



Participant Circular

Date: 5 May, 2003

Key topics

1. Deutsche Securities Australia Limited

Reading List

Client Advisers (Brokers)
Compliance Managers
DTR Operators
Managing Directors
Office Managers
Operations Managers (back office)

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No responsibility is accepted for any inaccuracies contained in the matter published.

DISCIPLINARY MATTERS

The Australian Stock Exchange Limited's National Adjudicatory Tribunal ("The Tribunal") has determined the following:

Deutsche Securities Australia Limited ("DSAL") has been fined a total of \$8,500 (plus GST) in respect of:

1. 17 breaches by DSAL's Sydney Institutional business unit of old ASX Business Rule 1.2.1 (ii), between 1 February 2001 and 8 February 2001;
2. 16 breaches by DSAL's Melbourne & Asia Institutional business unit of old ASX Business Rule 1.2.1 (ii), between 1 February 2001 and 8 February 2001;
3. 20 breaches of old ASX Business Rule 1.2.1 (ii) and 3 breaches of old ASX Business Rule 7.3.2.5 by DSAL's Trading & Derivatives business unit between 1 February 2001 and 8 February 2001;
4. 21 breaches by DSAL's Overnight Offshore Orders business unit of old ASX Business Rule 1.2.1 (ii) between 1 February 2001 and 8 February 2001;
5. 17 breaches by DSAL's Sydney Institutional business unit of old ASX Business Rule 1.2.1 (ii), between 4 June 2001 and 8 June 2001;
6. 36 breaches by DSAL's Melbourne & Asia Institutional business unit of old ASX Business Rule 1.2.1 (ii), between 4 June 2001 and 8 June 2001; and
7. 8 breaches of old ASX Business Rule 1.2.1 (ii) and 4 breaches of old ASX Business Rule 7.3.2.5 by DSAL's Trading & Derivatives business unit between 4 June 2001 and 8 June 2001.

The circumstances of this matter are as follows:

Order records containing details of orders placed with DSAL from its clients to deal in Options and Securities between 1 February 2001 to 8 February 2001 and 4 June 2001 to 8 June 2001, were deficient in that DSAL failed to maintain accurate records or records in sufficient detail, as various order records: -

- i. did not disclose any or adequate particulars of the time and/or date of the client's instructions;
- ii. failed to disclose any or adequate particulars of price limit or price related instructions;
- iii. were not serially numbered; and
- iv. failed to disclose the name of the person placing the order or the name of the person who received instructions.

In determining the appropriate penalty the Tribunal took into account the following matters, including: -

1. The breaches were discovered as part of ASIC/ASX's Trading BEST self-assessment initiative.
2. DSAL has implemented changes to minimise any future non-compliance with ASX's order record keeping requirements including personalised training of

relevant staff to correct errant record keeping practices and comply with ASX Business Rules.

3. A number of DSAL's order records under consideration failed to include material trading information.