

SFE NOTICE No. 106/06

Date Of Issue: 14 September 2006

90 Day Bank Bill Futures Price Decimal Conversion and 12.5pt Strike Implementation Production Go-Live

This notice sets out further information in relation to the production implementation of 12.5pt strike increments for the 90 Day Bank Bill Options and an associated change to the decimal price format for the 90 Day Bank Bill Futures from 2 to 3 decimal places. **SFE Participants and third party System Vendors are requested to read the following information, complete and return the attached Confirmation sheet to the SFE Business Integration team by 5pm Friday 22nd September 2006.**

The three phases of the production implementation will occur as follows:

PHASE 1 – SECUR Conversion

Weekend of 30th September to 1st October 2006

Phase 1 involves maintenance changes to key SFE Clearing Systems to convert the existing IR Futures contracts from 2 to 3 decimal places in OMX SECUR®.

Back Office System Providers are reminded they need to schedule necessary maintenance to complete system conversions in accordance with SFE timeframes. Clearing Participants will also be required to independently check the conversion of their open positions and confirm with SFE as to the accuracy and completeness of the conversion. The SFE Service Desk (+612 9256 0677) will be available to offer technical and conversion confirmation support during the weekend.

An overview of the key planned activities for Phase 1 are set out below:

Day / Time	Activity	Who
Friday Evening (29 th Sept)	<ul style="list-style-type: none"> ■ SFE system maintenance ■ Overnight processing in OMX SECUR® 	SFE/OMX only
Saturday (30 th Sept)	<ul style="list-style-type: none"> ■ SFE to confirm market conversion results ■ Test sample production BOS databases 	SFE/OMX only
Saturday Night (30 th Sept/1 st Oct)	<ul style="list-style-type: none"> ■ Convert all production BOS databases ■ Key contacts at Clearing Participants will be advised via email that conversion results are available for review. 	SFE/OMX only
Sunday Morning (1 st Oct 09:00-12:00)	<ul style="list-style-type: none"> ■ Clearing Participants review conversion results and confirm readiness to SFE via email (servicedesk@sfe.com.au) 	SFE/Clearing Participants
Sunday Midday (1 st Oct 12:00)	<ul style="list-style-type: none"> ■ SFE to have received ALL participants emails confirming completion of conversion results review 	SFE/Clearing Participants
Sunday Afternoon (1 st Oct)	<ul style="list-style-type: none"> ■ Complete normal OMX SECUR® week-end processing 	SFE/OMX only

Participant Reconciliations

Once SFE has completed the conversion processes within OMX SECUR®, participants' BOS databases will be updated so that they contain the correct converted data. Participants will be advised through the contact details provided in each organisation's confirmation sign-off form when these BOS databases are ready for checking.

Participants are requested to confirm that their positions are the same pre/post the conversion, and where possible agree with their back office systems. It is envisaged that these checks will involve, as a minimum, use of the BOPC facility to confirm

positions and 3 decimal display in OMX SECUR® (Account Position and the Trade History screens), but participants may use automated reconciliation tools if they are available.

Confirmation is requested to be sent via e-mail to the SFE Service Desk (servicedesk@sfe.com.au) by midday on Sunday 1st October.

BOS Gateways/Third Party Systems Connected via API

In order to complete the conversion within OMX SECUR®, BOS gateways and third party systems connecting to host servers will be disconnected on Friday night as normal and reconnected by SFE during Saturday night. **Participants with API connections are required to disable any automated reconnection capability for this weekend.**

SFE will advise participants when these third party systems can be reconnected. Contact will be via e-mail to the key contacts provided in your confirmation sign-off form. SFE will also telephone advised contacts on Sunday morning as a final check that the conversion has been successful.

OMX SECUR® Transaction Activity During Phase 1

Participants will have limited access to OMX SECUR® during the weekend to perform conversion related checks but will not be able to process transactions such as Give-ups, trade adjustments, position net downs etc.

Day 2 transactions processed on Monday 2nd October relating to trades executed for trade/clearing date Friday 29th September must be at 3 decimal places.

Clearing Reports & SPAN Files

No clearing reports will be issued over the weekend relating to the conversion. The following table outlines when clearing reports/files will be available and at what point changes to the IR Futures will be reflected:

Day / Time	Activity	IR Futures Status
Friday Evening 18:30 (29 th Sept)	<ul style="list-style-type: none"> ■ SFE SPAN Files issued as per standard operational processing timetable. 	2 decimal places
Monday Morning (2 nd Oct)	<ul style="list-style-type: none"> ■ SFE Reports/Files available for download via SECUR as per standard operational processing timetable. 	2 decimal places
Monday Evening 18:30 (2 nd Oct)	<ul style="list-style-type: none"> ■ SFE SPAN Files issued as per standard operational processing timetable. 	3 decimal places
Tuesday Morning (3 rd Oct)	<ul style="list-style-type: none"> ■ SFE Reports/Files available for download via SECUR as per standard operational processing timetable. 	3 decimal places

Participant Contacts and Availability

SFE requests that the key contacts provided in each organisation's confirmation fax-back form (attached) be in attendance at their offices on Sunday 1st October from 9:00am to complete the conversion checking and sign-off process required as part of Phase 1. SFE will endeavour to advise participants of any delays in progress during the weekend in order to minimise downtime. Any such advice will be via e-mail/telephone to the key contacts provided.

