

SFE NOTICE NO. 169/05

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## Pre-Paid Exchange Fee Scheme (2006) for the d-cypha SFE Electricity Futures and Options Contracts

Attached are the terms for the Pre-paid Exchange Fee Scheme for the d-cypha SFE electricity futures and options contracts.

Participants seeking further information in relation to this Bulletin should contact Ramy Aziz on 9256 0657.



**Martin Davey**  
**Chief Financial Officer**

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## PRE-PAID EXCHANGE FEE SCHEME 2006

### Pre-Paid Exchange Fee Scheme

A 2 tier Pre-Paid Exchange Fee Scheme for electricity futures and option contracts will operate from 1 January 2006 to 31 December 2006 (The Year). Market participants have an opportunity to enter the Pre-Paid exchange fee scheme at any point before 13 January 2006. After that date the scheme will be closed to new subscriptions.

<b>Scheme</b>	<b>Minimum Entry Cost (GST Excluded)</b>	<b>Tier Discounts * (i.e. Discount to the published Exchange Fee)</b>
<b>Tier 1</b>	\$80,000	18%
<b>Tier 2</b>	\$50,000	10%

\* Discounts apply to the Headline Exchange Fee and Off Peak Concession on Electricity Futures and Option only.

The terms of the Pre-Paid Exchange Fee Scheme are as follows:

- a) The Tier entry cost is a minimum. For each Tier a customer can 'invest' more than the minimum cost and still receive the Tier Discount. The maximum for any Tier will effectively be the preceding Tier above it except in the case of Tier 1, which is uncapped.
- b) A Scheme participant will pay the Full Headline Exchange Fee once they have used their Pre-Paid Exchange Fees.
- c) Subject to (d) below, market participants may only enter the Scheme once, i.e. each Market participant is only entitled to one subscription to the Scheme. No initial entry subscriptions will be accepted after 13 January 2006.
- d) A subscriber to Tier 1 of the Scheme may apply up to a maximum of three (3) "top-up" subscriptions during the course of The Year, provided that their initial Tier 1 entry subscription was for an amount greater than or equal to \$120,000. The subscriber shall continue to receive the full Tier 1 discount of 18% on all top-up subscriptions. A top-up subscription may not be for less than \$20,000, and must be received in advance.
- e) Unused subscriptions (entry costs and top-up subscriptions) are non-refundable. However balances equating to no more than 50% of the users initial subscription, may be carried over at year-end, ONLY if the Scheme participant enters a pre-pay scheme for the following year. Any unused subscription balance that is carried over will be subject to that new Scheme's rules and discount structures. If SFE does not offer a new scheme unused subscription balances may only be used to pre-pay the published Headline Exchange Fee on Electricity Futures and Options at the Tier Discount.

### Administration of Prepaid Exchange Fee Scheme and Concessions

The Pre-Paid Exchange Fee Scheme is only available to individual clients that meet the scheme criteria and are not available to brokers amalgamating individual client trades. For this purpose only, the definition of an individual client encompasses a single client trading through a broker and the principal (House) trading activity of an organisation that provides brokerage services.

The Pre-Paid Exchange Fee Scheme will be administered as follows:

- 1) Pre-Paid Exchange Fee Scheme Registration Forms must be endorsed by a SFE Clearing Participant. SFE Clearing Participants may reserve the right to decline providing their clients with access to the Pre-Paid Exchange Fee Scheme outlined in this Bulletin.

- 2) SFE Clearing Participants will be required to lodge with the SFE a prescribed form (attached) no later than 10.00am on the 1<sup>st</sup> Business Day of every month on behalf of each client that has transacted under a Pre-Paid Exchange Fee Scheme and Off-peak Concession.
- 3) The timely lodgement of the forms is the responsibility of SFE Clearing Participants and their clients. Late lodgements (not permitted after 10 business days) will result in SFE Clearing Participants being charged the Headline Exchange Fee and issued with a rebate 10 business days after the form is lodged.
- 4) SFE will in turn adjust the monthly billing statement of SFE Clearing Participants so that SFE Clearing Participants can in turn bill their clients accordingly.
- 5) It will be the responsibility of SFE Clearing Participants to bill their clients in accordance with the processes required for the Pre-Paid Exchange Fee Scheme or Off-peak Concession. SFE will accept no liability for the failure of the Clearing Participant to accurately report the trading volume of the market participant. Where any inaccuracy occurs, which in turn leads to an erroneous payment, then it is a matter between the Market Participant and Clearing Participant. No claims will lie against SFE or SFE Clearing.
- 6) Clients wishing to subscribe to the Pre-Paid Exchange Fee Scheme should make payments payable to their clearer, who in turn will forward the payment to SFE. SFE will record the Pre-Paid amount against the clearer and client and offset usage based on the monthly advices received from the clearer.

