CIRCULAR TO: **FULL MEMBERS** **NO. 103/00**
CLEARING MEMBERS

MANDATORY SETTLEMENT REFUND

The SFE May Board meeting resolved to discontinue the refund on mandatory settlements for all trades executed on or after 1 July 2000 (ie. June quarter rolls will remain eligible for the refund but September quarter rolls will not). Accordingly no refunds will be processed after 31 July, 1 month after the June quarter end rolls.

Background

Mandatory settlements occur when the Clearing House closes out offsetting non-deliverable contracts on settlement day. The normal exchange fee is charged on the mandatory settlement to close out the contracts. Members are then entitled to claim a refund equal to the Exchange Fees levied for mandatory settled contracts where the contracts are offsetting and the positions held in members internal clearing systems are less than those held at the Clearing House.

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29 MAY, 2000

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