Given the importance of this conversion, it is critical that a senior business representative is responsible for this confirmation check and sign-off. Relevant technical contacts are also required to be on-site should SFE need to obtain access to OMX SECUR® related infrastructure on-site, or for the purpose of resolving technical issues that may arise.

Technical resources must be able to access on-site RNG/BOS infrastructure if required.

SYCOM® Trading Between Phase 1 and Phase 2

SYCOM® trading in IR Futures will continue to be performed to 2 decimal places and trades flowing through to OMX SECUR® will be converted to 3 decimal places by SFE systems until SYCOM® changes are made in Phase 2.

On completion of Phase 1, all SFE systems other than SYCOM® will display contracts to 3 decimal places.

PHASE 2 – SYCOM Conversion

Wednesday 4th October

Phase 2 involves SFE maintenance changes in SYCOM® to adjust IR Futures contracts from 2 to 3 decimal places. These changes will take effect in SYCOM® on **Wednesday 4th October** from “Pre-Open” at **4:58pm** for trade date Thursday 5th October.

Trading Participants and Front Office System Providers are reminded that some 3rd party trading applications may require re-synchronisation and/or maintenance to recognise the new 3 decimal place futures price structure. Participants should ensure that their system provider has informed them of any necessary actions and have also confirmed with them the timing of these actions.

Participants are further reminded that due to the change of price structure, **all 90 Day Bank Bill Futures GTC orders present in the SYCOM® host at 4.43pm on 4th October will be cancelled by the Exchange.** MFWS connections will automatically receive the update.

SYCOM® Trading Limits

SFE would like to remind participants of the importance of the potential need to amend the “Maximum Price Change” limit on all SYCOM® MFWS and AOEI connected systems prior to 4:58pm on Wednesday 4th October, in order to minimise potential disruption to order traffic.

To prevent potential order rejection due to being “Outside Reasonability Limits” after 4:58pm on Wednesday October 4th, Participants and SYCOM Trading Managers are advised to ensure that the maximum price change limit on each interface and workstation is adjusted, where necessary, prior to this date and time.

Participants are reminded that ALL terminals may require changes to the maximum price change limit to prevent order rejection and it is advised that 10 minutes are made available for the adjustment of each machine. Adjustments made prior to the implementation of 3 decimal place order entry will be effective on the current 2 decimal place product.

The SFE Service Desk (+612 9256 0677) is available to assist with any questions relating to these changes.

PHASE 3 – 12.5 Point Strike Implementation

Friday 6th October & Monday 9th October

Phase 3 involves SFE maintenance changes in both SYCOM® and OMX SECUR® to enable option trading/clearing in IR contracts using 12.5 point strike intervals.

SYCOM® & 3rd Party Trading Applications

SFE maintenance changes to enable trading in 12.5 point strike increments will take effect on **Friday 6th October** from “Pre-Open” at **4:58pm** for trade date **Monday 9th October**.

Trading Participants and Front Office System Providers are reminded that, as with the requirements for Phase 2, some 3rd party trading applications may require re-synchronisation and/or maintenance to recognise the new 12.5 point strike structure. Participants should ensure that their system provider has informed them of any necessary actions and have also confirmed with them the timing of these actions. MFWS connections will automatically receive the update.

OMX SECUR® & 3rd Party Clearing Applications

SFE maintenance changes to enable clearing of 12.5 point strike increments (including the ability to exercise 12.5 point strikes) will take effect as of clearing date **Monday 9th October**.

Clearing Participants and Back Office System Providers are reminded that some 3rd party clearing applications may require maintenance changes to recognise the new 12.5 point strike structure. Participants should ensure that their system provider has informed them of any necessary actions and have also confirmed with them the timing of these actions.

SFE Assistance

For questions on the conversion process or associated timeframes prior to Production implementation, please contact the **SFE Business Integration Team** on **+612 9256 0484** or via email **rmarsden@sfe.com.au**.



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General Manager, Business Operations

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ABN 74 000 299 392

Attention: SFE Business Integration Team

Fax: 02 9256 0666

90 Day Bank Bill Futures Price Conversion & 12.5pt Strike Implementation Confirmation of Production Readiness

The following details and confirmations are required to ensure SFE can proceed with the planned production cutover of the changes to the 90 Day Bank Bill Futures & Options contracts. The contacts nominated below must be aware of the implementation and be in attendance at their offices during Phase 1 from 9:00am to 12 midday on Sunday 1st October as per the timetable included with this Notice. **Please complete and fax return to (02) 9256 0666 attention of the SFE Business Integration Team by Friday 22nd September.**

Company Details

Primary Location	
Name of Company:	
Address :	
City:	
Country:	
Postcode:	

Weekend Contact Details

Senior Manager	
Name:	
Position:	
Tel:	
Mobile:	
Email:	
Secondary Contact	
Name:	
Position:	
Tel:	
Mobile:	
Email:	
Technical Contact	
Name:	
Position:	
Tel:	
Mobile:	
Email:	

Confirmation

As per SFE Notice 106/06 sent on 14 September 2006, I confirm that our company, third party system providers and customers are prepared for the introduction of the changes on the SFE 90 Day Bank Bill Futures & Options Contract.

Signed:

Position:

Date: