

Compliance in Focus

For Compliance Executives



ASX

AUSTRALIAN SECURITIES EXCHANGE

Summer 2008

Short Selling

There have been numerous changes in the obligations relating to short selling over recent months. These changes have been variously introduced, or proposed, by ASIC, ASX and Federal Parliament.

ASX has amended its Market Rules to remove all securities from the approved securities list for naked short selling.

ASIC has introduced new notional sections of the *Corporations Act* to regulate the conduct of "covered" short selling, which ASIC administers. "Covered" short sales in non-financial stocks (in respect of which ASIC lifted the ban on "covered" short selling on 19 November 2008), are now subject to requirements relating to the reporting of such short sales as set out in the sections introduced by ASIC. ASX then collates and publishes details of such "covered" short selling (together with other short selling data) received from Participants. Amendments were made to the ASX Market Rules and Procedures to formalise changes to the short selling reporting requirements on Participants under the *Corporations Act* (including as introduced by ASIC). Whilst ASX supervises the lodgement of the reports, ASX does not supervise the content of the reports, other than a "high level" review for apparent significant errors in those reports, with the content of the reports being as required by the *Corporations Act*.

Amendments to the *Corporations Act* have also been passed recently in federal parliament affecting the regulation of short selling generally (with details relating to disclosure of short sales to be set out in the Regulations which are to follow).

ASX has been conscious that some residual issues arising from the significant change being introduced remain outstanding. ASX Compliance continues to contact relevant participants to improve standards of short sale reporting. As a result, the number and extent of issues associated with the timeliness and accuracy of the information provided in the daily short sales reports has decreased. In this regard, Participants should be aware of the following issues:

- The reporting deadline is 9.00am Sydney time each Trading Day. Nil returns must also be lodged by that time.
- Reportable positions relate to the gross short sales on the previous trading day (not the net short sales from trading date to settlement date).
- Exercised and assigned options that result in short sales are reportable as set out in [ASX Circular 583/08](#) dated 27 November 2008.

To date common issues being experienced by Participants are as follows:

- duplication of figures;
- technical difficulties;
- incorrect code entered;
- reverting of reporting type from gross back to the old net report;
- manual keying errors;
- DMA issues (included / excluded figures);
- the interim processes being used to pick up "note fields" can have inaccuracies reported; and
- rebookings.

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Short Selling...cont.

Participants should be aware that repeated and systemic failures to report in accordance with the Rules will be escalated through the normal channels and may result in disciplinary action.

ASX is working to implement changes to ITS for the flagging of all trading messages relating to short sales. Changes are

being communicated to those people within Participants responsible for the technical interfacing with ITS. Compliance professionals within Participants should ensure they are aware of these changes and the internal compliance controls to be established accordingly.

ASX Compliance Hot Topics

Fair and orderly markets

Trading Participants are reminded of their obligation to not do anything which results in a market not being fair and orderly pursuant to Market Rule 14.1.1.

On 21 August 2008 ASX published a [determination](#) of the Disciplinary Tribunal (see Market Circular 416/08) in which it was found that the conduct of a Participant had resulted in a market not being fair and orderly. ASX has identified a number of erroneous trades which are now the subject of further investigations of potential breaches of Market Rule 14.1.1 and which may result in disciplinary action.

Participants should remind DTRs of their obligations in relation to Market Rule 14.1.1, the potential for disciplinary action against the Participant in the event that an erroneous order results in the market not being fair and orderly and the potential for suspension or withdrawal action against the DTR pursuant to Market Rule 8.2.7.

Fairness in dealing: A matter of priority

In addition to any fiduciary duties on Participants to act in their clients best interests:

- ASX Market Rule 7.5.3 also requires Participants to deal fairly and in due turn with respect to:
 - Clients' orders; and
 - a client order and an order on its own account; and
- ASX Market Rule 7.5.5 requires a Market Participant to allocate Market Transactions fairly.

