

SFE CIRCULAR:
CLEARING PARTICIPANTS
BACK OFFICE ACCOUNTING SUPPLIERS

NO. 197/00

**PROPOSED REDUCTION OF THE COUPON RATE FOR SFE'S 3- YEAR AND 10-
YEAR TREASURY BOND CONTRACTS**

The SFE Media Release of 26th October 2000 advised that the Exchange is in the process of enhancing the 3-Year and 10-Year Treasury Bond contracts. The Exchange's Interest Rate Advisory Committee and Business Development Group have indicated that a reduction of the coupon rate for the 3-Year and 10-Year Treasury Bond contracts is a high priority. The SFE is committed to implementing this reduced coupon rate during 2001.

The Exchange is in the process of analysing the various options for implementing a reduced coupon rate and will distribute a paper outlining the proposed transition process following consultation with Participants.

Would all Participants please ensure that their Back Office Accounting systems are able to implement a revised coupon rate. Participants are advised to initiate enhancements as soon as possible should their systems be hard coded. The SFE intends to implement the same coupon rate for both the 3-Year and the 10-Year Bond Futures contracts but subject to market rates, these could again change in the future. Should you have any questions on this proposal please contact Maurice Farhart, Manager Interest Rate Products on (02) 9256 0183.

Maurice Farhart
MANAGER, INTEREST RATE PRODUCTS

9 NOVEMBER, 2000