



## ASX Circular

Date: 21 June, 2007

## Key topics

1. Westpac Securities Limited

## Reading List

Client Advisers  
 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 ASX Disciplinary Tribunal ("the Tribunal") has determined the following:

Westpac Securities Limited ("WSL") has been fined \$8,500 (plus GST) for contravening Old ASX Business Rule 3.8(1) by failing to immediately dispatch confirmations in respect of equity securities transactions executed during the period 24 March 2003 to 10 March 2004, and ASX Market Rule 7.9.1, by failing to send confirmations as soon as practicable after entering into Market Transactions during the period 11 March 2004 to 30 July 2006.

WSL did not contest the contravention before the Tribunal.

In determining penalty, the Tribunal also took into account the following matters:

- (a) the circumstances and facts of the matter;
- (b) WSL's disciplinary history, having no previous disciplinary actions recorded against it;
- (c) WSL identified and self-reported the contraventions;
- (d) The remedial actions undertaken by WSL to address the issue and to prevent any future reoccurrence;
- (e) The unintentional and inadvertent nature of the contraventions;
- (f) WSL co-operated with ASX Investigations in the investigation of the matter and elected not to contest the matter;
- (g) The relatively small percentage of confirmations not despatched in a timely manner compared to the overall number of confirmations despatched by WSL during this period (approximately 0.5%); and
- (h) WSL has advised ASX that there were no customer complaints to WSL, no fraudulent activity, financial loss, or other claims made due to the non-receipt of confirmations by the affected clients.

The circumstances of the matter are detailed as follows:

On 4 September 2006, WSL self-reported to ASX its failure to send out confirmations to a relatively small percentage of its customers for various reasons, some of which were client initiated and others due to administrative errors.

WSL advised that 8,411 confirmations had not been sent to 414 account owners and that 949 confirmations had been sent to the trading authority of 116 accounts but not to the account owners (a total of 9,360 confirmations and 530 account owners were affected).

WSL subsequently undertook remedial actions to prevent the likelihood of further contraventions occurring and has confirmed to ASX that all outstanding confirmations were sent to affected clients by 13 October 2006.

The Tribunal noted that the timely sending of confirmations to clients is a fundamental client protection safeguard against possible unauthorised trading activity. Whilst ASX is not aware of any client complaints which relate to the circumstances of this matter, any failure to comply with the confirmation requirements under the Rules has the potential to adversely affect the financial security of the clients and the integrity of the market.