When considering whether ASX MR 7.5.3 and 7.5.5 have been complied with, ASX will consider, amongst other things, whether trades have been allocated to a client pursuant to a previously disclosed allocation policy.

When articulating an allocation policy, Participants should, at a minimum, give consideration to the factors set out in Rules 7.5.4 and 7.5.6. Participants are also encouraged to consult ASX Market Rules Guidance Note 11 for further information regarding the interpretation of ASX Market Rule 7.5.

A clearly defined allocation policy, previously disclosed and consented to by clients, may help protect a Participant from allegations of unfair dealing in breach of ASX Market Rule 7.5.3 or ASX MR 7.5.5.

Controls around material changes to the AOP systems

Trading Participants must obtain certification of their Automated Order Processing ("AOP") system prior to conducting AOP (ASX Market Rule 13.3.4).

Where a Trading Participant proposes to make material changes to their AOP system they must comply with the requirements set out in ASX Market Rule 13.3.5. Such material changes often impact upon various stakeholders within your business. Changes to an AOP system should be preceded by a formal process of coordinated internal communication. A documented framework regarding the development and integration of such changes should be standard procedure in order to demonstrate compliance with the requirements for Automated Order Processing under the Market Rules. In particular such a framework should ensure that the various stakeholders are aware of their roles and responsibilities. This may require the appointment of a single project coordinator or a division to take carriage of any material changes.

Trading Participants will need to consider whether changes to their AOP system to comply with the requirement to "tag" sale orders as being long, a short sale or an exempt covered short sale (expected in Q1 2009) will result in material changes.

ASX Compliance Hot Topics...cont.

Booking Purposes Trades

ASX would like to remind Market Participants that a Booking Purpose trade is a trade that does not update official prices or daily trade statistics - that is, it does not update open, high, low, last or closing prices, number of trades, volume or value traded. The trade is made purely for broker book-keeping purposes.

Booking Purposes trades are reported on ITS using condition code BP (or BPXT if the Booking Purpose trade is a crossing) and are used for internal accounting/book-keeping purposes (for example, for the purposes of correcting a client's identification on a trade), accordingly ASX expects that they are seldom used. ASX makes this facility available to allow Participant to ensure that their records are correct within their systems.

While Booking Purpose trades are used for internal accounting purposes only, DTR's should be aware that these trades are still noted by ASX Market Control. Instances of excessive use and/or inappropriate use of the Booking Purpose trades by Participants may be referred to ASX Compliance for further assessment and action, where appropriate.

Order Record requirements

Market Participants who engage in Principal Trading by placing orders with another Market Participant for execution or accept client orders and then pass them to another Market Participant for execution must be mindful of their record keeping obligations under the ASX Market Rules.

ASX Market Rule 4.10.2 requires a Market Participant, who makes a decision, or gives instructions, to enter into a Market Transaction on its own account, to comply with the requirements of the *Corporations Act* to the extent that it applies to dealing in a market provided by ASX. In addition, the Market Participant is required to maintain sufficiently detailed order records showing the particulars of the decision or instructions.

Where a Market Participant instructs another Trading Participant to enter into a Market Transaction on behalf of a client, ASX Market Rule 4.10.9 requires the Market Participant to also maintain sufficiently detailed order records in respect of each instruction received and given.

Where a Market Participant instructs another Trading Participant to enter into a Market Transaction on its behalf, ASX Market Rule 4.10.10 requires the Market Participant to also maintain sufficiently detailed order records in respect of each instruction given.

Internal Controls audit reports

Under ASX Market Rule 4.9.7 and/or ACH Clearing Rule 4.5.4, all ASX and/or ACH Participants are required to submit an annual Internal Controls audit report within three months of the end of the Participant's Financial Year (or two months if a Market Participant is a Partnership).

On 11 September 2007, ASX advised Participants of changes to the auditor's reports to incorporate changes to the Australian Auditing Standards and to auditor independence requirements (refer [ASX Circular 525/07](#) and [attachment](#)). The Circular advised that the amendments were effective from 1 October 2007 and that if any previous versions of the auditors reports were lodged with ASX, Participants would be required to re-lodge the reports in the current format.