On behalf of their customers, SFE Clearing Participants are requested to fax their application and monthly forms to:

Stephen Hammon  
Fax: 9256 0566  
Finance Department  
SFE Corporation Ltd  
30 – 32 Grosvenor Street  
Sydney 2000

Attention: Stephen Hammon  
 Fax: 9256 0566  
 Finance Department  
 SFE Corporation  
 30 – 32 Grosvenor Street  
 Sydney 2000

**d-cypha SFE Australian Electricity Futures and Options Products  
 Monthly Lodgement Form for Pre-Paid Exchange Fees  
 (To be used by Participants who have Pre-Paid Exchange Fees)**

<b>Name of Firm</b>	
<b>Name of SFE Clearing Participant</b>	
<b>For the Month of</b>	
<b>Pre-Paid Exchange Fees</b>	
Base Load Electricity Futures (contract sides)	
Base Load Electricity Caps (contract sides)	
Base Load Electricity Cal Strip Options (contract sides)	
Peak Period Electricity Futures (contract sides)	
Peak Period Electricity Options (contract sides)	
'Off Peak' transactions (contract sides <sup>1</sup> )	

- Please lodge this form by 10am on the first Business Day of every month. Late forms will only be permitted within 10 business days, and will be processed by way of a rebate 10 business days later.

<b>Declaration By Participant</b>	
<i>I hereby declare that the above details are true and correct.</i>	
Prepared By	Date
Please Print Full Name	Position
Authorised Signature	Date
Please Print Full Name	Position

<b>Declaration By SFE Clearing Participant</b>	
<i>I hereby declare that the above details are true and correct.</i>	
Authorised Signature	Date
Please Print Full Name	Position

<sup>1</sup> To calculate contract sides for Off-peak exposure please total the number of implied off-peak contracts (e.g. 1 x Base Load contract + 1 x Peak Period contract = 1 x Off-peak contract side). Contracts must have been traded simultaneously to obtain Off-peak exposure.

Attention: Stephen Hammon  
 Fax: 9256 0566  
 Finance Department  
 SFE Corporation  
 30 – 32 Grosvenor Street  
 Sydney 2000

**d-cypha SFE Australian Electricity Futures Products**

**Monthly Lodgement Form for Off-peak Concessions  
 (to be used by Participants not utilising the Pre-Paid Exchange Fee Scheme)**

<b>Name of Firm</b>	
<b>Name of SFE Clearing Participant</b>	
<b>For the Month of</b>	
<b>Off-Peak Concessions</b>	
'Off Peak' transactions (contract sides <sup>2</sup> )	

- Please lodge this form by 10am on the first Business Day of every month. Late forms will only be permitted within 10 business days, and will be processed by way of a rebate 10 business days later.

<b>Declaration By Participant</b>	
<i>I hereby declare that the above details are true and correct.</i>	
Prepared By	Date
Please Print Full Name	Position
Authorised Signature	Date
Please Print Full Name	Position

<b>Declaration By SFE Clearing Participant</b>	
<i>I hereby declare that the above details are true and correct.</i>	
Authorised Signature	Date
Please Print Full Name	Position

<sup>2</sup> To calculate contract sides for Off-peak exposure please total the number of implied off-peak contracts (e.g. 1 x Base Load contract + 1 x Peak Period contract = 1 x Off-peak contract side). Contracts must have been traded simultaneously to obtain Off-peak exposure.

Attention: Stephen Hammon  
Fax: 02 9256 0566  
Finance Department  
SFE Corporation  
30 – 32 Grosvenor Street  
Sydney 2000

**d-cypha SFE Australian Electricity Futures Products**  
**Pre-Paid Exchange Fee Scheme Registration Form**

Contact: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Fax: \_\_\_\_\_  
SFE Clearing Participant: \_\_\_\_\_

<b>Scheme</b>	<b>Minimum Entry Cost (GST Excluded)</b>	<b>Subscription Level</b>
<b>Tier 1</b>	\$80,000	
<b>Tier 2</b>	\$50,000	

<b>Authorised By Market Participant</b>	
<i>I hereby declare that the above details are true and correct.</i>	
Prepared By	Date
Please Print Full Name	Position
Authorised By	Date
Please Print Full Name	Position

<b>Authorised By SFE Clearing Participant</b>	
<i>I hereby declare that the above details are true and correct.</i>	
Authorised By	Date
Please Print Full Name	Position

- A tax invoice will be issued on receipt of payment