



ASTC BULLETIN

Date: 21 December, 2004

Key topics

1. Commonwealth Securities Ltd

Reading List

Banks
ASTC Participants
ACH Participants

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PARTICIPANT BULLETIN

Disciplinary Matters

The ASTC Disciplinary Tribunal ("the Tribunal") has determined the following:

Commonwealth Securities Limited ("Commsec") has been fined a total of \$17,500.00 (plus GST) by the Tribunal in relation to breaches of old SCH Business Rule 11.8.1 and current ASTC Settlement Rule 8.18.1 (together referred to as "the Rules"). These breaches were not contested by Commsec.

The circumstances of the matters are as follows:

Old SCH Business Rule 11.8.1

1. in the period 28 October to 31 October inclusive, Commsec on 2 occasions, effected a change of Registration Details in relation to a Holder Record without the written authority of the relevant Holder; and
2. in the period 5 January 2004 to 26 February 2004 inclusive, Commsec on 2 occasions effected a change of Registration Details in relation to a Holder Record without the written authority of the relevant Holder.

Current ASTC Settlement Rule 8.18.1

3. on 19 April 2004, Commsec effected a change of Registration Details in relation to a Holder Record without the written authority of the relevant Holder.

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

- a prior failure by Commsec to efficiently process change of Registration Details;
- that in the circumstances of these matters, Commsec, had, on 5 occasions, effected changes to the Registration Details of its clients without their written authority although Commsec does process a large number of changes to Registration Details with respect to its clients each year without apparent error;
- that Commsec has introduced measures and procedures to prevent future contraventions of the Rules with respect to changes to client's Registration Details; and
- that in the Tribunal view these breaches are serious matters which warrant a significant financial penalty.