



SFE NOTICE NO.

082/08

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Effective Date: 1 July 2008

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## SFE ORDER CANCELLATION AND TRADE CONFIRMATION POLICY

The following Operational Policy provides Participants with transparency into the process by which SFE Market Control will cancel orders and confirm executed trades on behalf of Participants. The process is designed to ensure maximum protection for all involved parties and is relevant for Participants accessing SFE markets under their own Trading Mnemonic only.

This policy formalises the current order cancellation and trade confirm practice and will replace the existing process effective 1 July 2008.

### POLICY

The SFE Order Cancellation and Trade Confirmation Policy will be included in the SFE Operational Policies effective 1 July 2008. The Policy is available below for review.

The objective of the Policy is to ensure that Participants maintain appropriate operational control over their order and trade environment, and that SFE intervention in the management of Participant orders or confirmation of Participant trades is as a last resort, required due to complete technical breakdown in a Participant's technical infrastructure.

In addition, the Policy ensures access to Participant information and control of order status is limited to individuals allocated by the Participant.

Participants will be responsible for ensuring appropriate identity management questions are developed and that required identifying responses are maintained with the SFE.

Participants should ensure that they maintain appropriate operational procedures to utilise this policy effectively.

### PARTICIPANT ORDER CANCELLATION AND TRADE CONFIRMATION TOOLS

Participants should rely on their own trading applications and consolidated order management tools for order cancellation and trade confirmation. Participants should only request the Exchange to cancel or confirm when all other methods are unavailable.

### INITIAL NOMINATED TRADING MANAGERS

To request an SFE cancellation of orders or trade confirmations Participants will need to have registered Trading Manager(s). SFE will contact all Participants for the provision of their initial Trading Manager list. The Participant will be responsible for providing the required information via the contact details below prior to 1 July 2008.



## SFE ORDER CANCELLATION AND TRADE CONFIRMATION POLICY

The SFE Order Cancellation and Trade Confirmation Policy document is part of the SFE Operational Policies document and is annexed to the Procedures, Determinations and Practice Notes (PDP) of the SFE Operating Rules. It consolidates operational and administrative policies for Participants in the SFE Market product range. If you have any questions about the SFE Market Operational Policies, please contact the SFE Service Desk on +612 9256 0667.

These policies are designed to preserve the operational efficiency and integrity of SFE Markets and provide a clear, consistent and consolidated interpretation of the operational management of SFE Market products.

Participants should continue to refer to the Operating Rules and PDP of the Sydney Futures Exchange for further detail.

### 1. PARTICIPANT RESPONSIBILITY FOR THEIR ORDERS AND CONFIRMED TRADES

Participants are responsible for the management of all orders and trades associated with their trading mnemonic regardless of source. This requires all Participants to maintain operational resources and capability to manage their orders and confirmed trades on behalf of their employees and clients.

Participants should utilise appropriate control technology and operational procedures to ensure appropriate management of their orders and confirmed trades.

### 2. PARTICIPANT RESPONSIBILITY FOR THE ORDERS AND CONFIRMED TRADES OF DIRECT MARKET ACCESS CLIENTS

Participants are responsible for the management of all orders and confirmed trades associated with their trading mnemonic, including those entered by Direct Market Access clients.

Participants should ensure appropriate order and confirmed trade management of their Direct Market Access clients and that their DMA clients are aware of this policy.

### 3. SFE CANCELLATION OF PARTICIPANT ORDERS ON PARTICIPANT REQUEST

SFE will maintain a hierarchy of required information to facilitate order cancellation on behalf of Participants.

**SFE will not cancel any orders on behalf of a Participant until positive identification of that Participant nominated Trading Manager(s) has been made.**

- When the Participant Trading Manager can detail the **SFE client order number** then the SFE will cancel individual orders
- When the Participant Trading Manager can only detail the **AOEI ID** then the SFE will cancel all or none of the orders associated with that AOEI ID
- When the Participant Trading Manager can only detail the **Participant Mnemonic** then the SFE will cancel all or none of the orders associated with that Participant Mnemonic

SFE provides this service on a best endeavours basis and does not accept any liability. The Exchange will not cancel orders or confirm trades on Participant instruction that do not comply with this policy.



#### 4. SFE CONFIRMATION OF PARTICIPANT CONFIRMED TRADES ON PARTICIPANT REQUEST

SFE will only provide a **verbal validation** of a confirmed trade on the request and positive identification of that Participants nominated Trading Manager(s) and the provision by the Participant of the unique order number associated with the trade.

If the Trading Manager can not be identified or the order number can not be provided then the Exchange will not provide verbal validation of confirmed trades.

For completeness it should be stated that Participants receive an electronic confirmation of each trade via their Sycom infrastructure.

SFE provides this service on a best endeavours basis and does not accept any liability.

#### 5. PARTICIPANT TRADING MANAGER

A Participant may nominate up to 6 Trading Managers that will be authorised to request order cancellation or trade confirmation on behalf of the Participant.

A Trading Manager will be required to successfully authenticate their identity to SFE prior to SFE facilitating an order cancellation or trade confirmation.

The Participant is responsible for maintaining valid Trading Managers.

A Participant can add or remove a Trading Manager on written instruction to SFE Market Control by an existing Trading Manager.

The Trading Managers can be located off shore to facilitate 24 hour availability.

Participant can nominate DMA clients to perform the role of Trading Manager should they wish.

#### 6. TECHNOLOGY TO SUPPORT ORDER AND CONFIRMED TRADE MANAGEMENT

Participants are requested to ensure all their trading applications support order and confirmed trade management.

Participants are advised to consider their requirements for consolidated order management across their range of trading applications (MFWS will be made available for consolidated order management until 31 December 2008).

#### 7. REPORTING TO ASX FUTURES COMPLIANCE

SFE Market Control will inform ASX Futures Supervision of all Participant requests for SFE to facilitate a Participant order cancellation or a verbal confirmation of confirmed trades.

ASX Futures Supervision will expect a self report by Participants, as per Operating Rule 2.2.10 Compliance with Operating Rules and Notification of Breaches, in the event of a request by a Participant for the SFE to facilitate order cancellation or a verbal confirmation of confirmed trades. This self report may result in further investigation of the incident by Futures Supervision and potential referral of the matter to a disciplinary tribunal.



## 8. EXCHANGE RIGHT TO CANCEL ORDERS

Consistent with the Operating Rules of Sydney Futures Exchange (Operating Rule 1.11.1) the SFE maintains the right to proactively cancel Participant orders and request a Participant to cancel orders.

For further information please contact SFE Market Control on +61 2 9256 0667 or [service.desk@asx.com.au](mailto:service.desk@asx.com.au).

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