

CIRCULAR TO: ALL MEMBERS

NO. 289/99

EXCHANGE FEES

The phased approach to trading floor closure has created some confusion with respect to the implementation of the new exchange fee policy advised in the recent Member communication documents.

Pre full trading floor closure – non equity products

Exchange fees will remain at \$1.00 per side and local scratch trade and volume rebates will continue to be paid on a monthly basis.

Pre full trading floor closure – equity products

The new fee policy will apply to these products from 4/10/99 for locals with trading rights only. Floor Members will continue to pay \$1.00 per side until final trading floor closure due to the fact that we are unable to hard code more than 1 fee level in our current clearing systems and the reduced fee is also only seen to be relevant once we close the trading floor as we have not saved any costs yet with the equity pit closure only. Locals with trading rights (owners, lessees and temporary permit holders) will be charged the new fee of \$0.40 per side from 4 October on the basis that their net fee paid would otherwise increase due to the likely reduction of the scratch trade fee rebate in an automated market.

Post full closure of the trading floor

Exchange fees will reduce to \$0.90 per side for Floor Members, \$0.40 per side for locals with trading rights for volume of up to 24,999 sides per month and \$0.30 per side for volumes over 25,000 sides per month. The existing local scratch trade and volume rebates will discontinue on implementation of this revised policy.

This revised policy will only apply from full closure of the trading floor as the reduced fees represent the distribution to Members with direct access of the exchange's cost savings from the trading floor closure.

The new fees apply to locals with current trading rights. As a short term incentive, locals with trading rights at the date of floor closure (including the date of 1/10/99 for equity traders), who then access the market indirectly as clients rather than members, will pay the locals fee of \$0.40 per side for a period of at least 6 months.

Implementation

The revised policy will be implemented by amending the hard coded fee within the clearing processing system from \$1.00 to \$0.90. The different fee for locals with trading rights is unable to be processed automatically until the existing clearing system is upgraded. Accordingly the reduced fee will be implemented by continuing to use the existing process for local member rebates through Nominating Members and the local with trading rights (ie. a monthly volume form will still require completion to claim the reduced fee from \$0.90 per side to \$0.40 per side).

Workstation charges

The charge to Floor Members who take more workstations than the standard entitlement of 10 will be made at the end of November, once the installation process is completed. This charge is an upfront cost recovery charge of \$4,200 per workstation.

Workstation upgrade charges

The cost of any hardware upgrade requested by Members will be charged, at cost and upfront (when incurred).

Facilities Management fee

The facilities management fee described in circular 258/99 will be implemented from the end of October.

For Nominating Members the monthly volume form (copy attached) will be used to indicate what access has been used by the local with trading rights (ie. direct SYCOM® workstation or indirect). The \$500 payment for each local with trading rights electing to take indirect access and committing to utilise the dedicated resources of a Nominating Member will be made in conjunction with the refund of Exchange Fees.

Please contact me if any clarification is required.

BRETT YOUNG
DIRECTOR, ADMINISTRATION
& PROFESSIONAL SERVICES

14 OCTOBER, 1999



Local Member Fee Reduction Claim Form

Name Of Local Member		
Market Representative		
Mnemonic (Badge Number)		
Membership Class		
Month of Return		
Nominating Floor Member		
Type Of Access : (Direct or Indirect)		
Commodity Traded	Futures (In Sides)	Options (In Sides)
AO		
IR		
XB		
YB		
GW		
WH		
NE		
VE		
<i>Other (Specify)</i>		
Total		

Declaration By Local Member	Confirmation By Nominating Member
<i>I hereby declare that the above details are true and correct.</i>	I confirm the above details are true and correct
Signature	Signature
Please Print Full Name	Please Print Full Name
Dated :	Dated :