It is noted that a number of Participants are still submitting the incorrect pro-forma. This is unnecessarily time-consuming for both the Participant and ASX. Participants should ensure that their auditors have the current version of any audit reports that are to be submitted to ASX.

Providing information to ASX

ASX Market Rule 4.19 and ACH Clearing Rule 4.14 set out obligations in relation to the provision of complete, accurate and not misleading information.

The obligations of ASX Market Rule 4.19 and ACH Clearing Rule 4.14 apply to information given by the Participant, its Responsible Executives and its Employees. It is important for everyone within your organisation to turn their mind to ensuring that all information given to the ASX or ACH is complete, accurate and not misleading. What's more, if the Participant is alerted to the fact that information which has been given to the ASX or ACH is incomplete, inaccurate or misleading, the Rules state that you have an obligation to promptly notify ASX or ACH (as the case may be) in writing of this concern.

Responsible Executives of the Participant have similar obligations under Market Rule 4.19.

ASX Compliance hot topics...cont.

You should also be aware that, in broad terms, it is an offence under s1309 of the *Corporations Act* to provide information to a market operator which to the knowledge of the person is false and misleading in a material particular or which omits matters which makes it misleading in a material respect. Additionally, again in broad terms, it is also an offence to provide information that is false or misleading in a

material particular or which omits matters which makes it misleading in a material respect without having taken reasonable steps to ensure that the information wasn't false or misleading in a material particular or did not have omitted from it matters which make it misleading in a material respect.

Investigations

Discretionary trading and unauthorised discretionary trading

It is important for Market Participants to understand the circumstances in which discretionary trading is permitted and increasingly important to have systems in place to be able to identify unauthorised discretionary trading by its Employees.

In times of market volatility traders may be tempted to make quick trading decisions for their clients, without their instructions and in the absence of Managed Discretionary Accounts (MDAs), or other than in accordance with an existing MDA contract. This is unauthorised discretionary trading. Your client may not complain about this conduct if the trading is profitable but you will be at a significantly higher risk of client complaints when the trading is unprofitable. The upside of a client complaint is that the Participant is notified of the unauthorised trading and can promptly act to prevent further such activity. The downside is that notification has come too late to prevent liability under, amongst other things, the ASX Market Rules and very likely disciplinary action.

ASX Market Rule 7.4.1 provides that except as otherwise permitted by the Rules, a Market Participant may only enter into a Market Transaction on behalf of a client on the specific instructions of the client, or a person authorised by the client in writing to give instructions, or pursuant to an exercise of discretion in respect of that client's Discretionary Account. In the latter situation, an agreement between yourself and your client that you can manage and trade on his or her account is not sufficient - before you can trade on a discretionary basis on behalf of a Retail Client you must consider the legal requirements including, without limitation under the *Corporations Act*, the relevant ASIC instruments (including those referred to below), including the obligation:

- (1) to hold an Australian Financial Services Licence with specific authorisation for MDA services; and
- (2) enter into a MDA contract with your client.

Some of the obligations relating to the establishment and operation of MDA's for Retail Clients which you should refer to, including the content of MDA contracts, are set out in ASIC Class Order 04/194 and ASIC Policy Statement 179 "Managed Discretionary Account Services" (PS179). The MDA requirements in ASX Market Rule 7.10 reflect these obligations. Of note, ASX Market Rule 7.10.10 provides that a Market Participant which operates MDAs must comply with the relevant provisions of Class Order 04/194. ASX Market Rule 28.11 also provides that where a Rule requires a Regulated Person to comply with a provision of the *Corporations Act*, ASX may enforce that provision as if it were repeated as a Market Rule.

A Market Participant which trades on a discretionary basis on behalf of a client and fails to comply with the Class Order risks action by ASX for breach of Market Rule 7.10.10. Any such ASX action or determination is not to be regarded as an action or determination under the *Corporations Act* and does not prevent ASIC from taking separate action under the *Corporations Act* relating to the failure to comply with the Class Order.

