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AMENDMENTS TO THE BUSINESS RULES OF SFE CORPORATION LIMITED

Further to Bulletin 125/01, Participants are advised of changes to the Business Rules of SFE which are set out in full in the Annexures and which come into effect on 2 January 2002.

In brief, they comprise:

1. amendments to Trading Rules 23 and 24 and to Schedule J, to increase the clarity and consistency of the Rules relating to disputes and errors and to provide for fines in respect of unsuccessful appeals by Participants, as set out in Annexure A (commencing on page 2);
2. amendments to the General By-Laws and the Trading Rules relating to the Screen Dealing Committee and Contract Committee, as set out in Annexure B (commencing on page 6);
3. amendments to TR.13(d) and 14(e) more accurately reflect the functionality of the SYCOM system in relation to the inclusion of spreads in the generation of the underlying market and are set out in Annexure C, (commencing on page 16); and.
4. amendments to G.27 make it clear that SFE may record conversations on their own telephone lines (and that disclosure of the content to third parties is restricted) and are set out in Annexure D (on page 18).

Should you have any queries please contact Mr David Raper on 9256-0554 or draper@sfe.com.au



Philip Galvin
General Manager Market Data and Operations

SFE Corporation Limited (SFE) and its subsidiaries operate fully electronic financial exchanges with 24-hour trading capability, providing investment and risk management products, trading market data, and centralised clearing, settlement and depository services for institutions globally. SFE's shares are listed on an exempt market.

ANNEXURE A

**AMENDMENTS DEALING WITH OBJECTIONS DURING TRADING,
AND ERRORS DURING OPEN TRADING.**

These amendments deal with objections during trading and errors during open trading, and are intended to increase the clarity and consistency of the rules and to acknowledge the increasing role which Participants play in providing direct access to SFE's markets for their clients via interfaces and workstations.

The amendments also add a provision for payment of a fee for an unsuccessful appeal made from the decision of the Trading Manager to the Contract Committee.

TR.23 OBJECTIONS DURING TRADING

- TR.23.1 The purpose of this TR.23 is to provide rules for the resolution of objections which arise in relation to trading on SYCOM®, given the nature of the Exchange's markets, recognising the particular needs of Participants and SYCOM® Traders in a fast moving market for the expeditious and commercially viable resolution of such objections.
- TR.23.2 In this TR.23, an objection may be made by a Participant or SYCOM® Trader where that Participant or SYCOM® Trader has reason to believe:
- (i) that a trade, excluding an error trade pursuant to TR.24, has been executed not in accordance with these Trading Rules; or (Added 13/12/99)
 - (ii) that a trade has been conducted which is not in the best interests of a fair and orderly market; or
 - (iii) that the matter cannot be adequately or appropriately be dealt with under TR.8 or General By-Law G.11.
- TR.23.3 The Trading Manager need only consider an objection if at least two (2) Participants or two (2) SYCOM® Traders, being Officers or Representatives of different Participants, register an objection to a trade or trades within five (5) minutes of the trade being effected. ~~The objection must be registered immediately, and no later than five (5) minutes, after the offending trade or trades were effected.~~
- TR.23.4 Where an objection is reported pursuant to TR.23.3, the Trading Manager shall send a message to the market notifying an objection has been lodged and provide the deal number(s), ~~where possible~~, for the trade the subject of the objection.
- TR.23.5 An objection shall be considered immediately by the Trading Manager, who may, in addition to or in lieu of action under TR.8, at his sole discretion, obtain further information from relevant parties, including but not limited to members of a Contract Committee, and as far as possible consult with all affected Participants.
- TR.23.6 The decision of the Trading Manager in relation to an objection shall be displayed on SYCOM® and any ruling shall include the status ~~as to the trading involved~~ and deal number(s) of the trade to which an objection has been reported. The Trading Manager may, after as far as possible consulting with all affected Participants, cancel the trade by giving notice to the Participant(s) and SYCOM® Trader(s) involved. The Trading Manager may not cancel a trade under this TR.23.6 unless it is cancelled no later than ten (10) minutes after the Close of SYCOM® Trading Date in which the trade, the subject of the objection, was executed.
- ~~TR.23.7 After making a decision in respect of an objection, the Trading Manager shall report such objection to a Contract Committee.~~
- TR.23.8 An appeal by a Participant or SYCOM® Trader against a decision of the Trading Manager in respect of an objection may be made to a Contract Committee.
- An unsuccessful appeal to the Contract Committee by a Participant or SYCOM Trader against a decision of the Trading Manager will require the objecting SYCOM Trader or Participant to pay an appeal cost of three thousand dollars (\$3,000) exclusive of GST. Payment of fines is subject to TR 8.11.
- TR.23.9 An appeal must be lodged ~~immediately upon~~ within five (5) minutes of the Trading Manager's decision being displayed on SYCOM®. The Trading Manager shall send a message to the market notifying the market of

any appeal. Appeals shall be considered as quickly as possible by a Contract Committee. The SYCOM® Traders or Participants involved in the objection ~~and the Participants they represent~~ shall be entitled to participate and be heard by a Contract Committee.

TR.23.10 No member of a Contract Committee shall take part in an appeal against a decision of the Trading Manager in respect of an objection if they have any direct or indirect interest in the subject matter or issues under objection, or if they are an Officer or Representative of the same Full Participant or Local Participant as is any party to the objection.

TR.23.11 A Contract Committee shall consider all relevant information regarding the objection as provided by the Trading Manager and the ~~SYCOM® Trader(s) and the Participant(s)~~ and the decision of a Contract Committee on appeal is final. The Trading Manager shall send a message to the market notifying the decision of the Contract Committee

TR.23.12 Where the Trading Manager has reason to believe, other than by lodgement of an objection pursuant to TR.23.2, that:

- (a) a trade has been executed otherwise than in accordance with the Business Rules;
- (b) a trade has been conducted which is not, in his opinion, in the best interests of a fair and orderly market; or
- (c) that the matter cannot be adequately or appropriately be dealt with under TR.8 or General By-Law G.11,

then the Trading Manager may in his sole discretion cancel the trade by giving notice of the decision immediately to the SYCOM® Trader(s) or Participant(s) concerned, provided however that the Trading Manager may not cancel a trade under this TR.23.12 unless ~~he does so~~ it is cancelled no later than ten (10) minutes after the Close of the SYCOM® Trading Date in which the trade was executed.

TR.24 **ERRORS DURING TRADING**

TR.24.1 Subject to TR.24.5, error trades may only be considered for cancellation by the Trading Manager where the SYCOM® Trader or Participant reports the error trade to the Exchange within five (5) minutes of the trade being effected.

