

CIRCULAR



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**To: All Members
Back Office Accounting Suppliers
Quote Vendors**

No: 115/98

Year 2000 Compliance - Circular 2

This circular outlines the status of SFE compliance program, which is aimed at ensuring our business operations will not be impacted by the year 2000 and the Millennium problem.

STATUS

The SFE Year 2000 Compliance project is progressing towards the target date of January 1999 for critical exchange systems.

BACKGROUND

The SFE has the ongoing project to ensure all SFE infrastructure will be year 2000 compliant. A key control has been the preparation of a master list of all SFE systems and technology infrastructure with priorities assigned.

The following objectives have been set for the Year 2000 Compliance project:-

- SFE critical systems and technology infrastructure to be compliant by January 1999.
- Backup strategies identified, where appropriate, for mission critical systems.
- Critical systems relied upon by our members to be year 2000 compliant by January 1999.
- Provision of advice and assistance to our members with their year 2000 compliance projects regarding connection to and interaction with SFE systems.

The SFE is progressing the year 2000 compliance strategy for systems and technology infrastructure on a priority basis.

PROGRESS REPORT

The following describes the year 2000 project progress to date:

1. Trading Floor System

The Price Reporting and Trade Entry systems have been tested for correct functional operation into and post year 2000. Results from the testing did not identify operational impacts to these systems. The Options Settlement System (ODS) functional testing for year 2000 compliance is in progress and will be completed by July 1998

The market information data provided using the ITC ver 1.0 specification is compliant for year 2000. It is recommended that members and quote vendors test their systems which are reliant on data provided using ITC.

Critical quote vendor and other third party systems provided by the SFE and utilised by the trading floor members for their operations, are being actively monitored for compliance progress. Members will be advised where quote vendor and third party system providers report their systems will not be compliant by the SFE target date.

2. Screen Trading Systems

SYCOM III is being replaced by SYCOM IV as part of a strategic systems upgrade and the supplier has advised the system will be year 2000 compliant. SYCOM IV is targeted for live implementation in 4th quarter 1998.

Functional testing to ensure it operates correctly into and post year 2000 is a key component of the acceptance process.

The backup strategy is the enhancement of the current production release of SYCOM III to support correct functional operation into and post year 2000.

3. Allocation and Clearing Systems

Stacs/CPS and sub systems are being replaced as part of the strategic systems upgrade and software delivery dates are scheduled for the 4th quarter 1998.

The backup strategy is the enhancement of the current production releases of Stacs/CPS and sub systems to support correct operation into and post year 2000.

Back Office Accounting systems providers (BOAs) compliance progress are being actively monitored by the SFE. Members will be advised where BOAs report their systems will not be compliant by the SFE target date.

4. Other Internal Systems and Infrastructure

All other SFE internal systems are being upgraded and/or tested for year 2000 compliance on a priority basis.

5. Market Participants Test Facilities

Test facilities for members, BOAs and quote vendors are being planned. Data generated from SFE internal testing for compliance will be loaded on dedicated test facilities for external access.

Members will be provided with details of the trade scripts and commodities used to generate the test data. Target timing for these facilities to be available to members and quote vendors is 1st quarter 1999.

MEMBER COMMUNICATION

If there is any information or assistance we can provide about the SFE Year 2000 Compliance project, please contact the Year 2000 Project Manager, Ian Kessell on (02) 9256 0631 or email on ikessell@sfe.com.au.

Ian Kessell
Project Manager

24/04/98

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