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AMENDMENTS TO GENERAL BY LAW G.27 RELATING TO MANDATORY RECORDING OF RECEIPT OF INSTRUCTIONS

Participants are advised that some amendments have been made to General By-Law G.27 relating to mandatory recording of receipt of instructions. These changes clarify existing requirements relating to mandatory order recording and prohibit Participants from receiving instructions from clients where those instructions are not recorded in some way.

The amendments have been prompted by recent instances considered by the Business Conduct Committee of client instructions being received via a mobile telephone.

The amendments that have been made to General By-Law G.27(a) are as follows:

G.27 MANDATORY RECORDING ~~OF TELEPHONE LINES~~ OF INFORMATION BY THE EXCHANGE AND ITS PARTICIPANTS

(a) Recording by Participant

- (i) Each Full Participant and Associate Participant dealing with Clients must record, at its own expense, all via telephone lines and/or other electronic devices, at its own expense ~~where instructions are received, or are likely to be received from Clients, all conversations with Clients and other parties relating to Client instructions.~~*

Such recordings shall be retained for a minimum three (3) month period and shall be made available, as soon as practicable to the Exchange, upon request, for the purpose of the Exchange fulfilling its regulatory responsibilities and to monitor compliance by its Participants with the Exchange's Business Rules and the Corporations Act 2001 (Cth).

- (ii) For the purpose of General By-Law G.27, in respect of a Participant which is a corporation, a "Client" shall include a related corporation as defined by the Corporations Act 2001 (Cth) or a division of the Participant – which is separate from the Participant's futures division.*

As a result of the above amendments, Participants must ensure that internal desks transmit all orders to the futures desk in such a way that these instructions are recorded via a telephone line or other electronic device (ie., via e-mail

or squawk box). In addition, the Exchange recommends that Participants should avoid receiving orders face to face from clients. However, should circumstances arise where a client wishes to place instructions face to face with a Participant, the Participant must ensure that the client's instructions are recorded in some manner (ie., the client subsequently telephones the Participant and confirms placement of the order or the Participant ensures the client records the order details in writing and signs to evidence authorisation to place the order.

Please note that this amendment is effective 12 June 2002.

Should you have any queries please contact Michelle Wagner, Manager- Compliance and Surveillance on 9256-0580 or mwagner@sfe.com.au

A handwritten signature in black ink, appearing to read 'Michelle Wagner', with a stylized flourish at the end.

Michelle Wagner
Manager-Compliance & Surveillance

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