TR.24.2 Where an error is reported pursuant to TR.24.1, the Trading Manager shall, as soon as possible, send a message to the market notifying an error has been claimed and provide the deal number(s) ~~where possible~~ for the error trade(s).

TR.24.3 Any SYCOM® Trader or Participant may, within five (5) minutes of the Exchange advising the market pursuant to TR.24.2, lodge an objection to any cancellation of the error trade which shall be taken into consideration by the Trading Manager in his determination.

TR.24.4 Subject to TR 24.9 where an error trade has been notified pursuant to TR.24.1, the Trading Manager may exercise his discretion regarding the cancellation of the error trade and may consider any issues, including the following:

- (i) upon the request of the party who made the error, the counterparty to the error trade approves the cancellation;
- (ii) the traded price of the error is greater than the tick range away from either the previous traded price or, in its absence, the previous Daily Settlement Price as specified in Schedule J;
- (iii) objections lodged pursuant to TR.24.3 have been considered;
- (iv) market conditions have been considered;
- ~~(v) whether the error created the Market;~~
- (vi) whether the matter will be resolved in a timely manner; and
- (vii) whether the error trade triggered other subsequent trades, ~~such as spreads or stop loss orders.~~

TR.24.5 Subject to TR 24.9 where an error trade is reported to the Trading Manager five (5) or more minutes after the error has been effected, the Trading Manager shall only consider the error for cancellation where the SYCOM® Trader can demonstrate extenuating circumstances in reporting the error outside the time specified in TR.24.1. Subject to TR 24.9(iii)

TR.24.6 Where the Trading Manager is satisfied that the error in TR.24.5 may be considered for cancellation, the ~~SYCOM® Trading~~ Manager shall send a message to the market notifying an error has been claimed and provide the deal number(s) ~~where possible~~ for the error trade(s). The Trading Manager may exercise his

discretion regarding the cancellation of the error trade and may consider many issues, including but not limited to those specified in TR.24.4(i) to (vii)

- TR.24.7 Where a decision regarding cancellation of an error pursuant to this TR.24 has been effected, the Trading Manager shall notify the effected Participants of the decision and send a message to the market and will clearly identify the deal number(s) of the trade(s) on SYCOM®.
- TR.24.8 The Exchange shall retain a record of all cancellations approved under this TR.24.
- TR.24.9 Error trades will not be cancelled by the Trading Manager ~~where~~, and there is no right of appeal to the Contract Committee against the enforcement of TR 24.9 where:
- (i) the traded price of the error trade is less than the tick range away from either the last traded price or, in its absence, the previous Daily Settlement Price and no counterparty approval has been received. The relevant tick ranges are listed at Schedule J;
 - (ii) cross trades are executed not in excess of the relevant tick provisions in Schedule J; or
 - (iii) the cancellation would occur ten (10) minutes after the Close of the SYCOM® Trading Date in which the error trade was executed.
- TR.24.10 Where the Participant or SYCOM® Trader has obtained relevant counterparty consent for the error to be cancelled as required by this TR.24, such consent is provided on the understanding that the counterparty has also sought and received its client's consent for such cancellation. The counterparty must obtain and hold evidence of such client consent to the satisfaction of the Trading Manager. Failure to obtain client consent will be treated as a major offence.
- TR.24.11 An appeal by a SYCOM® Trader or Participant against a decision of the Trading Manager to cancel a trade, or not to cancel a trade notified as an error, may be made to a Contract Committee. Any such appeal must be lodged ~~immediately, and no later than~~ within five (5) minutes of the decision to cancel the trade or a decision not to cancel a trade being announced. The Trading Manager shall send a message to the market notifying an appeal has been made
- An unsuccessful appeal to the Contract Committee by a Participant or SYCOM Trader against a decision of the Trading Manager will require the objecting SYCOM Trader or Participant to pay an appeal cost of three thousand dollars (\$3,000) exclusive of GST. Payment of fines is subject to TR 8.11.
- TR 24.12 No member of a Contract Committee shall take part in an appeal against a decision of the Trading Manager to cancel or not to cancel a trade notified as an error if they have any direct or indirect interest in the cancellation, or if they are an Officer or Representative of the same Full Participant or Local Participant which is a party to the cancellation.
- TR.24.13 Where a trade is cancelled by reason of notification of an error, the cancellation by either the Trading Manager, or on appeal by a Contract Committee may be made subject to such condition(s) as the Trading Manager or Contract Committee see fit, including a condition that the Participant who made the error agrees to the acceptance of a trade executed by another Participant in reliance on the trade cancelled, or the acceptance of a trade to cancel the trade. The Participant shall comply with any such condition.
- ~~Failing compliance with such condition by the time nominated by the trading Manager or Contract Committee, the trade shall stand. Failure to comply with stipulated conditions will be considered a major offence.~~
- TR.24.14 A Contract Committee shall consider all relevant information regarding an error as provided by the Trading Manager and the ~~SYCOM® Trader(s) or~~ Participant(s) and the decision of the Contract Committee on appeal is final. The Trading Manager shall send a message to the market notifying the decision of the Contract Committee.
- TR.24.15 Where the Trading Manager has reason to believe, other than by the reporting of an error trade, that:
- (a) a trade has been executed otherwise than in accordance with the Business Rules; or
 - (b) a trade has been conducted which is not, ~~in his opinion~~, in the best interests of a fair and orderly market; or
 - (c) that the matter cannot be adequately or appropriately be dealt with under TR.8 or General By-Law G.11,

then the Trading Manager may at his sole discretion cancel the trade by giving notice of the decision immediately to the SYCOM® Trader and Participant concerned, provided however that the Trading

Manager may not cancel a trade under this TR.24.15 ~~unless he does~~ it is cancelled so no later than ten (10) minutes after the Close of the SYCOM® Trading Date in which the trade was executed.

