

**Participant Circular****Date:** 14 December 2001**Key topics**

1. BNP Paribas Equities Private (Australia) Limited.

Reading List

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

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DISCIPLINARY MATTERS

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

BNP Paribas Equities Private (Australia) Limited ("BNPPEP") has been fined \$30,000 (plus GST) by the National Adjudicatory Tribunal ("the Tribunal") in relation to a breach of ASX Business Rule 2.2.4(1)(b)(i).

The circumstances of this matter are as follows:

On 30 August 2000 BNP Paribas \$6.50 Telstra Corporation Limited Call Warrants ("TLSWPF") commenced secondary trading on ASX.

Between 10:26:02 AND 10:30:50 on 30 August 2000, BNPPEP's client advisor ("the representative") caused BNPPEP to execute three crossings in TLSWPF (2 'crossings' of 100,000 warrants each at 31 cents per warrant and 1 crossing of 100,000 at 31.5 cents per warrant) by which BNP Paribas Equities (Australia) Limited (as 'market maker') sold a total of 300,000 TLSWPF to BNPPEP's client ("the private client").

Between 10:34:46 and 10:42:53 the representative caused BNPPEP to sell a total of 300,000 TLSWPF (by executing 3 transactions selling 50,000 TLSWPF for 31.5 cents per warrant and 3 transactions selling 50,000 TLSWPF for 31 cents per warrant) on behalf of the private client. The warrants were purchased by BNP Paribas Equities (Australia) Limited (as 'market maker').

The result of the trading in TLSWPF conducted on account of the private client was a profit of \$90.00.

In determining that BNPPEP breached ASX Business Rule 2.2.4(1)(b)(i) the Tribunal considered:

- (i) The course of trading in TLSWPF;
- (ii) The representative's explanation of BNPPEP's trading in TLSWPF, which was not consistent with the contemporaneous evidence; and
- (iii) A telephone conversation involving the representative who stated that the trading (referring to the initial 'crossings') was not a "real trade", and that it was a trade to "get a bit of volume going".