

CIRCULAR



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To: Clearing Members

79/98

No:

ISF Delivery Procedures - Important Reminder

It would appear that there are a number of issues regarding the delivery of the SFE ISF® contracts, which need clarification to assist Clearing Members to understand where their delivery responsibilities lie.

Clearing Member Responsibilities:

- Clearing Members are required to nominate a CHESSE Participant who will effect the share transfer(s) on their behalf. Clearing Members are responsible for the actions of any CHESSE Participants they appoint as Agents in the delivery process. The by-laws impose strict obligations on Clearing Members which must be met whether or not the Member is itself the CHESSE Participant or using an Agent. It is the Clearing Members responsibility to keep their nominated CHESSE Participant(s) fully informed of the by-laws requirements and security transfer details of each ISF® contract, and in particular to ensure they adhere to the times associated with the deliveries.
- Buying Clearing Members are required to lodge their "Delivery Status Report" with SFECH by no later than 3.15pm on the delivery day, regardless of whether they have received the shares or not, if the shares have not been received, the second part of the form should be completed, advising that this is the case.

Share Transfer Details

- All share transfers relating to the ISF® delivery are done via CHESSE as an off market transfer. Therefore they are not included in the daily DVP cycle.
- The settlement date for such transfers must be the date the delivery is taking place (ie. the business day following the last trading day).

Stamp Duty:

- Stamp duty is payable on off market transfers, and is collected at a state level. For transactions involving two CHESSE participants, the transferee (buyer) is liable for the payment of the duty. As SFECH does not obtain any interest in the shares, no stamp duty is payable by SFECH. Members should refer to the rules of the SCH or liaise with their CHESSE Participants where they have queries regarding stamp duty.

The above information has been provided as a summary of some of the important issues involved with an

ISF® delivery, however Members should ensure they are familiar with the by-laws before undertaking any such delivery.

Should you have any questions regarding the delivery process, please do not hesitate to contact Manny Said (9256 0191) or the undersigned (9256 0636).

Katrina Maunder
Manager; Clearing Services

26/11/98

SYDNEY FUTURES EXCHANGE CLEARING HOUSE PTY LIMITED
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