A Participant which fails to comply with these obligations and has engaged in unauthorised discretionary trading also risks ASX disciplinary action for breach of Market Rule 7.4.1.

Breaches of the ASX Market Rules relating to MDAs are classified as 'Level 2' in terms of seriousness.

Providing MDA services requires close attention to the management, control and supervision of discretionary account activity. Participants are responsible for ongoing compliance with ASX Market Rules and for all acts and omissions of their employees, and are also obliged to identify and implement internal controls to manage their regulatory risk and compliance with the Market Rules. These controls must include effective mechanisms to manage compliance and supervisory

Investigations...cont.

policies and procedures reasonably designed to ensure compliance with the Rules relating to MDAs. The controls should also be designed to identify unauthorised discretionary trading.

ASX has taken action against Market Participants that have engaged in unauthorised discretionary trading (see for example Market Circular 148/08) and will continue to investigate

and take action for future incidents of unauthorised discretionary trading.

For assistance in interpreting the ASX Market Rules relating to MDA's, see ASX Market Rules Guidance Note 29.

Capital Monitoring

Capital Returns – Common Errors

A review of recent queries raised by Capital Monitoring in relation to the capital liquidity returns identified a number of common errors and misinterpretations made by Participants, and these are outlined below.

(a). Position Risk Requirement - Determining Liquidity of Principal Positions

Failure to treat illiquid principal positions as excluded assets continues to be the most common error made by Participants. To help prevent further errors, Capital Monitoring would once again like to remind those Participants with principal positions to review pages 810 – 814 of the Capital Liquidity Handbook for guidance on when a position should be considered "illiquid" and therefore excluded from liquid capital.

Particular attention is drawn to the section which states that only the last month of trading volumes should be taken into account to determine liquidity where trading volumes fall significantly from prior months (as opposed to the three month average that is generally taken into account). Capital This includes such cases where trading volumes have fallen in the second month and remained around the same level in the third month, as illustrated by the following example:

A Participant holds an equity principal position in a stock of 100,000 shares and the market value of the stock is \$1 per share at the end of April.

Assume monthly trading volumes of the stock over each of the last three months has been:

Feb (first month)	15,000
Mar (second month)	6,000
Apr (third month)	6,000

At the end of April, the Participant should only consider one

month's volumes as being liquid. Therefore, 94,000 shares (i.e. \$94,000) would have to be treated as an excluded asset as this portion of the holding would not satisfy the definition of liquid.

The remainder of the position (i.e. 6,000 shares, \$6,000) can be considered liquid and hence may continue to be included in the calculation of a position risk requirement, as well as in the calculation of issuer large exposure risk requirement (if applicable).

Note that liquidity assessment should be made as at the end of the month to which the capital liquidity return relates, instead of as at the date the capital liquidity return is submitted. Using the example above, assessment of the stock's liquidity should be made based on the stock's monthly trading volumes as at 30th of April.

Further, Participants should note that the reporting of Equity Principal Concentration in the capital liquidity return (section 4.18) should be based on the liquid component of a Participant's equity principal positions.

(b). Position Risk Requirement – Risk Requirement on Out of the Money Options

For those Participants calculating equity position risk amounts under the standard or building block methods, please be reminded that options can only be included in the standard or building block methods if they are purchased options or written exchange-traded options. Further, the options must be sufficiently in the money (i.e. in the money by at least the relevant standard method position risk factor for the underlying position specified in Rule S1/S1A Annexure 5, Table 1.1). This restriction also applies for positions in listed company options. Should this not be the case, the options need to be included in an alternative method.

Capital Monitoring...cont.

(c). Counterparty Risk Requirement - Definition of Approved Institutions

The Risk Based Capital Requirements allows Participants to apply counterparty risk weightings to the calculation of counterparty risk amounts. Participants who elect to apply counterparty risk weightings are responsible for ensuring that the counterparty satisfies the criteria for the weighting to be applied. In this respect, Participants should note that, in order to apply the 50 per cent weighting to a particular counterparty, a Participant must retain appropriate documentation supporting the fact that the counterparty meets the definition of "Approved Institution". Please refer to page 685-8 of the Capital Liquidity Handbook for further guidance on this matter.

