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NEW ZEALAND RULES MIGRATION – ADMINISTRATIVE ISSUES

1. Participant Status and Rules Migration

As Participants are aware, contracts which were executed on NZFOE and which remain open at the close of NZFOE trading, 10 March 2004 will be migrated to SFE and will, from that point onward, be governed by SFE's Operating Rules.

Full Participants of SFE who are also NZFOE Dealers are reminded that they will need to obtain their clients' instructions regarding the treatment of client-held contracts executed on NZFOE that remain open at the point of contract migration, regarding whether they should be migrated to SFE or closed out on NZFOE. Participants should, if necessary, amend their Client Agreement Forms prior to 10 March in order to remove references to contracts being subject to NZFOE rules and/or the laws of New Zealand.

Should you have any queries regarding this matter please contact Barbara Jones, Senior Legal Counsel on 9256-0560 or at bjones@sfe.com.au.

2. Reportable Position File Submission

As Participants are also aware, Sydney Futures Exchange Limited Operating Rules 2.2.24 (previously General By-Law G.37(a) of the Business Rules) requires a Reportable Position File (RPF) to be submitted by 8:00am on every Business Day, in a form approved by the Exchange.

For holdings at the close of 10 March (reports of which are due 11 March) and going forward, all open positions will be solely governed by and reported under SFE rules and will be due at 8:00am, Sydney time.

Many Participants are currently also submitting RPFs for NZFOE positions, and are therefore submitting two files each day. From 10 March, file formats *will not change*, and those who hold both New Zealand Dollar-denominated contracts and Australian-Dollar/US Dollar-denominated contracts will still be required to submit two files as they do currently, with *only* New Zealand Dollar-denominated contracts in one and all other contracts *only* in the other.

It should be noted that the majority of Participants will not need to change their current RPF reporting procedures as a result of the migration of NZFOE Rules.

S F E B U L L E T I N C O N T I N U E D

Participants should note that RPFs in respect of New Zealand Dollar-denominated contracts will now be obliged to comply with the requirements of Practice Note 5 (and as referred to in the Procedures, Determinations and Practice Notes relating to Operating Rule 2.2.24), especially in relation to the potential impact upon Affiliated Accounts carried by entities related to the Participant.

Should you have any queries regarding this matter please contact Nick Gaut, Market Analyst, Compliance & Surveillance on 9256-0414 or at ngaut@sfe.com.au.

A handwritten signature in black ink, appearing to read "Anne Brown", with a stylized flourish underneath.

Anne T. Brown
General Manager, Business Risk