SCHEDULE J to the Trading Rules SPECIFIED TICK RANGE TABLE

Futures Contracts		Tick Range
90 Day Bank Bills	(First four quarters)	5
	(Remaining expiries)	5
Intra-Commodity Spreads – When trading against opposite. Spreads which are legged will be considered as individual trades		5
3 Year Treasury Bonds	(Futures)	5
	(Intra-Commodity Spreads)	5
10 Year Treasury Bonds	(Futures)	5
	(Intra-Commodity Spreads)	5
3 Year Bonds/10 Year Bonds		
	(Inter-Commodity Spreads)	5
SPI	(First two quarters)	10
	(Remaining expiries)	10
Australian Dollar	(First two quarters)	5
	(Remaining expiries)	10
ISF's		10
Wool		10
Wheat		10
Electricity		10

Option Contracts		Tick Range
90 Day Bank Bills	(First four quarters)	5
	(Remaining expiries)	5
3 Year Treasury Bonds	(Options)	5
	(Overnight Options)	5
10 Year Treasury Bonds	(Options)	5
	(Overnight Options)	5
SPI	(First two quarters)	10
	(Remaining expiries)	10
	(Overnight Options)	10
Wool		10
Wheat		10

SPECIFIED DELTA RANGE IN OPTIONS

Option Contracts		Delta Range
90 Day Bank Bills		Calculated at price
3 Year Treasury Bonds		Calculated at price
10 Year Treasury Bonds		Calculated at price
SPI	(Within 250 points of the money)	Within 3% of exchange delta
	(Outside 250 points of the money)	Within 10% of exchange delta

AMENDMENTS RELATING TO THE SCREEN DEALING COMMITTEE AND THE CONTRACT COMMITTEE

The Screen Dealing Committee, Contract Committee Panel and Contract Committee are bodies formally constituted pursuant to the Trading Rules. The origins of the Screen Dealing Committee is that it evolved from the SYCOM Committee, which was formed to assist in the development of electronic trading when SFE first introduced an overnight market. During the electronic market's infancy, the Screen Dealing Committee primarily

provided guidance on the Trading Rules and procedures due to the then limited market and operational expertise in electronic markets.

Since the migration to a fully electronic exchange in late 1999, and in particular the last twelve months, the operation of the electronic market has matured considerably. In reviewing the ongoing need for those rule based obligations that were imposed on the market during the transition period, the following factors were taken into account:

- the smooth transition from floor to screen environment,
- the fact that the Trading Rules have been found to be robust with limited number of market incidents,
- the policies and decisions set by SFE's Executive Management team,
- demutualisation and the formation of a new organisational structure with a greater commercial focus,
- diversified stakeholders,
- the market has become more self-regulatory and is operating more efficiently,
- market structural change, and
- SFE's experience in full-time electronic markets

After reviewing those activities that are considered part of SFE's normal daily operation and the impost placed on the market by having two separate consultative and adjudication bodies, the functions of the Screen Dealing Committee are being absorbed into the normal daily operation of SFE. In practice over the last 12 months, SFE has effectively managed most of the decisions and responsibilities previously undertaken by the Screen Dealing Committee.

Changes relating to the rules relating to the Contract Committee Panel (from which a Contract Committee is drawn from time to time on an 'as needs' basis) have also been made so that its function will be to hear and conduct appeals from the Trading Manager in relation to objections during trading and errors during trading only. Members of the Panel will be approved by the Trading Manager, and will no longer be restricted to SYCOM Traders.

Accordingly, these amendments provide for:

- the removal of the Screen Dealing Committee and the removal of references which relate to that body from the Business Rules,
- the SFE to formally assume the powers and responsibilities of the Screen Dealing Committee, and the Contract Committee powers redefined and limited to hearing only appeals from the Trading Manager in relation to objections during trading and errors during trading.

Amendments to provide for the above changes have been made to the General By-Laws: and to the Trading Rules, are set out below.

- (i) Delete the definition of "Screen Dealing Committee" in G.1

~~Screen Dealing Committee The Committee constituted under Trading Rule TR.6.~~

- (ii) Amend G.3.14(c) G.4.13(c), G.5.15c, G.12.1 and G.25(f) as follows:

Behaviour of Associate Participants

- (a) At all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange and its Participants.
- (b) At all times deal in Futures or Options Contracts in a proper and efficient manner.
- (c) Co-operate with the Business Conduct Committee and the Market Practices Committee, ~~the Screen Dealing Committee~~, the Contract Committee and Exchange Officials in the performance by those Committees and Exchange Officials of their respective duties and in particular make available to those Committees or Exchange Officials its accounting and other records.

Behaviour of Local Participants

- (a) At all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange, its Markets and Participants.
- (b) At all times deal in Futures or Options Contracts in a proper and efficient manner.
- (c) Co-operate with the Business Conduct Committee and the Market Practices Committee, ~~the Screen Dealing Committee~~, the Contract Committee and Exchange Officials in the performance by those Committees and Exchange Officials of their respective duties and in particular make available to the Committees or Exchange Officials its accounting and other records.

ARBITRATION OF DISPUTES

Constitution of Arbitration Committee

EXCHANGE FOR PHYSICALS (EFPS)

- G.25 (a) All buying and selling of Futures Contracts and Option Contracts by Participants must be effected as set out below and not otherwise:
- (i) transactions in Futures Contracts and Option Contracts conducted on and in accordance with the electronic trading facility maintained by the Exchange in a manner set out in the Trading Rules and known as the Sydney Computerised Market or SYCOM®; or
 - (ii) exchange for physical (EFP) transactions permitted by this By-Law; or
 - (iii) as otherwise permitted in the Constitution, By-Laws and the Trading Rules. (Amended 31/8/99, 13/12/99)
- (b) An exchange for physical transaction is effected where:
- (i) a bona fide physical transaction in a commodity or instrument is completed hereunder physical delivery takes place at the time of the transaction or is intended by both parties to take place at a later time, or a transaction of a kind approved by the Board is entered into;
 - (ii) at or about the same time a Futures Contract, opposite in effect, is traded by a Full Participant or two Full Participants, for the same or similar quantity or amount of the commodity or a substantially similar commodity or instrument between Full Participants, on behalf of the parties to the physical transaction which, subject to paragraph (d) may include such Full Participant or Full Participants; and
 - (iii) full details of the futures transaction and the physical transaction are provided to the Exchange (in such form as may be required, by such time as is prescribed by the Board and set out in the Second Schedule). (Amended 30/4/97)
- (c) No exchange for physical transaction may be effected where the parties to each side of the physical transaction are the same or are acting on behalf of the same person or where both sides of the futures trade are taken out by the same Participant on his own account or are taken out on behalf of the same Client.
- (d) The Board may, where it believes that it is necessary in order to maintain an orderly, fair or liquid market, prescribe additional provisions in relation to the execution of exchange for physical transactions, provided that any such change shall not result in the effective prohibition of exchange for physical trading. Such provisions may include limitations on the type or size of exchange for physical transactions which may be effected. No exchange for physical transaction shall be registered unless the prescribed provisions are satisfied. (Amended 31/10/95)
- (e) (Deleted 25/11/97)
- (f) The Exchange shall in respect to all EFP transactions ~~report to the Screen Dealing Department which shall in turn~~ Publish to Participants upon receipt of each EFP transaction the commodity, quantity, time and price of the EFP transaction and the identify of the Full Participants who conducted the trade. (Amended 13/12/99)
- (g) Except as otherwise provided by the Business Rules a Full Participant shall:
- (i) submit all Futures Contracts and Options Contracts which it trades; and
 - (ii) submit or ensure the submission of all Futures Contracts and Options Contracts traded by a Local Participant to which an undertaking given by the Full Participant under G.5.5(f) is applicable,
- to the Exchange, for registration with the Clearing House in accordance with the Clearing By-Laws. (Clause substituted 1/12/91, amended 13/12/99)

