minor breach with no material market impact
2	Remediation order	Repeated or moderate breach; non-compliance with platform obligations
3	Suspension of platform access	Serious breach; ongoing risk to market integrity or other participants
4	Deregistration	Persistent non-compliance or serious fraud
5	Referral to NERSA enforcement	Potential criminal conduct, licence breach or Market Code violation requiring NERSA action

28.3. Liability

The Market Operator bears ultimate responsibility for ensuring that the Trading Platform is operated in accordance with this Framework, the Market Code, applicable Market Rules, and all conditions of approval, and remains responsible for compliance even if it outsources or delegates any function to a third party.

Each Market Participant remains responsible for its own compliance with this Framework, the Market Code, and applicable Market Rules, including the conduct of its employees, authorised representatives, contractors, and automated trading systems. Where a breach arises from the conduct of more than one person, NERSA may hold each person responsible to the extent of that person's contribution to the breach.

Nothing in this chapter limits any civil, administrative or criminal liability arising under applicable legislation or the common law, nor does it prejudice any right, remedy or enforcement power available to NERSA or any other competent authority.

28.4. Appeals and review

A person aggrieved by a decision of NERSA made under this Framework may, within the period prescribed by applicable legislation or by NERSA, submit a written request for the reconsideration of the decision, setting out the grounds upon which the request is based.

Upon receipt of a request for reconsideration, NERSA may confirm, vary or revoke its original decision after considering the representations submitted by the affected person and any other relevant information.

Nothing in this Framework limits any right of review or appeal available under the Electricity Regulation Act, the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) or any other applicable legislation.

PART XI: REGULATORY REPORTING, ASSURANCE AND INFORMATION MANAGEMENT

29. REGULATORY REPORTING

29.1. Reporting Principles

The MO shall establish and maintain reporting arrangements that provide NERSA with timely, complete and reliable information necessary to discharge its statutory responsibilities under the ERA. These arrangements must support NERSA's ongoing licence monitoring, its oversight of the transition to a competitive electricity market, and its broader mandate to protect the interests of Market Participants and end users.

Regulatory reporting under this Framework shall be guided by the following principles, which the MO must apply in the design, operation and continuous improvement of its reporting systems:

- accuracy and completeness of reported information;
- timeliness of regulatory reporting;
- consistency of reporting methodologies;
- transparency and auditability;
- proportionality to regulatory risk;
- protection of confidential and commercially sensitive information; and
- interoperability with other regulatory reporting obligations established under applicable legislation or the Market Code.

All regulatory reports submitted under this Framework must be prepared in a manner that enables independent verification by NERSA. Where a report relies on data generated by the Trading Platform, the MO must be able to demonstrate the provenance and integrity of that data on request.

29.2. Reporting Obligation

The MO shall submit reports to NERSA at the intervals prescribed by this Framework, the Market Code, its licence conditions or any directive issued by NERSA. Where a reporting obligation arises under more than one of these sources, the MO must comply with the most stringent applicable requirement and may not rely on compliance with one source to excuse non-compliance with another.

Where the Trading Platform operates in a trial, pilot or test capacity before commercial launch, the MO must submit trial reports to NERSA in accordance with the reporting obligation set out in this chapter, at such intervals as NERSA may prescribe. Trial reports must set out the trial's objectives, scope, and duration; the Trading platform's aggregate performance against the technical standards in Part IV; any incidents or anomalies identified during the trial; and any corrective actions taken. Trial reports must not disclose participant-identifiable commercially sensitive information, which remains subject to the confidentiality protections applicable to regulatory reporting under this Framework. Regulatory reports must provide sufficient information to enable

NERSA to monitor, at a minimum, the following aspects of the Trading Platform and its operation:

a. Trading Platform performance;
b. market operations;
c. participant access;
d. settlement accuracy;
e. market conduct;
f. operational incidents;
g. cybersecurity;
h. business continuity;
i. regulatory compliance; and
j. any other matter reasonably required to support regulatory oversight.

Reports must clearly identify any material exceptions, significant incidents, recurring trends or emerging risks affecting the operation of the Trading Platform. They must not merely restate raw data without commentary on its regulatory significance. Where a report identifies material non-compliance or a matter capable of affecting market integrity, the MO must simultaneously submit an appropriate corrective action plan addressing the root cause, remedial steps and implementation timeframes.