(d). Directors Statement – Capital Liquidity Returns

Rule S1A /S1.2.10 provides that Participants must ensure that they lodge returns that are certified by two (or such other number prescribed by ACH) directors or partners as having been prepared in accordance with Rule S1A/S1. There has been an increased incidence of accidental reporting of qualifications in relation to statement (b) and/or (h) of the "Directors/Partners Statement Relating to the Accounts of a Participant". Capital Monitoring reminds Participants to carefully review the "Directors/Partners Statement Relating to the Accounts of a Participant" section of the return prior to lodgement.

Granting Extensions to Returns Lodgement

Capital Monitoring also reminds Participants that, when seeking an extension, a request must be sent to ASX/ACH via email. The request must include the following:

- reasons for the late lodgement of the return
- the revised date for lodgement
- contact details for the persons responsible for the completion of the return

Participants should ensure they do not assume an extension has been granted until confirmation has been received via email. Until the Participant receives this confirmation, an extension has **not** been granted and late fees may apply.

ASX/ACH will only grant extensions in respect of isolated and extraordinary circumstances. Insufficient resources or competing priorities do not meet this criteria, as Participants are required to have sufficient resources to ensure that returns

can be completed at any time and that the process is not reliant on one employee within the organisation.

Participants are reminded that extensions for monthly returns are unlikely to be granted for more than two business days.

Compliance with Capital Requirements

In light of recent volatility in the market, Capital Monitoring reminds Participants that it is their responsibility to have adequate monitoring arrangements in place to ensure they remain in compliance with the Risk Based Capital Requirements of the ASX Market Rules or ACH Clearing Rules at all times, including on an intra day basis.

While, in practice, Participants need to maintain documentation showing compliance with the Risk Based Capital Requirement at the end of the day, Participants must comply with the Risk Based Capital Requirements at all times. ASX/ACH expects Participants to be able to demonstrate that they have been in compliance at all times during the day.

Compliance with requests for ad hoc returns

During times of market volatility ASX will request ad-hoc capital returns to more closely monitor and assess the financial stability of market and clearing participants.

On 17 December 2008 ASX published a [determination](#) of the Disciplinary Tribunal (see Market Circular 600/08) in which it was found that a Participant failed to submit an ad-hoc return by the time prescribed by ASX. The Tribunal noted that

"Risk Based Capital Requirements are a fundamental aspect of the ASX's prudential regulation of its Participants. The failure to comply with those regulations has the potential to adversely affect the financial stability of Participants. Accordingly, ASX views any breach of Risk Based Capital Requirements to be a matter of concern."

The Tribunal further noted that

"the ASX request for an ad-hoc return from all Market Participants occurred at a time of high market volatility. Given this volatility, it is essential to the integrity of the market that such requests are responded to within the prescribed timeframes."

Capital Monitoring...cont.

Approved Subordinated Debt (ASD)

Capital Monitoring makes available to Participants pro forma documentation for establishing and maintaining ASD facilities. When a Participant requires changes to be made to standard pro forma documentation in relation to these facilities, a draft of the amended document showing the changes in revision marks for review should be provided.

Participants should allow enough time for this review to be completed. The more complex the departures from the standard documentation, the greater the time required for review.

Capital Monitoring also reminds Participants that the documents must be left undated. The documents will be dated by ASX/ACH upon execution.

SFE Compliance Hot Topics

SFE Annual Returns

With the Christmas Season arriving soon, SFE Participants are reminded that the 30 November 2008 SFE Monthly Return is still due on 31 December 2008 and, as such, SFE Participants should ensure that their Finance Department is made aware of this requirement.

SFE Participants with 30 November 2008 and 31 December 2008 financial year ends are also reminded that the SFE Annual Return is due to be lodged with SFE by no later than 27 February 2009 and 31 March 2009 respectively.