- (h) A Participant shall ensure that any Open Position not given up to another Participant, created by trading on the instructions of a Client including discretionary trading on behalf of a Client, is either:
- (i) carried in the Participant's name as an Open Position with the Clearing House; or
 - (ii) carried in the Participant's name as an Open Position with another Participant. (Amended 10/8/89)
- (i) Where in accordance with the Clearing By-Laws, the Clearing House wishes to protect its position by entering into transactions with Full Participants, Full Participants may with the approval of the Exchange agree to buy or sell Futures Contracts or Options Contracts as traded in the Exchange's Markets directly with the Clearing House and without trading on the Exchange's Markets. Such transactions may be registered by the Clearing House in the same way as contracts traded on the Exchange's Markets. (Clause substituted 1/12/91, amended 13/12/99)
- (j) It is the Participant's responsibility to ensure that where either the Participant or its Client is a party to an EFP transaction, appropriate evidence of the physical transaction is obtained and kept on record with the Participant. (Added 30/4/97)

(iii) Amend/delete definitions in TR.1 as follows:

FOK	Orders which expire after a period of time as determined by the Screen Dealing Committee or the Trading Manager, also known as "Fill or Kill".
Screen Dealing Committee	The committee constituted under TR.6.

(iv) Amend/delete TR.2.9, TR.3.2(b) and (c), TR.6.1-6.8, T.7.1-7.3, TR.7.7(i), TR.7.9, TR.7.12, TR.7.13, TR.8.1-2, TR.8.4-12, TR.8.14, TR.8.16, TR.8A.1(a), TR.8A.2(b), TR.12.(e), TR.21.1(d) and (e), TR.21.2(c) and (d), 21.3(c), (d) and (e), TR.21.4(c), (d) and (e) as follows:

TR.2. All persons entitled to trade on SYCOM® shall be bound to observe these Trading Rules and directions of the ~~Screen Dealing Committee, the~~ Contract Committee and Trading Manager, at all times.

TR.3.2 The Trading Manager shall be assisted by:

- (a) Exchange Officials who shall supervise SYCOM® Trading;
- ~~(b) a Screen Dealing Committee as constituted by these Trading Rules;~~
- ~~(c)~~ a Contract Committee where such Committee has been appointed; and
- ~~(d)~~ (c) such other persons as may be authorised by the Chief Executive.

TR.6.1-6.8 Delete

TR.7 **CONTRACT COMMITTEE AND CONTRACT COMMITTEE PANEL**

TR.7.1 The ~~Board Trading Manager~~ shall, ~~having considered the recommendation of the Screen Dealing Committee~~ appoint from time to time a list of persons to be known as the Contract Committee Panel, from which a Contract Committee shall be constituted from time to time. A person shall not be approved for inclusion in the list unless the ~~Board Trading Manager~~ is satisfied that the person is qualified to act on a Contract Committee, taking into consideration that person's experience and reputation.

TR.7.2 The Contract Committee Panel shall consist of a maximum of thirty (30) ~~SYCOM® Traders persons~~. A Contract Committee shall not be a standing committee but rather be constituted from time to time by the Trading Manager selecting a minimum of ~~five (5) three (3) SYCOM® Traders members~~ to form a Contract Committee as required from time to time. The Trading Manager shall select ~~SYCOM® Traders persons~~ according to their experience and expertise generally as well as their relevant experience in trading a particular contract. (Amended 7/2/00)

TR.7.3 The powers and duties of a Contract Committee shall be

- ~~(i)~~ to hear and conduct appeals made under TR.23 and TR.24;
- ~~(ii)~~ to arbitrate where objections are made in the establishment of Daily Settlement Prices pursuant to TR.21;
- ~~(iii)~~ to exercise powers conferred on it by TR.8; and

- ~~(iv) having regard to the above, to make recommendations to the Screen Dealing Committee regarding contracts traded on SYCOM®.~~

The powers and duties granted to a Contract Committee shall not in any way derogate from the powers and duties of the Trading Manager or Exchange Officials.

- TR.7.4 A Contract Committee must be available to meet at all times during SYCOM® trading hours.
- TR.7.5 A Contract Committee may meet either in person or by telephone, radio, conference, television or any other form of audio or audio-visual instantaneous communication for the dispatch of business and adjourn and otherwise regulate the meeting as they think fit.
- TR.7.6 The proceedings of a Contract Committee shall be recorded, either In Writing or by electronic means.
- TR.7.7 (i) A quorum shall, subject to TR.7.7(ii) be a majority of a Contract Committee 3 members.
(ii) Notwithstanding Article 15.4, where a Contract Committee is one short of a quorum and an appeal is made pursuant to TR.23 or TR.24, a Trading Manager, other than the Trading Manager who made the initial decision which is subject to appeal, may become an ex-officio member of the Contract Committee for the purpose only of resolving the matter under appeal.
- TR.7.8 A Full Participant may not be represented by more than one (1) representative on a Contract Committee.
- TR.7.9 Each member of the Contract Committee Panel shall be appointed for a period of twelve (12) months or such other period as the ~~Board Trading Manager~~ may determine, and may be reappointed by the ~~Board Trading Manager~~ for such further periods as the ~~Board Trading Manager~~ resolves, ~~on the recommendation of the Screen Dealing Committee.~~
- TR.7.10 No member of the Contract Committee Panel shall take part in the business of the Contract Committee if they have any direct or indirect interest in the subject matter or issues to be considered by a Contract Committee, which creates a conflict of interest, or if they are a Director, partner, employee of the same Full Participant which is a party to an issue to be considered by the Contract Committee. Any person selected to a Contract Committee pursuant to TR.7.2 shall declare any conflict of interest in the subject matter or issues for consideration and shall forthwith withdraw from that Contract Committee.
- TR.7.11 A member of the Contract Committee Panel may resign from the Contract Committee Panel at any time by giving written notice to the Trading Manager.
- TR.7.12 A member of the Contract Committee Panel may be removed from office at any time by the ~~Chief Executive Trading Manager~~, provided that the member shall be entitled to attend and state his case ~~at any meeting of the Screen Dealing Committee which is held to consider whether to make a recommendation to the Chief Executive that the member be removed from the Contract Committee Panel to the Chief Executive.~~
- TR.7.13 ~~The Board may appoint a member of the Contract Committee Panel without a Screen Dealing Committee recommendation should such a recommendation not be forthcoming. Deleted~~
- TR.7.14 Where a quorum of the Contract Committee cannot be established because all members of the Contract Committee Panel have a direct or indirect interest in relation to the business before the Committee, the Chief Executive and/or Trading Manager shall resolve the matter, including exercising the powers of the Contract Committee, in the interests of maintaining a fair and orderly market.

