



## ASX Circular

Date: 21 June, 2007

Key topics

1. Halifax Investment Services 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 that Halifax Investment Services Limited ("Halifax") contravened and failed to comply with ASX Market Rule 6.1.1 and the Risk Capital Requirements contained in S1A.2.10 of Schedule 1A of the ASX Market rules in that the November 2006 Capital Liquidity Return ("CLR") Halifax prepared and submitted to ASX, did not accurately reflect its accounts and financial position.

The Tribunal imposed a fine of \$10,000 plus GST in respect of this contravention.

The circumstances of this matter are detailed as follows:

On 9 November 2006 Halifax entered into an agreement with a third party. The agreement provided that Halifax was to receive a payment and that Halifax was to hold that payment in trust.

Halifax did not hold the payment in trust.

Halifax's November 2006 CLR included a repayment on the Related/Associated Persons page of a "Directors Loan". The repayment was recorded in Halifax's November 2006 CLR as a loan from a director.

Halifax's November 2006 CLR did not accurately reflect its accounts and financial position.

In determining sanction the Tribunal took into account the following factors:

- (a) The importance of accurate Capital Liquidity Returns. In particular, the Tribunal considers that the failure to comply with these requirements has the potential to adversely affect and undermine the financial stability of the participating organisation, which in turn, has the potential to adversely affect the reputation of the ASX, the integrity of the markets it operates, and the financial security of the Participation Organisation's clients.
- (b) The facts and circumstances of the contravention.
- (c) The disciplinary history of Halifax.
- (d) Halifax's conduct was not intentional, manipulative or fraudulent.
- (e) Halifax obtained no commercial advantage or financial benefit.
- (f) Halifax has taken steps to minimise the risk of a recurrence of this type of contravention.
- (g) Halifax co-operated with ASX and did not contest these contraventions.