SFE Participants are reminded that as part of the SFE Annual Return submission, a copy of the Annual Audited Accounts and the Annual Audit Certificate along with the accompanying Directors' Declaration are required to be submitted to SFE. These proforma documents can be obtained by contacting Ben Christiansen on (02) 9227-0222 email ben.christiansen@asx.com.au or Leena Xu on 9227-0231 email leena.xu@asx.com.au.

Update on SFE Market Access

Consolidated Order Manager

Participants are reminded that as per SFE Notice No. 079/08, MFWS applications for consolidated order management purposes will be disabled with effect from the end of trade date 31 December 2008. Participants who have identified this functionality as a requirement for their operations have been advised to implement alternative arrangements before this date. If Participants have not made alternative arrangements for the removal of the Consolidated Order Manager they are advised to contact Market Access immediately.

Generic Firm Manager (GFM)

SFE will continue to support MFWS applications for administration purposes using the GFM Logon. However, as stated above a log-on for consolidated order manager purposes will not be available. GFM Logon has access to the following components of the MFWS application:

- Account Administration Activities – to set-up and maintain Participant trading accounts;
- Reporting Activities – to generate Participant or AOEI level reports;
- Trading Activities – to view, seize, transfer and cancel Participant orders.

GFM Logon is also responsible for all Participant AOEI set-up and configuration.

AOEI Hardware Upgrades

As per SFE Notice 113/08, current hardware supporting the AOEI will be replaced progressively with a server based solution. The hardware upgrade will be completed between February and May 2009. All Participants will be contacted by Market Access during February to determine an upgrade timetable.

The hardware specifications are detailed below:

- 4.27cm height by 44.70cm width by 54.61cm depth;
- A data centre supporting air conditioning and UPS;
- 3.0 GHz, dual core Xeon CPU;
- 4GB of 667MHz RAM;
- 146GB SAS Hard drives;
- DVD drive;
- 2 NICs on Motherboard (BroadCom);

SFE Compliance Hot Topics...cont

- 2 NICs on PCI card (Intel) PT Model;
- Single power supply.

Participant "Scraper" Applications

SFE is aware that a number of Participants currently utilise an application known as a "scraper" to extract data directly from an AOEI printer port. Participants are advised that access to the printer port will be prohibited once the AOEI application is migrated from its current PC based infrastructure. Please note the following:

- SFE does not provide support for any third party application including "scrapers";
- Participants are able to utilize FIX based applications to satisfy data extraction requirements;
- Ports and NICs of the server based AOEI will be locked down for security purposes.

Participants are advised to inform Market Access immediately if removal of access to the AOEI printer port creates immediate insurmountable issues.

SFE International Network Upgrade

Participants are advised that the proposed bandwidth and resilience upgrade to the Hong Kong and Singapore hubs has been completed. The result of the upgrade is that both Hong Kong and Singapore are now supported by dual and diverse 2Mb connections terminating at independent sites. The upgrade will enhance reliance of connection and provide capacity for further connection and market development.

A bandwidth and resilience upgrade to the UK and US hubs are planned to be completed by end November 2008 and end January 2009 respectively.

Should you have any further queries please contact the Mar-

ket Access Service Desk Ph: 1800 663 053| International: +61 2 9227 0372 or MarketAccess@asx.com.au.

Block Trading Interest Rate Futures

Participants are advised of the following changes to the night session Block Trade Facility:

1. The thresholds for 3 and 10 Year Treasury Bond Futures have been reduced to 1,200 lots and 500 lots respectively.
2. The Block Trade Facility will be applied to the 90 Day Bank Bill Futures contract (all months) with a minimum volume threshold of 500 lots. Block Trade strips (packs and bundles) require each leg of the strip to meet the minimum volume threshold for that expiry month.

The application of Block Trade to the 90 Day Bank Bill Futures and the reduction in the thresholds for 3 and 10 Year Treasury Bond Futures came into effect for Trade Date 28 November 2008 (5.10pm 27 November 2008).