TR.8 **STANDARDS OF BEHAVIOUR AND DISCIPLINARY MATTERS**

- TR.8.1 ~~The Screen Dealing Committee, Contract Committee, Trading Manager and Exchange Officials~~ shall be empowered to impose a penalty of up to two hundred dollars (\$200) for each minor offence set out in TR.8.15 on SYCOM® Traders where in the opinion of the ~~Screen Dealing Committee, Contract Committee, Trading Manager or Exchange Official~~ such a violation has taken place. No appeal shall lie with respect to a decision to impose a penalty under this TR.8.1.
- TR.8.2 ~~The Screen Dealing Committee, Contract Committee, Trading Manager and Exchange Officials~~ shall be empowered to impose a penalty of up to four hundred dollars (\$400) for a second breach by a SYCOM® Trader of the minor offence provisions as set out in TR.8.15 where the second breach occurred within twelve (12) months of the first minor offence. No appeal shall lie with respect to a decision to impose a penalty under this TR.8.2.

TR.8.3 The Trading Manager shall be entitled to deny access to SYCOM® to a SYCOM® Trader or a Participant for the current SYCOM® Trading Date where the Trading Manager reasonably believes that the SYCOM® Trader or the Participant, as the case may be, is not capable of trading in a fair and orderly manner. No appeal shall lie from a decision of the Trading Manager to deny access under this TR.8.3.

~~TR.8.4 The Trading Manager shall report the imposing of all fines or denial of access, to the Screen Dealing Committee.~~

TR.8.5 The ~~Screen Dealing Committee~~ Trading Manager may in the case of third and subsequent minor offences impose a fine on a SYCOM® Trader not exceeding one thousand dollars (\$1,000) or report the matter to the Market Practices Committee or the Business Conduct Committee. No appeal shall lie from a decision of the ~~Screen Dealing Committee~~ Trading Manager, with respect to a decision to impose a penalty under this TR.8.5.

TR.8.6 The ~~Screen Dealing Committee~~ Trading Manager may with respect to a major offence as set out in TR.8.16 ~~either~~ impose a fine of up to one thousand dollars (\$1,000) on a SYCOM® Trader or a Participant, or report the matter to the Market Practices Committee or Business Conduct Committee, or where it considers the matter sufficiently serious, report the matter directly to the Board. No appeal shall lie from a decision of the ~~Screen Dealing Committee~~ Trading Manager, with respect to a decision to impose a penalty under TR.8.6.

The table set out below is intended to summarise the provisions in TR.8.1 to TR.8.6. It does not replace or modify or affect interpretation of these provisions.

Offence	Fine or Other Sanction in Respect of Minor Offences Incurred in Each Twelve Month Period
Minor 1 st Offence	Up to \$200 imposed by Screen Dealing Committee, Contract Committee, Trading Manager or Exchange Officials
2 nd Offence	Up to \$400 imposed by Screen Dealing Committee, Contract Committee, Trading Manager or Exchange Officials
3 rd and Subsequent Offence	Up to \$1,000 imposed by Screen Dealing Committee Trading Manager or referral to Market Practices Committee or Business Conduct Committee.
Major	Screen Dealing Committee Trading Manager may impose fine of up to \$1,000 or make a referral to Market Practices Committee or the Business Conduct Committee or Board.

TR.8.7 Where a matter is reported to the Market Practices Committee or Business Conduct Committee pursuant to TR.8.5 or TR.8.6, the report may make recommendations that disciplinary action be taken against a SYCOM® Trader or Participant. Before a report is made the ~~Screen Dealing Committee shall meet to consider the matter and~~ the person(s) or Participant involved shall be entitled to appear before ~~that Committee~~ the Trading Manager to state their case.

Where a matter is reported to the Market Practices Committee or Business Conduct Committee, the relevant Committee may consider the matter as a part of its normal business, or it may convene a special meeting. The ~~convenor of the Screen Dealing Committee, or the convenor's nominee,~~ Trading Manager may (and shall if so required by the relevant Committee) attend the meeting of the Business Conduct Committee or Market Practices Committee at which the ~~Screen Dealing Committee's~~ Trading Manager's report is considered, to state the reasons for the ~~Screen Dealing Committee's~~ Trading Manager's recommendations regarding disciplinary action. The person to whom the report relates and, where applicable, the Participant, shall be entitled to appear before the relevant Committee to state their case.

TR.8.8 Where a matter is reported to the Market Practices Committee or Business Conduct Committee pursuant to TR.8.5 or TR.8.6, the relevant Committee will consider the matter subject to General By-Laws G.9, G.10 and G.11.

TR.8.9 Where a matter has been reported to the Board pursuant to TR.8.6 or referred to the Board by the Market Practices Committee or Business Conduct Committee or in any other manner and the Board is satisfied that a SYCOM® Trader or Participant has been guilty of misconduct or a breach of the Business Rules, then the matter shall be considered pursuant to General By-Law G.11.

TR.8.10 Notwithstanding TR.8.9, the Board may consider any matters reported to the Board by the ~~Screen Dealing Committee,~~ Trading Manager, the Business Conduct Committee, the Market Practices Committee or in any other manner, as part of its normal business, or it may convene a special meeting.

- TR.8.11 (i) Fines made subject to this TR.8. are a debt to the Exchange due and payable by the Participant or SYCOM® Trader on whom it is imposed, or by whom it is payable, and shall be paid as the case may be, by the SYCOM® Trader or Participant within ten (10) Business Days of them being notified of the decision.
- (ii) Fines imposed on a SYCOM® Trader shall be payable by the SYCOM® Trader. If the SYCOM® Trader does not pay the fine by the due date, the Participant of which the SYCOM® Trader is an Officer or Representative shall be liable for the payment of the fine on behalf of the SYCOM® Trader.
- (iii) Failure by a SYCOM® Trader to pay a fine by the due date shall result in immediate suspension, without reference to the Board, the Business Conduct Committee or the Market Practices Committee, of both the SYCOM® Trader's registration as a SYCOM® Trader and his/her right to trade on SYCOM® until payment of the fine has been received by the Exchange.

