

SFE Clearing Bulletin No: 108/02

From: SFE Clearing Corporation Pty Ltd ABN 91 050 615 864

Date of Issue: 18 Oct 2002

Effective Date: **Monday 4th November**

AMENDMENT OF MARGIN METHODOLOGY - INTRODUCTION OF ZERO SETTLEMENT PRICES.

Currently future-styled option positions which settle at a price of "0" (zero) attract a small initial margin. This is due to the fact that settlement prices in SECUR (RIVA) for these positions show a non-zero value. Options that have settled at "0" (zero) in SYCOM are given a price of one tick in SECUR (RIVA). These prices are shown in the Risk Parameter File.

From the 4th November (impacting margin payments 5th November), these positions will no longer attract an initial margin except in the form of the short option minimum charge, and there will be no difference between the SYCOM settlement price and the price recorded in the Risk Parameter File. This is part of the SECUR (VIRGO version 17.2) release.

NZ Equity Options will still have a settlement price of at least one tick in the Risk Parameter File.

Should you have any queries please contact Simon Mansell on 9256-0119 or smansell@sfe.com.au



Simon Mansell
Senior Risk Analyst