Block Trades can only be arranged between the hours of 5.10pm and 7.00am AEST (7.30am during US non-daylight saving time). Participants will be required to register the Block Trade into SFEIN the following morning between 8.30am and 9.30am AEST (Friday Night Session Trades to be registered on Monday morning). The Block Trade Facility can not be used to execute Roll business.

Participants must be authorised in writing by the Client to execute a Block Trade Order on their behalf, either specifically or generally. This may be included in the Client Agreement Form between the Participant and the Client or may be obtained by a separate written authorisation.

SFE Compliance Hot Topics...cont

Summary of Key Information:

Available Contracts:	90 Day Bank Bill Futures, 3 and 10 Year Treasury Bond Futures
Minimum Volume Thresholds:	90 Day Bank Bill: 500 lots 3 Year Bond: 1,200 lots
Permitted Trading Period:	During night session hours (5.10pm to 7.00am/7.30am AEST)
Registration Time:	The following morning between 8.30am and 9.30am AEST (Friday Night Session Trades to be
Block Trade Transaction	As per headline Exchange fee
Block Trade Registration	AUD12.50 per side per deal
Number of days prior to expiry when Block Trade can not be used:	90 Day Bank Bill: 5 Business days prior to the expiry of the relevant month 3 and 10 Year Bonds: 5 business days prior to expiry of the nearest month

Articles of interest

ASX Market Rules - ETFs, Managed Funds and Structured Products

ASX has released a Circular pointing out key differences between the ASX Listing Rules and the new AQUA Rules for Exchange Traded Funds, Managed Funds and Structured Products – see ASX Market Circular [527/08](#). Appendix 8.2.1 of the ASX market rule procedures has also been amended. See Market Circular [511/08](#) and [attachment](#) which shows the amendment in mark up.

AUSTRAC – reporting obligations

AUSTRAC has released the 9th chapter of the AUSTRAC Regulatory Guide, setting out details of the new financial transaction reporting obligations that came into effect on 12 December. These include international funds transfer instructions, suspicious matters and threshold transactions. Further guidance is provided in AUSTRAC's statement of Transitional Reporting requirements 2 December 2008. See [Media Release](#) dated 12 November 2008.

SFE – initial margins

SFE has reminded participants of their obligations around initial margins and other deposits. See SFE Notice [178/08](#).

ASIC

Victorian share trader to face ASIC short selling charges – see [ASIC Release AD08-53](#).

ASIC bans Melbourne financial adviser for market manipulation – see [ASIC Release AD08-06](#).

Melbourne adviser pleads guilty to market manipulation – see [ASIC Release AD08-58](#)

Former Genetic Technologies director in court on ASIC market manipulation charges – see [ASIC Release AD08-84](#)

ASIC bans Queensland financial adviser for five years – see [ASIC Release AD08-27](#)

Education & upcoming events

Australasian Compliance Institute (ACI)

Compliance & Risk 101

Sydney – 3 February 2009

Associate Intensive

Sydney – 6 February 2009

CCP Residential

Leura (Blue Mountains) – 11 to 16 March 2009

Securities and Derivatives Industry Association (SDIA)

RE Exam preparation course

Melbourne – 17 and 18 February 2009

Introduction to Stockbroking

Melbourne – 19 February 2009

Sydney – 26 February 2009

RE Exam preparation workshop (short course)

Sydney – 25 February 2009

For other education and training opportunities, see the [SDIA website](#).

AFMA

Responsible Manager: your role and obligations

Sydney – 21 January 2009

Market Misconduct and Other Prohibited Conduct

Sydney – 11 February 2009

Risk Reduction – Internal controls, policies & procedures

Sydney – 18 March 2009

For other education and training opportunities, see the [AFMA website](#).

Ongoing ASX education initiatives

For details, including dates, go to www.asx.com.au/classes.
For Accredited Derivatives Adviser exams go to www.asx.com.au/adaprogram.

Seasons Greetings from ASX Markets Supervision

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