TR.8.12 Where a penalty or other sanction has been imposed under this TR.8, the Board, the Business Conduct Committee, the Market Practices Committee, ~~the Screen Dealing Committee, the Contract Committee~~, the Chief Executive or Trading Manager (whichever is appropriate) shall cause a notice to be Published.

TR.8.13 Nothing in TR.8 shall derogate from any other rights which the Board, a Committee or Exchange Official may have under the Business Rules.

- TR.8.14 (a) SYCOM® Traders shall behave in accordance with the provisions of these Trading Rules and in a professional and courteous manner towards other SYCOM® Traders, Participants and their Officers and Representatives and Exchange staff. Persons who fail so to behave may be fined, have their trading entitlement suspended and referred to the ~~Screen Dealing Committee~~, Trading Manager, the Market Practices Committee, the Business Conduct Committee or the Board, in accordance with TR.8.
- (b) Discriminatory or harassing behaviour represents a failure to behave in a professional and courteous manner and shall be dealt with in accordance with TR.8. As a guide to what represents discrimination or harassment, the Board may issue an Exchange Anti-Discrimination Policy from time to time, as detailed in Schedule B.

When certain behaviour and conduct could fall within more than one category of offence then the Exchange Official or Committee empowered to impose penalties pursuant to this TR.8, shall have discretion to determine the application of the appropriate category.

Participants, SYCOM® Traders and other persons may be found guilty of:

- Minor offences pursuant to TR.8.15; or
- Major offences pursuant to TR.8.16.

TR.8.15 SYCOM® Traders and other persons who commit minor violations of the Trading Rule procedures or who conduct themselves in a manner likely to cause disorder or damage to Exchange equipment or who conduct themselves in an unprofessional manner shall be guilty of a minor offence and liable to be sanctioned under this TR.8.15.

Minor offences include but are not limited to:

- (a) failure to maintain adequate standards of equipment maintenance;
- (b) frequent entry and cancellation of bids and/or offers in an attempt to confuse the Market;
- (c) failure to comply with requirements in TR.24;
- (d) making a trade in error that leads to a cancellation;
- (e) failure to comply with requirements in TR.15.7 and/or TR.15.10;
- (f) failure to comply with requirements in TR.16;
- (g) failure to notify the Exchange before the commencement of the next SYCOM® Trading Date that a SYCOM® Trader is no longer authorised to act as a SYCOM® Trader, whether by reason of termination of employment or otherwise;
- (h) failure to behave in a courteous and professional manner to other Participants and their employees and Representatives and Exchange staff;
- (i) discriminatory or harassing behaviour to which TR.8.16 does not apply;
- (j) failure to comply with requirements in TR.25.4; and
- (k) any other failure to comply with the Trading Rules for which provision is not made in TR.8.

TR.8.16 SYCOM® Traders and other persons who abuse their trading rights, who conduct themselves in a manner which interferes or is likely to interfere with trading activity or who commit major violations of the Trading

Rules, including SYCOM® Trading Procedures or whose conduct may bring the Exchange or its Participants into disrepute shall be guilty of a major offence and liable to be sanctioned under this TR.8.16.

Major offences include but are not limited to:

- (a) release of passwords by a SYCOM® Trader to any other person, except as provided for in TR.4.9;
- (b) allowing any unauthorised party access to SYCOM® or a SYCOM® Trader allowing any other person access to SYCOM® by logging on under his or her password;
- (c) using a computer driven system other than in accordance with Part C of these Trading Rules to allow a Client electronic access to SYCOM®;
- (d) unauthorised purging or attempting to purge records which reside in SYCOM®;
- (e) in any way breaching or attempting to breach the security of SYCOM® Data or programs or altering or attempting to alter SYCOM® Data or programs or distributing or attempting to distribute SYCOM® Data in an unauthorised manner;
- (f) any act which could cause disruption to fair and orderly trading on SYCOM®;
- (g) allowing unauthorised persons access to SYCOM® Data displayed on SYCOM® Workstations, printers or other device;
- (h) allowing or assisting any person to do one or more of those things mentioned in TR.8.16(d), TR.8.16(e) and TR.8.16(f) above;
- (i) failure to comply with requirements in TR.18;
- (j) failure to lock the SYCOM® Workstation keyboard when the SYCOM® Workstation is unattended;
- (k) failure to respond to reasonable requests for information from either the ~~Screen Dealing Committee~~ or the Contract Committee or an Exchange Official;
- (l) failure to comply with the requirements in TR.19;
- (m) failure to comply with the requirements in TR.17;
- (n) behaviour which an Exchange Official or Committee empowered to impose penalties pursuant to these Trading Rules determines in accordance with the procedures in the Exchange's Anti-Discrimination Policy in Schedule B to be in serious breach of that Policy; and
- (o) failure to comply with the requirements in TR.22.3.

TR.8A **RISK MANAGEMENT**

- TR.8A.1 (a) Where a Participant fails to demonstrate prudent risk management procedures to the Exchange, the Participant shall be referred to the Business Conduct Committee by the ~~Screen Dealing Department~~ Trading Manager or the Compliance and Surveillance Department or otherwise.
- (b) A failure to demonstrate prudent risk management procedures shall be considered a breach of the Business Rules and the Business Conduct Committee shall exercise its powers pursuant to General By-Law G.11.
- (c) The Exchange reserves the right to exercise its discretion to cancel orders where, in the Exchange's opinion, the above risk management procedures are not complied with. (Amended 3/12/99)
- TR.8A.2 (a) Participants are required to set maximum volume per order limits and maximum price change limits for their SYCOM® Traders and such limits must be documented.
- (b) Where a Participant fails to demonstrate prudent risk management procedures to the Exchange when determining these limits, the Participant shall be referred to the Business Conduct Committee by the ~~Screen Dealing Department~~ Trading Manager or the Compliance and Surveillance Department or otherwise.
- (c) A failure to demonstrate prudent risk management procedures shall be considered a breach of the Business Rules and the Business Conduct Committee shall exercise its powers pursuant to General By-Law G.11..

TR.12 **PERMITTED ORDERS**

TR.12.1 All users of SYCOM® acknowledge that SYCOM® operates so that the only permitted orders are as described in TR.12 and must comply with this TR.12. The only orders which can be accepted by SYCOM® are:

- (a) Limit Order: also referred to as "LIM", being an order to be executed at a specified price;
- (b) Sweep Order: being an order that allows a SYCOM® Trader to buy or sell one or more price levels through the prevailing Market to execute a given volume;
- (c) Spread Order: being a Limit Order with a specified differential at which such order is to be executed;

- (d) Custom Market Order: being a Limit Order which is a non-standard multi-legged strategy consisting of up to six legs of either Futures Contracts or Option Contracts or a combination of both and traded pursuant to TR.16;
- (e) Fill or Kill: also referred to as “FOK”, being a Limit Order which expires after a period of time as determined by the ~~Screen Dealing Committee or the~~ Trading Manager; and
- (f) Good Till Cancelled: “GTC” being a Limit Order which remains good till cancelled.
- (g) Market Limit Order: also referred to as “MLM”, being a Limit Order to be executed at a specified price which is above or below the prevailing Market; and (Added 18/12/00).
- (h) Timed Orders: being a Limited Order which expires at a specified time and date. (Added 18/12/00).

