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SFE AUSTRACLEAR FEES AND CHARGES – 2005

Following an annual review, SFE Austraclear announced today a number of changes effective 1 January 2005 to fees and charges in respect of the market wide products and services offered by SFE Austraclear.

As communicated last year, the 2003 review of the fees and charges highlighted a number of SFE Austraclear services where the delivery costs and market benefits were clearly not aligned. In particular the recent market trend to execute fewer transactions at a greater face value has resulted in SFE Austraclear fees representing a declining percentage of the total cost to trade and settle securities in Australia. These fee adjustments complete the changes initiated in 2003.

In summary:

	<u>New Charge (excl GST)</u>
• Trade Splits (including Repos)	\$3.00 per side
• Interest Rate Swaps	\$3.00 per side for all activities
• Forward Rate Agreements	\$3.00 per side for all activities
• FX Confirmations	\$3.00 per side
• Cash transfers	\$3.50 per side
• Discount Securities settlement	\$11.00 per side
• Fixed Income Securities settlements (including Market Repos, & Global settlements)	\$14.00 per side
• Maturities	\$15.00 per line (Payable by owner)
• Depository Portfolio Holdings	
o DSS paper remain unchanged	
o FIS Global remain unchanged	
o DSS Electronic and FIS tier and rate changes	
▪ \$1 - \$3bn	\$0.35 per \$million per month
▪ \$3bn – \$10bn	\$0.09 per \$million per month
▪ > \$10bn	\$0.05 per \$million per month
• Digital Certificates	\$50 per certificate

Whilst many fees and charges will remain unchanged in 2005, a number of increases have been deemed necessary due to:

- The consolidation of SFE Austraclear participation (mergers and acquisitions of customer portfolios) and a growing trend towards non \$A debt issuance.

- Increased regulatory oversight responsibilities of a licensed clearing and settlement facility coupled with increased compliance costs due to the RBA Financial Stability Standards.
- Increasing insurance premiums.
- Significant market wide infrastructure re-investment.
- Reducing transaction volumes.

SFE Austraclear appreciates that any fee increases present challenges to its customers, but would like to re-state our commitment to developing high quality market products and services designed to provide significant operational efficiencies to market participants. These include:

- The upgrade of the core clearing and settlement platform in 2005 will offer additional capability such as:
 - Improved system integration with broader Straight Through Processing (STP) opportunities,
 - Improved functionality in confirmation matching and settlement,
 - Multi-currency settlement across the entire product and service range,
 - Cross currency swaps confirmation matching and settlement,
 - Debt stock lending functionality, and
 - Numerous other enhanced service offerings.
- Continual improvement to STP service deliveries allowing our participants to realise business restructure benefits:
 - 2002 - Increased Swift message capability.
 - 2003 - Improved Host to Host link coverage.
 - 2005 - Addition of new Swift message types.
- Improved communications infrastructure/security (including band-width upgrades, internet access, business continuity services and digital certification security).

SFE Austraclear has a history of market innovation, complemented by a robust and consistent delivery of cutting edge products and services. The new infrastructure offers market participants and SFE Austraclear the opportunity to build on this record and achieve higher standards of market efficiency and growth.

A full schedule of fees and charges can be found on the SFE Austraclear website at <http://www.sfe.com.au>.

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