

SFE NOTICE NO. 80/06

Date of Issue: 25 July 2006

90 Day Bank Bill Futures Price Decimal Conversion and 12.5pt Strike Implementation Market Dry Run

As communicated in SFE Notice 51/06, SFE will introduce 12.5pt strike increments for the 90 Day Bank Bill Options from Pre-Open at 4.58pm and Open at 5:08 pm on Friday 06th October 2006. To effect this change SFE will also change the decimal price format for the 90 Day Bank Bill Futures from 2 decimal to 3 decimal places.

Trading in SFE 90 Day Bank Bill Futures will continue to occur at the minimum tick increment of 1 basis point. The conversion of the futures price format from 2 decimal points to 3 decimal points is to allow options exercised at the half point to be registered as a futures contract at that price.

Implementation Preparation

There are a number of test stages required for the smooth implementation of the change in price decimal places and strike increments. SFE has successfully completed internal testing relating to this conversion. During this testing, Test SPAN and ITC files were produced each day which reflect the effect of the end to end process. These files are now available along with details of the maintenance that was applied to produce each file. To receive a copy of these files please contact Rachel Marsden on +61 2 9256 0484 or rmarsden@sfe.com.au.

Following the successful outcome of internal testing, SFE are now preparing for a market dry run which is planned for August 2006. This second test will involve external Participants who have access to the SFE external development environments for OMX SECUR and SYCOM®.

Note: It is critical that all Participants with in-house back office accounting systems, Back office Accounting System providers, ISVs, and other system developers ensure they are ready for 12.5 pt strikes by participating in the Market Dry Run described below. As well as pro-actively providing assistance, information and support leading up to the test, should external parties experience any problems during the test, SFE assistance will be available immediately by calling **Business Integration** on **9256 0417**.

Market Dry Run

The market dry run will involve Participants who are able to connect to the SFE external development environment. This external development environment will be provided to users with an OMX Secur Host and BOS database converted to 3 decimal places. The intention of the test is to confirm that 3rd Parties can convert BOA systems to be consistent with data held in OMX SECUR.

The BOS databases converted during the test will contain data based on a generic test trade file that will be prepared by SFE in advance. Participants are requested not to load test trades into the development environment prior to the commencement of the test period as these will be cleared down as part of SFE test preparation activities. SFE will advise Participants of the details of the test file during the week commencing Monday 21st August 2006.

This dry run will take place from **Friday 25th August 2006** to **Wednesday 06th September 2006**. Participants taking part are not expected to test over the weekend, but are requested to complete their conversion test activities by close of business **Friday 8th September 2006**. SFE will monitor the activities of Participants during this market dry run to ensure the successful completion of the test.

OMX SECUR External Test Environment (Devel1)

SFE will clear down the OMX SECUR host on Monday 21st August prior to preparing for this test activity, and requests Participants to clear down their test BOSs and STP systems between 8:00 am and 5:00 pm on Tuesday 22nd August in preparation for the market dry run.

SFE will make maintenance changes for 3 decimal places on the external test bed (OMX SECUR) overnight on Friday 25th August 2006 and will advise users by Monday 28th August that the conversion has been successfully completed. The checking of conversions may commence on the External Test Bed (OMX SECUR) from 9.30am Monday 28th August until close of business on Tuesday 29th August 2006. SFE will contact BOA vendors and **Participants with in-house systems** to request confirmation of conversion success or feedback of any issues experienced on Tuesday 29th August 2006.

To confirm Participant in-house and vendor systems are able to process exercised 12.5pt strike options, additional test trade file entry will be performed by SFE between Monday 4th September and Wednesday 6th September.

SYCOM® Interface Test Environment

Maintenance changes for 3 decimal places will occur on this bed on Wednesday 30th August 2006 for the start of the new trading day of 31st August 2006. 12.5 pt strike intervals will be enabled on the night of Thursday 31st August 2006 for the start of the new trading day on Friday 1st September 2006. SFE will contact ISVs and **Participants with in-house systems** requesting feedback regarding these changes on **Thursday 31st August 2006**.

Market Dry Run Schedule

Preparation

SFE advise participants of test trade file details	Monday 21 st August 2006
SFE will perform OMX SECUR Host clear down	Monday 21 st August 2006
Participants/Vendors to perform BOS clear downs	Tuesday 22 nd August (between 8:00 am & 5:00 pm)
SFE input test trade files (base-line) and distribute the following pre-conversion test back office accounting reports: ⇒ Margin Position Listing ⇒ Data used for Margin Calculation ⇒ SPAN file ⇒ Extracts of Open Positions ⇒ FSA related information	Thursday 24 th August 2006 to Friday 25 th August 2006

OMX SECUR – 3 decimal place Conversion

SFE will perform OMX SECUR Host Conversion to 3 decimal places.	Overnight Friday 25 th August 2006
SFE input test trade files (post-conversion) and distribute the following post-conversion test back office accounting reports: ⇒ Margin Position Listing ⇒ Data used for Margin Calculation ⇒ SPAN file ⇒ Extracts of Open Positions ⇒ FSA related information	Monday 28 th August 2006 – Tuesday August 29 th 2006
Participant checking of conversion data on External Test Bed	9:30am Monday 28 th – COB Tuesday 29 th August 2006
SFE will contact BOA Vendors and Participants with in-house systems to request confirmation of system conversion success	Wednesday 30 th August 2006

SYCOM® – 3 decimal place Conversion

SFE will perform 3 decimal places maintenance changes on SYCOM®	Wednesday 30 th August 2006 (active at 16:58)
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OMX SECUR & SYCOM® – 12.5pt Strikes Enabled

12.5pt strike intervals enabled on SYCOM®	Friday 1 st September 2006 (active at 16:58)
12.5pt strike intervals enabled in OMX SECUR	Monday 4 th September 2006
SFE input test trade files (12.5pt strikes) and distribute the following test back office accounting reports: ⇒ Margin Position Listing ⇒ Data used for Margin Calculation ⇒ SPAN file ⇒ Extracts of Open Positions ⇒ FSA related information	Monday 4 th September 2006 – Wed September 6 th 2006

Market Dry Run Completed

SFE contact Participants and Vendors requesting confirmation of successful test completion	Thursday 7 th September - Friday 8 th September 2006
Market Dry Run Participants conversion tests completed	COB Friday 8 th September 2006

Please contact Business Integration on 02 9256 0417 or interface@sfe.com.au should you have any questions relating to the above information.



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