29.3. Standard Regulatory Reports

The Market Operator must prepare and submit, at a minimum, NERSA's reports specified in Table 5. These reports constitute the baseline reporting requirements necessary to support NERSA's ongoing oversight of the Trading Platform and do not limit NERSA's right to request additional, supplementary or ad hoc information.

Any Regulatory Data Extracts, and any other machine-readable submissions required under this Framework, must be submitted in a format approved or specified by NERSA.

Table 7: Minimum Regulatory Reporting Requirements

Report	Frequency	Minimum Content
Daily Market Operations Report	Daily	Prices, schedules, dispatch outcomes, constraints, outages and significant operational events.
Regulatory Data Extract	Daily	Machine-readable market data required for regulatory monitoring.

Market Conduct Report	Weekly or immediately for material matters	Alerts generated, investigations initiated, referrals and significant market observations.
Participant Access Report	Monthly	New registrations, suspensions, reinstatements and participant status changes.
Settlement Assurance Report	Monthly or settlement cycle	Settlement summaries, including amounts due to and payable by each Market Participant, settlement disputes, adjustments and reconciliation outcomes. The report must identify any outstanding or overdue balances by Market Participant, and any patterns of late or partial payment that may indicate a risk of default. This information is confidential and commercially sensitive. It must be provided to NERSA and the Market Governance Committee on a confidential basis in accordance with the confidentiality protections applicable to regulatory reporting under this Framework and must not be further disclosed except as permitted under those protections.
Platform Performance Report	Monthly	Availability, latency, incidents, recovery performance and service levels.
Cybersecurity Report	Monthly and immediately for significant incidents	Cybersecurity events, threat assessments, vulnerability management and remediation activities.
Change Management Report	As required	Approved, implemented and proposed material system changes.

Manual Intervention Report	Immediate where material; otherwise, monthly	Description of manual intervention, authorisation, justification and operational impact.
Annual Assurance Report	Annually	Independent assurance relating to governance, cybersecurity, operational resilience, settlement integrity and compliance.

NERSA may amend these reporting requirements from time to time, whether by directive, licence condition or amendment to the Market Code, as needed to respond to market developments or emerging regulatory risks. The MO must implement any such amendment within the period specified by NERSA and may raise implementation constraints with NERSA before that period elapses.

30. ASSURANCE

30.1. Independent Assurance

The MO shall obtain independent assurance over those aspects of the Trading Platform that are material to regulatory oversight. Independent assurance must be obtained from a suitably qualified and independent third party and may not be substituted by internal audit or management self-assessment alone, although such internal processes remain a valuable complement to external assurance.

Independent assurance should include periodic assessment of, at a minimum:

- governance arrangements;
- market-clearing processes;
- settlement methodologies;
- cybersecurity controls;
- business continuity arrangements;
- operational resilience;
- regulatory reporting processes;
- data governance controls; and
- any additional matters identified by NERSA.

Independent assurance reports must be submitted to NERSA together with management responses addressing any findings, recommendations or identified deficiencies. Where material weaknesses are identified, the MO must implement corrective actions within timeframes agreed with NERSA and must report progress against those timeframes as part of its ordinary regulatory reporting under paragraph 30.2. *reporting obligations*

31. INFORMATION MANAGEMENT

31.1. Information Management

The MO shall establish and maintain information management arrangements that ensure all regulatory information remains accurate, complete, secure and accessible throughout its lifecycle, from creation or receipt through to eventual archiving or disposal.

Information management arrangements must address, at a minimum:

a. information ownership;
b. information classification;
c. document control;
d. version management;
e. retention and disposal;
f. access management;
g. confidentiality;
h. information security; and
i. auditability.

All regulatory records must be maintained in a manner that enables efficient retrieval during audits, investigations, regulatory reviews or enforcement proceedings under paragraph Enforcement. The MO's retention arrangements must, at minimum, comply with the default retention period of five (5) years set out in chapter 18.2, while still deferring to any longer period that NERSA or the Market Code separately prescribes for a specific record type, and must not dispose of a record that is the subject of an ongoing investigation, audit or enforcement proceeding.

31.2. Confidentiality and Information Sharing

Information submitted to NERSA under this Framework must be treated in accordance with applicable legislative requirements governing confidentiality and access to information, including the Promotion of Access to Information Act 2 of 2000, and any confidentiality provisions of the ERA or the Market Code.

