



## ASX Circular

Date: 17 December 2008

## Key topics

1. Aequus Securities Pty Ltd

## Reading List

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

## Contact

Jodie Maurer

## Telephone

(02) 9227 0472

ASX Limited  
 ABN 98 008 624 691  
 Exchange Centre  
 20 Bridge Street  
 Sydney NSW 2000  
 PO Box H224  
 Australia Square NSW 1215

Internet: <http://www.asx.com.au>

No responsibility is accepted for any inaccuracies contained in the matter published.

## DISCIPLINARY MATTERS

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

Aequus Securities Pty Ltd ("Aequus") has been fined \$15,000 plus GST for contravening:

Old ASX Business Rule 3.8(1) by failing to immediately despatch confirmations in respect of Securities transactions executed during the period 26 June 2003 to 10 March 2004 in 136 instances; 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 1 August 2007 in 634 instances.

Aequus did not contest the contravention before the Tribunal.

The Circumstances of this matter are as follows:

By a report dated 30 August 2007 Aequus, in response to ASX's 2006 Financial Intermediary Self Assessment, reported to ASX that it failed to send confirmations to clients referred through a financial intermediary.

Between 26 June 2003 and 1 August 2007, Aequus entered into 770 Securities Transactions and Market Transactions on behalf of 48 separate client accounts where Aequus failed to despatch and/or send confirmations to the end client. Aequus advised that it despatched and/or sent confirmations to the financial intermediary.

Aequus subsequently undertook remedial actions to prevent the likelihood of further contraventions occurring.

In determining sanction, the Tribunal, inter alia, took into the account the following matters:

- (a) the circumstances and facts of the matter;
- (b) Aequus self reported the matter;
- (c) the conduct involved only one financial intermediary;
- (d) the remedial actions undertaken by Aequus to address the issue when identified;
- (e) Aequus' advice to ASX that there has been no fraudulent activity, financial loss, or other claims made due to the non-receipt of confirmations by any client;
- (f) Aequus' disciplinary history, having had one unrelated matter before the Tribunal; and
- (g) Aequus co-operated with ASX Investigations in the investigation of the matter and elected not to contest the matter.

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 clients and the integrity of the market.