

CIRCULAR



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**To: All Members
Back Office Accounting Suppliers
Quote Vendors**

No: 372/98

Year 2000 Compliance - Circular 6

This is the sixth circular published by the SFE and NZFOE to provide updates describing the current status and progress made by the Exchanges towards Year 2000 readiness.

STATUS

The SFE and NZFOE have completed a review of their target Year 2000 compliance dates. Similar to most organisation the Exchanges have encountered delays in receiving critical compliant components from third parties (e.g. operating systems for core systems, applications etc.) which has impacted the targeted compliance date.

The Exchanges have reorganised their compliance testing programs to minimise the impact on core systems. Where appropriate the upgrade for compliance of SFE/NZFOE infrastructure has commenced.

As advised in Circular No. 364/98 the Floor closure is targeted for October 1999. The trading floor infrastructure has been progressed within the SFE's Y2K compliance program and to the Exchanges' target dates.

An overview of the revised target dates to complete compliance testing and to rollout compliance tested systems into production has been detailed below:

	Compliance Tested	Implemented
Critical (includes core)	March 1999	April 1999
Non Critical	April 1999	April 1999

Core Systems Target Dates

The revised target compliance and implementation dates for the core systems have been detailed below:

Core System	Description	Compliance Tested	Implemented
Price Reporting (PRS)	Price Reporting	Passed Y2K Compliance Testing	Implemented
Options Pricing	Options Settlement	Passed Y2K	Implemented

Systems (ODS)	system	Compliance Testing	
Trade Entry Systems (TE)	Trade Entry	Passed Y2K Compliance Testing	Implemented
Vband Trading Floor Switch	Trading Floor phones	February 1999	February 1999
SYCOM® IV	Automated Trading system	May 1999	June 1999
SYCOM® III ¹	Automated Trading system	February 1999	May 1999 ²
STACS ¹	Allocation System	January 1999	April 1999
CPS ¹	Clearing and Settlement System	February 1999	April 1999
BOA End User Package	Confirmed trades and allocations feed	January 1999	April 1999
BBS	Bulletin Board System	January 1999	April 1999

¹ Application (and system) passed compliance testing on a non-compliant platform in October 1998. Testing is underway on a compliant platform to the target dates above.

² A decision to implement the backup strategy for SYCOM® III, will be made in February 1999 for all trading venues.

MEMBER UPGRADES REQUIRED

Member upgrades required, as detailed in Circular No. 327/98, have been repeated below:

SYCOM®	- SYCOM® IV is targeted for live operation June 1999.
STACS	- STACS terminals at member sites do not require a software upgrade, however the Exchanges will be upgrading the MFWS terminals to a compliance tested version of the operating system.
BOA End User Package	- SFE and NZFOE recommend Members to upgrade their PCs to DOS 6.22 and compliance tested BIOS versions. Members will be notified by the Exchanges when updates can be made.
BBS	- SFE and NZFOE recommend Members to upgrade their PCs to the appropriate compliance tested platform. Members will be notified by the Exchanges when updates can be made. - SFE will upgrade the file transfer software as required and advise Members of the display errors on completion of testing.
PC-SPAN®	- SFE and NZFOE recommend that Members upgrade to version 3.12e. See the CME website http://www.cme.com/span for details of the functionality included in this version.
Contract Value Calculator Spreadsheet	- SFE and NZFOE have ported these calculators to a version of Excel - MS Excel 97 termed compliant by Microsoft and made available from SFE Web site
SFEIN 1.1a	- This new version of SFEIN has an improved user interface which is easier to use along with improved flexibility. - Y2K testing of this upgrade is scheduled for completion in March 1999.
NYMEX ACCESS	- NYMEX advise that new version of ACCESS is targeted for 2 nd quarter 1999.

MEMBER PROFESSIONAL INDEMNITY INSURANCE

The Year 2000 compliance of Members' systems, and that of their suppliers, will be important for the renewal of this insurance. If the underwriters are not satisfied in this respect it is almost certain that they will exclude from the policy any claim which arises as a result of the failure of a system to recognise 01/01/00 and possibly any other date.

The underwriters (or the Exchange on their behalf) may seek further information about Y2K issues. The Exchange has already sent out Y2K Questionnaires to members and is following up outstanding issues. To simplify the provision of this information to the underwriters, Members are requested to authorise the Exchange to provide to the underwriters the information which it has already obtained about the Y2K status of Members as requested in circular No. 358/98.

INDUSTRY WIDE TEST

The SFE and NZFOE sent out a survey to all Trading Floor Members, Clearing Members, Trading Permit Holders, Quote Vendors and Back Office Accounting Suppliers to evaluate the need for an Industry Wide Test (IWT) and a System Stability period.

The key results are detailed as follows:

- Requirement for an IWT and for a System Stability period.
- System stability period for the 4th quarter 1999 to the 1st March 2000.
- The IWT to take place in the second quarter of 1999.
- 12 industry participants will form the External IWT Work Group.

The External IWT Work Group will identify the scope and the timing for the IWT and invitations have been sent to those who requested to participate.

The Exchanges have set a date for the first External IWT Work Group for 20th of January 1999.

Milestones	Target Date
External IWT Work Group meetings to determine scope and objectives of the IWT.	January - February 1999
Scope of works for Members and SFE/NZFOE	March 1999
Logistic Plan finalised	April 1999
Implement infrastructure for the IWT	May 1999
Testing Period	June 1999

If you have any queries about on the above or any other issues regarding the SFE and NZFOE Year 2000 project, please either email to:

year2000@sfe.com.au or contact

Fiona Diplock, Year 2000 Member Liaison on (02) 9256 0479 for general Y2K queries or

Richard Norburn Year 2000 Project Team on (02) 9256 0115 for Member Test Packs and IWT.

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