Orders in paragraphs TR.12.1(a) to (h) are subject to the Purge and Retain functionality. (Amended 18/12/00).

TR.21 **DAILY SETTLEMENT PRICE**

The following Daily Settlement Price procedures shall apply:

Futures Daily Settlement Price Procedures

- TR.21.1 (a) Immediately following the Close of a Market, an Interim Daily Settlement Price for each Futures Contract month shall be displayed on SYCOM®. Interim Daily Settlement Prices shall be calculated by the Exchange as follows:
- (i) where there is a final bid and a final ask, the mid-point between the final bid and final ask, rounded up shall be the Daily Settlement Price; or
 - (ii) where there is either a final bid or a final ask, and there is a last trade price, then the last trade price becomes the Daily Settlement Price, unless the last trade price is below the final bid or above the final ask, then the final bid or final ask shall be the Daily Settlement Price; or
 - (iii) where there is either a final bid or a final ask, and there is no last trade price, then the final bid or final ask shall be the Daily Settlement Price; or
 - (iv) where there are no final quotes, and there is a last trade price then the last trade price shall be the Daily Settlement Price; or
 - (v) where there are no final quotes and no last trade, then the previous day's Daily Settlement Price, adjusted to maintain the previous days differential to the spot month, shall be the Daily Settlement Price; or
 - (vi) where there are no final quotes and no last trade in the spot month, then the previous day's Daily Settlement Price shall be the Daily Settlement Price.
- (b) The Exchange may from time to time, nominate a “Settlement cut-off” time per commodity type at which no new bids, offers or trades will be taken into account for the purposes of the calculations in TR.21.1(a).
- (c) SYCOM® Traders shall have five (5) minutes to object to an Interim Daily Settlement Price for Futures Contracts as determined pursuant to TR.21.1(a). At least three (3) objections, from different SYCOM® Traders being Officers or Representatives of different Participants, must be received by the Exchange before the matter ~~can be referred to a Contract Committee.~~ will be reviewed by the Trading Manager.
- ~~(d) A Contract Committee shall arbitrate where there is an objection, however this shall in no way derogate from the powers of the Chief Executive or the Trading Manager to determine the Daily Settlement Price.~~
- ~~(e)~~(d) If no objections are received within five (5) minutes the Interim Daily Settlement Prices shall become the Daily Settlement Price.
- ~~(f)~~(e) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

Options Daily Settlement Price Procedures

- TR.21.2 (a) Following the establishment of the Underlying Futures Contract Daily Settlement Price, an Interim Daily Settlement Price shall be calculated by the Exchange for Option Contracts (having regard to implied volatilities, the Underlying Futures Contract Daily Settlement Price, and other relevant factors), and shall be displayed on SYCOM®. Option orders that may be included in the calculation of the Interim Daily Settlement Price must be entered into SYCOM® for a ten (10) minute period immediately prior to the Close. (Amended 7/2/00)
- (b) SYCOM® Traders shall have five (5) minutes to object to an Interim Daily Settlement Price for Option Contracts as determined pursuant to TR.21.2(a). At least two (2) objections from different SYCOM® Traders being Officers or Representatives of different Participants, need to be received by

the Exchange before the matter ~~can be referred to a Contract Committee.~~ will be reviewed by the Trading Manager.

- ~~(c)~~ A Contract Committee shall arbitrate where there is an objection, however this shall in no way derogate from the powers of the Chief Executive or the Trading Manager to determine the Daily Settlement Price.
- ~~(d)~~(c) If no objections are received within five (5) minutes the Interim Daily Settlement Price shall become the Daily Settlement Price.
- ~~(e)~~(d) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial

Overnight Options Daily Settlement Price Procedures

- TR.21.3 (a) The relevant Overnight Options Daily Settlement Price shall be calculated in the manner set out in the relevant Market By-Laws.
- (b) Once established, a SYCOM® Trader may raise an objection and must immediately notify an Exchange Official of such an objection. At least two (2) objections from different SYCOM® Traders being Officers or Representatives of different Participants need to be received before the matter will be reviewed by the Trading Manager.
- ~~(c)~~ A Contract Committee shall arbitrate where there is an objection, however this shall in no way derogate from the powers of the Chief Executive or the Trading Manager to determine the Daily Settlement Price.
- ~~(d)~~(c) If no objections are received within five (5) minutes the Interim Daily Settlement Price shall become the Daily Settlement Price.
- ~~(e)~~(d) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

Serial Option Daily Settlement Price Procedures at Expiry

- TR.21.4 (a) Immediately following the Close of a Serial Option Market an Exchange Official shall determine and display on SYCOM® an Interim Daily Settlement Price at expiry. The Exchange Official shall calculate the Interim Daily Settlement Price with reference to trading in the Underlying Futures Contract pursuant to TR.21.1(a).
- (b) SYCOM® Traders shall have five (5) minutes to object to the Interim Daily Settlement Price. At least two (2) objections from different SYCOM® Traders being Officers or Representatives of different Participants need to be received by the Exchange before the matter will be reviewed by the Trading Manager.
- ~~(c)~~ A Contract Committee shall arbitrate where there is an objection, however this shall in no way derogate from the powers of the Chief Executive or the Trading Manager to determine the Daily Settlement Price.
- ~~(d)~~(c) If no objections are received within five (5) minutes the Interim Daily Settlement Price shall become the Daily Settlement Price.
- ~~(e)~~(d) No attempt may be made to alter the Daily Settlement Price or any component thereof by artificial means.

TR.21.5 Where any Daily Settlement Price is established pursuant to TR.21 and the Chief Executive and/or Trading Manager is of the opinion that the established Daily Settlement Price will have the effect of creating an unfair and disorderly market, the Chief Executive and/or the Trading Manager shall have the discretion to amend the Daily Settlement Price as it sees fit.