The MO shall implement appropriate measures to protect confidential and commercially sensitive information against unauthorised disclosure. These measures must not, however, prevent or impede NERSA from exercising its statutory functions, including its powers to require information and to conduct inspections under paragraph Enforcement.

Nothing in this Framework prevents NERSA from sharing information with another competent authority, including another organ of state or regulatory body, where such disclosure is authorised by law and is necessary to support the effective regulation of the electricity sector or the investigation of a potential regulatory breach. Where NERSA shares information under this paragraph, it must, so far as reasonably

practicable, preserve the confidentiality protections applicable to that information in the hands of the receiving authority.

PART XII: TRANSITIONAL ARRANGEMENTS AND CONTINUOUS IMPROVEMENT

32. TRANSITIONAL ARRANGEMENTS

NERSA recognises that the SAWEM will be implemented over the Transition Period, which commences on the Commencement Date and continues to a date determined by NERSA following a Market Assessment, as defined in the Market Code. During this period, certain market processes, operational arrangements and regulatory requirements may evolve as market capability develops, and this Framework must accommodate that evolution without compromising the integrity of the Trading Platform.

During the Transition Period, the MO may implement temporary operational arrangements approved by NERSA where necessary to facilitate the orderly introduction of the Trading Platform. Any such arrangement must be capable of being unwound or superseded as the market matures and may not be used to circumvent a requirement of this Framework or the Market Code permanently.

Transitional arrangements shall:

a. be clearly documented and publicly communicated;
b. have defined commencement and expiry dates;
c. specify the circumstances under which they apply;
d. remain consistent with applicable legislation and the Market Code;
e. avoid unnecessary discrimination between Market Participants; and
f. be subject to periodic regulatory review.

Transitional arrangements do not diminish the MO's obligation to implement the Trading Platform in accordance with the long-term market design approved by NERSA. NERSA's determination of the end of the Transition Period, following the annual Market Assessment required under the Market Code, shall be treated as the definitive point at which transitional arrangements under this paragraph must have been unwound or formally converted into enduring arrangements.

33. LEGACY MARKET ARRANGEMENTS

The implementation of the Trading Platform must account for existing contractual arrangements, regulated transactions, and operational practices that remain applicable during the transition to a competitive wholesale electricity market. This includes legacy bilateral contracts administered through the Central Purchasing Agency in accordance with the Market Code, which must continue to be accommodated for as long as they remain valid.

The MO must ensure that the Trading Platform can support approved legacy arrangements while maintaining transparency, market integrity and efficient market operations. If accommodating a legacy arrangement creates a significant risk to the

functioning of the Trading Platform, the MO must refer the matter to NERSA for guidance and approval rather than applying an independent workaround.

Where temporary deviations from standard market processes are required to support legacy arrangements, NERSA must approve these deviations, which must be properly documented, transparent to affected Market Participants, subject to audit, and reviewed periodically.

Legacy arrangements must only remain in place for the period necessary to support an orderly transition to the final market design. If any legacy arrangement has to continue beyond the Transition Period, the MO must provide NERSA with a clear justification and an updated timeline for its resolution design.

PART XIII: REVIEW OF FRAMEWORK

34. REVIEW OF FRAMEWORK

34.1. Periodic Framework Review

NERSA shall periodically review this Framework to ensure that it remains appropriate for the evolving SAWEM. A review under this paragraph is distinct from the Market Code Modification Process conducted through the Modifications Subcommittee and the Market Governance Committee under the Market Code and does not require a Modification Proposal to be lodged, although the two processes should be coordinated where they overlap.

A review may be initiated where:

- significant amendments are made to applicable legislation;
- the Market Code or Market Rules are materially revised;
- new market products or Market Participant categories are introduced;
- operational experience demonstrates that amendments are required;
- technological developments materially affect Trading Platform capability;
- systemic market failures indicate deficiencies in the existing regulatory framework; or
- NERSA otherwise considers review to be necessary.

In conducting any review, NERSA may consult Market Participants, government institutions, industry experts and other stakeholders. Any amendments to this Framework shall be adopted in accordance with applicable legislative requirements and NERSA's public consultation processes, and, where a review is triggered by a material revision to the Market Code, NERSA must confirm that the amended Framework and the revised Market Code remain internally consistent before either instrument takes effect.