



SFE NOTICE NO. 001/10

Date of Issue: 4 January 2010
Effective Date: 2 November 2009

Addition to: Operating Rule 3.3 – Pre-Negotiated Business Orders; and Operating Rule 3.4 – Trading Principles for Block Trades

In October 2009 the Exchange informed all Participants of changes to the following Rules:

Operating Rule 3.3.9 shall include the following addition:

- (b) For the purposes of trading out of a trade allocated to a Participant that is an Error Trade, the Participant's futures division is classified as a Client.

Operating Rule 3.4.10 shall include the following addition:

- (b) For the purposes of trading out of a trade allocated to a Participant that is an Error Trade, the Participant's futures division is classified as a Client.

The Exchange advised Participants that where they exit an error trade in accordance with Operating Rule 3.3.9(b) or 3.4.10(b), they must ensure adherence to Operating Rules 3.1.8 – Orders to be Transmitted and Executed in the Sequence Received, and 3.1.16 – Acting in Accordance with Client Instructions and Client's Best Interests, in that client's orders must take precedence over the orders of the Participant and that the client's best interests must be considered at all times.

Participants are advised, in addition to the above, that they must also adhere to the requirements of Operating Rule 3.1.19 – Trades to be Allocated in Sequence of Order Receipt - when trading out of errors.

Furthermore, Participants are advised, that if they execute an error whilst engaging in Pre-Negotiated Business Orders rules they may only trade out of that error either by using the underlying market as normal OR via the Pre-Negotiated Business Orders rules NOT via the Block Trades rules.

Likewise, should a Participant execute an error whilst executing the Block Trades rules, they may exit the error using the underlying market OR the Block Trades rules NOT via the Pre-Negotiated Business Orders rules.

The above Rule additions were effective on 2 November 2009.

Should you have any queries please contact Robert Coaldrake, General Manager Futures Supervision and Capital Monitoring on (02) 9227 0223 or Robert.Coaldrake@asx.com.au or Janice Coles, Senior Futures Supervision Officer on (02) 9227 0224 or Janice.Coles@asx.com.au.

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