



SFE Clearing Bulletin No: 116/02

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SFE CLEARING AUSTRACLEAR

SFE has recently completed a review of the billing procedures and an audit of the discounted transaction fees applied to Austraclear services post the CGS transfer. There were two findings:

1. Annual Fee – Change in Billing Cycle

One of the findings was the administrative impost on our customers by invoicing small amounts on a quarterly basis and by not using the available cash settlement facilities. In recognition of the inefficiency imposed on customers through the existing arrangements and to better align with the general invoicing policy of the SFE, revised invoicing arrangements will come into effect commencing November 2002.

Accordingly, the Annual Fee for Austraclear membership that is currently charged quarterly and payable in arrears will be billed annually in advance. New members joining at any time during the year will receive a pro-rata rebate on the annual fee covering the period from 1st January to the date of admission. However, pro-rata rebates are not available for early termination of membership.

Migrating to the new arrangements will require that invoices issued in November 2002 include the charge for the balance of this calendar year (October to December 2002) together with the Annual Fee for the 2003 year.

SFE is currently developing a system to process the payment of Austraclear invoices via the available existing cash settlement facilities. Participants will be advised when this facility is available.

2. Austraclear Market Repo Entry and Settlement Fee

Secondly, an anomaly was identified between the consolidated fee for the entry and settlement of a Fixed Interest Security transaction and the separate fees for the entry and settlement of a Fixed Interest Market Repo.

To rectify this anomaly and bring the fee schedule in line with the commitment made by Austraclear at the time of CGS transfer, SFE Clearing is amending and consolidating the Market Repo Trade Entry and the Market Repo Trade Settlement fees.

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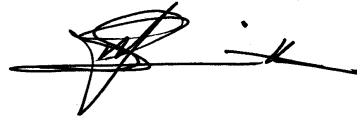
Under the amended fee structure the consolidated Market Repo Settlement fee will be \$12.00 per transaction per leg (exclusive of GST). This represents a corrective increase of \$6.85 over the existing fee but a reduction of \$0.30 to the fees charged under the RITS schedule at the time of transfer. This change maintains SFE's commitment to a market wide 13% fee reduction. The change will take effect as at 15 November 2002 and will not be backdated.

Note: All references to fees are GST exclusive.

Should you have any queries regarding either if these issues please contact SFE Austraclear Client Services on 1300 362 257 or cs@sfe.com.au or alternatively you may contact SFE Finance on 02 9256 0692.



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