TR.21.6 Subject to the provisions of General By-Law G.33, where the Daily Settlement Price cannot be established pursuant to TR.21.1 to TR.21.5, the Chief Executive in consultation with such Exchange Officials, and other persons as he deems appropriate, may take such steps as considered necessary in the circumstances, including having regard to prevailing market prices and/or such other factors as may be considered relevant, declare a Daily Settlement Price and may give directions to Participants accordingly. (Amended 8/10/99)

**INTRA COMMODITY SPREADS, INTER-COMMODITY SPREADS
AND INTER-REGIONAL SPREADS**

These amendments have been made to more accurately reflect the functionality of SYCOM®, in relation to Intra-commodity Spreads (TR.13) and Inter-commodity Spreads and Inter-regional Spreads (TR.14).

The change to TR 14(e) is required because the rule currently states that the Inter-commodity Spread is only partially interactive in that outright prices generate indicative prices in the spread market. However, in practice, an Inter-commodity Spread price generates “shadow prices” in the outright market, which, while invisible to the market and the depth of market facility, are nonetheless available to trade. Further, shadow prices while available to trade will only execute once all outright orders are satisfied regardless of time priority or, in the case of Sweep Orders or Market Limit Orders, time and price priority.

A change to TR.13(d) is also required to maintain consistency with TR.14(e) and to remove functional description of SYCOM from the Trading Rules.

The amendments:

TR.13 INTRA-COMMODITY SPREADS

- (a) A SYCOM® Trader, Participant or other person must specify the quantity of Futures Contracts bid or offered and the price differential when entering an Intra-commodity Spread order.
- (b) A bid will be buying the near month and selling the far month, an offer will be selling the near month and buying the far month.
- (c) An Intra-commodity Spread order when executed will be filled for both legs by SYCOM® simultaneously with equal volume.
- (d) The Intra-commodity Spread market is fully interactive with the underlying market. ~~If an Intra commodity Spread order equals or tightens the bid/offer spread in the underlying market, SYCOM® will generate an implied bid or offer price, as the case may be, based on the Intra commodity Spread order into the underlying market. If bids and offers in the underlying market equal or tighten the bid/offer spread in the Intra commodity Spread market SYCOM® will combine separate underlying orders to generate an implied Intra commodity Spread order in the Intra commodity market. An implied price will be identifiable by colour if a SYCOM® Trader so chooses.~~
- (e) An Intra-commodity Spread order, if and when matched by SYCOM®, may trade with other spread orders or orders from the underlying market.
- (f) When an Intra-commodity Spread order is matched with another Intra-commodity Spread order SYCOM® will use the spread trade price algorithm to determine the proceeds of the individual legs as detailed in Schedule C.
- (g) Intra-commodity cross trades shall be subject to TR.17.
- (h) Each individual leg of an Intra-Commodity Spread must be allocated to the same account. (Amended 22/12/99)

TR.14 INTER-COMMODITY SPREADS AND INTER-REGIONAL SPREADS

- (a) A SYCOM® Trader, Participant or other person must specify the quantity of the spread bid or offered and the price differential when entering an Inter-commodity Spread or Inter-regional Spread order.
- (b) Inter-commodity Spread or Inter-regional Spread markets pre-defined by the Exchange shall be at a ratio of one to one unless otherwise defined by the Exchange from time to time.
- (c) If an Inter-commodity Spread or Inter-regional Spread order is traded at a volume ratio then one lot of an Inter-commodity Spread or Inter-regional Spread order shall be, if and when matched, matched at the pre-defined volume ratio for the individual legs.
- (d) An Inter-commodity Spread or Inter-regional Spread order will be filled for both legs automatically by SYCOM® simultaneously with the pre-defined volume ratio when matched.
- ~~(e) The Inter-commodity Spread or Inter-regional Spread is partially interactive with the underlying market. If bids and offers in the underlying market equal or tighten the bid/offer spread in the Inter commodity Spread or Inter regional Spread market and sufficient volume to meet any pre defined volume ratio is met, SYCOM® will combine separate underlying orders to generate an implied Inter commodity Spread or Inter-~~

~~regional Spread bid or offer price, as the case may be, in the Inter-commodity Spread or Inter-regional Spread market. An implied price will be identifiable by colour if a SYCOM® Trader so chooses.~~

- (f) An Inter-commodity Spread or Inter-regional Spread order, if and when matched by SYCOM®, may trade with other Inter-commodity Spread or Inter-regional Spread orders or orders from the underlying market.
- (g) When an Inter-commodity Spread or Inter-regional Spread order is matched with another Inter-commodity Spread or Inter-regional Spread order, SYCOM® will use the spread trade price algorithm as detailed in Schedule C to determine the prices of the individual legs.
- (h) Inter-commodity Spread or Inter-regional Spread cross trades shall be subject to TR.17.
- (i) Each individual leg of an Inter-commodity Spread or Inter-regional Spread must be allocated to the same account.
- (j) An Inter-Commodity Spread order can be traded so that the spot expiry month of one commodity can be spread against an expiry month of another commodity other than the spot expiry month. (Added 18/12/00).

MANDATORY RECORDING OF TELEPHONE LINES

The amendments:

G.27 **MANDATORY RECORDING OF TELEPHONE LINES**

(a) Recording by Participant

- (i) Each Full Participant and Associate Participant dealing with Clients must record, at its own expense, all telephone lines and other electronic devices where instructions are received, or are likely to be received from Clients. Such recordings shall be retained for a minimum three (3) month period and shall be made available, as soon as practicable to the Exchange upon request for the purpose of the Exchange fulfilling its regulatory responsibilities and to monitor compliance by its Participants with the Exchange's Business Rules and the Corporations Law.
- (ii) For the purpose of General By-Law G.27, in respect of a Participant which is a corporation, a "Client" shall include a related corporation as defined by the Corporations Law or a division of the Participant – which is separate from the Participant's futures division. (Amended 24/11/97, 13/12/99)

(b) Recording by the Exchange

- (i) The Exchange shall be entitled to record all conversations conducted on its telecommunications equipment by Participant's employees on telecommunications equipment of any kind located on the Exchange's premises, including any conversation conducted from the Exchange's premises using portable telecommunications equipment. Voice tapes shall become the property of the Exchange. The recordings referred to in this paragraph shall be retained by the Exchange at its own expense. (Amended 13/12/99)
- ~~(ii) Participant's employees and authorised representatives shall have access to the Exchange's voice recorded tapes upon the request of that Participant (Amended 13/12/99)~~
- ~~(iii)(ii) Disclosure to any other person of information obtained by the Exchange pursuant to General By-Law G.27(a)(i) and G.27(b)(i) shall be subject to G.11.80 or the consent of the Participant. (Amended 13/12/99)~~
- ~~(iv) In this General By Law G.27, the term "employee" in relation to a Participant, includes any person engaged under contract with or as a consultant to, any Participant or any other person who is under the general control and direction of a Participant in the conduct of that Participant's futures business. (Amended 13/12/99)~~