



SFE Clearing Bulletin No: 34/03

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

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AMENDMENT TO TIME FOR THE PAYMENT OF INITIAL MARGIN AND DAILY SETTLEMENT AMOUNTS

Clearing Participants are advised of the following change to the times by which Initial Margin and Daily Settlement amounts must be lodged with SFE Clearing (as referred to in By-Law 43.1, 43A.1 and 44.4 of the SFE Clearing Corporation Operating Rules).

The stated rules refer specifically to the time by which the payment of Initial Margins and Daily Settlement amounts must be received by SFE Clearing Corporation. Participants are reminded of their obligations in this regard in order to avoid a breach of the Operating Rules and a situation of "Event of Default".

Full details regarding "Events of Default" and resulting action are detailed in Part 7, Procedures on a Default, of the SFE Clearing Corporation Operating Rules.

Current

By-Law	Description	Time
43.1 and 44.4	Time for payment of Initial Margins and Daily Settlement Amounts	10.30 am (Sydney time) in the case of SFE or 12.30 pm (Auckland time) in the case of NZFOE on the Business Day of the Relevant Exchange following day of trade (or as otherwise demanded by SFE Clearing)
43A.1	Time for payment of Initial Margins (Amended 28/10/02)	10.30 am (Sydney time) on the BRC Business Day following day of trade (or as otherwise demanded by SFE Clearing) (Amended 28/10/02)

New Times, effective 17 September 2003

By-Law	Description	Time
43.1 and 44.4	Time for payment of Initial Margins and Daily Settlement Amounts	SFE - 10.30 am (Sydney Time), to be pending RTGS SFE - 11.00 am (Sydney Time), Funds to be cleared NZFOE - 12.30 pm (Auckland Time), to be pending RTGS NZFOE - 1.00 pm (Auckland Time), Funds to be cleared
43A.1	Time for payment of Initial Margins (Amended 28/10/02)	SFE - 10.30 am (Sydney Time), to be pending RTGS SFE - 11.00 am (Sydney Time), Funds to be cleared


These changes have been initiated following a review by SFE of Initial Margin and Daily Cash Settlement payments. The conclusion reached detailed compliance difficulties as a result of facilitation of payments through Exchange Settlement Banks. Accordingly the adjustment in time for the payment of Initial Margins and Daily Settlement amounts will allow Clearing Participants to readily comply with their payment obligations by isolating operational issues associated with Exchange Settlement Banks.

Clearing Participants are advised to continue to make every effort to provide Initial Margins and Daily Cash Settlement Amounts by 10.30am. This will avoid the potential for an "Event of Default" by a breach of the 10.30am requirement for funds to be in a status of "Pending RTGS" or the 11am requirement for Initial Margins and Daily Cash Settlement amounts to be cleared.

In this regard, Clearing Participants are strongly encouraged to consider the following operational arrangements:

1. Ensuring a priority payment relationship is held with their primary bank,
2. Arranging a back up payment relationship or a line of credit with another bank which can be accessed immediately if required, or
3. Hold "excess margins" with SFE Clearing on a daily basis

Should you have any queries please contact the undersigned on 9256-0554 or draper@sfe.com.au



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