



ASX Circular

Date: 6 July, 2007

Key topics

1. JDV Limited

Reading List

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

Contact

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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:

JDV Limited ("JDV") has been fined \$12,500 plus GST for contravening ASX Market Rule 7.9.1 by failing to send confirmations to clients as required between 7 November 2005 and 19 January 2007 ("the Relevant Period").

JDV did not contest the contravention before the Tribunal.

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

- (a) The circumstances and facts of the matter;
- (b) JDV identified and self reported the contravention;
- (c) The remedial actions undertaken by JDV to address the issue and to prevent any future reoccurrence;
- (d) The unintentional and inadvertent nature of the contravention;
- (e) JDV co-operated with ASX Investigations in the investigation of the matter and elected not to contest the matter; and
- (f) JDV advised that there were no customer complaints to JDV, no 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:

By letter dated 12 December 2006, JDV self-reported 4 separate incidents where it failed, in total, to send 349 confirmations to 70 clients during the Relevant Period. This incident was detected as a result of an internal audit performed by JDV. By letter dated 9 March 2007, JDV self reported a further incident whereby, in total, 348 confirmations had not been sent to 12 clients. This incident was also detected as a result of an internal audit performed by JDV.

The number of confirmations that were not sent to clients represented 0.002% of the total number of confirmations issued during the Relevant Period. At all times clients who did not receive confirmations had access to an electronic version via a dedicated website and JDV has altered its processes so as to ensure that these types of incidents do not occur again.

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.