



[www.sfe.com.au](http://www.sfe.com.au)

30 Grosvenor Street  
Sydney NSW 2000 Australia  
Telephone 61 2 9256 0555  
Facsimile 61 2 9256 0666

PO Box N680  
Grosvenor Place  
NSW 1220 Australia

**SFE Clearing Bulletin No:** 05/04

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

**Date of Issue:** 11 Mar 2004

**Effective Date:** 11 Mar 2004

## **BRC COMPENSATION POLICY**

This bulletin details SFE Clearing's policy and procedures regarding compensation claims for undue enrichment originating from unsettled trades in Bond and Repurchase Clearing (BRC). The policy and procedures relates to Clearing rule 63A.6 stated below.

The policy and procedures will allow for timely and efficient settlement of all claims resulting from incomplete settlements and will become effective 11 March 2004.

The new rule states:

"Clearing Rule 63A.6 In the event of a failure to settle a BRC transaction by the time required for settlement under SFE Clearing's BRC procedures, SFE Clearing may, in its absolute discretion, determine the Clearing Participant at fault and direct Clearing Participants to pay and receive compensation, in accordance with a methodology determined by SFE Clearing. A Clearing Participant required to pay compensation pursuant to a direction under this Clearing Rule shall do so promptly and SFE Clearing is authorised to access any credit balance in a BRC Participant's BRC House Account for the purpose of satisfying a direction to pay compensation."

The determination and calculation methodology is detailed in the SFE Clearing Corporation "Procedures, Determinations and Practise Notes" document and can be viewed from the following link:

[http://www.sfe.com.au/content/aboutsfe/clearing\\_rules/procedures\\_determinations.pdf](http://www.sfe.com.au/content/aboutsfe/clearing_rules/procedures_determinations.pdf)

Should you have any queries please contact Greg Fitzpatrick on 9256-0632 or [gfitzpatrick@sfe.com.au](mailto:gfitzpatrick@sfe.com.au)

A handwritten signature in black ink that reads "David Raper".

David Raper  
**Manager, Business Operations - Derivatives**

SFE takes no responsibility for any errors or omissions contained in this bulletin and will not be liable for any reason including without limitation negligence, for losses, consequential or otherwise, arising from or in connection with decisions made in reliance upon this information. This information does not substitute for the Business Rules and in the case of inconsistency the Business Rules prevail. Before acting on any matter contained in this bulletin readers should discuss the matter with their own professional advisers.