

# N Z F O E B U L L E T I N

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## **A REVIEW OF INVESTIGATIONS BY THE BUSINESS CONDUCT COMMITTEE**

Dealers are advised, pursuant to Rule 49.11(b), of the review of investigations by the Business Conduct Committee (the Committee).

### **DEALER 1**

It was identified that a Dealer had failed to comply with the following:

- **Rule 29.2(a)(i)**  
(Failure to maintain the minimum Financial Resources Requirement)

The Dealer immediately advised the Committee that it had not maintained the minimum Financial Resources base requirement and immediately deposited funds to cover the shortfall. In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer.

### **DEALER 2**

It was identified that a Dealer had failed to comply with the following:

- **Rule 30.1 by virtue of Prescription 30.1**  
(Failure to lodge Monthly Return)

As the Return had not been lodged by 16 January 2001, Compliance staff contacted the Dealer to request immediate lodgement of the Return. The Return was received on 19 January 2001, which was after the due date. In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer

### **DEALER 3**

It was identified that a Dealer had failed to comply with the following:

- **Rule 19.1(b) by virtue of Regulation 4(1)**  
(Failure to execute form 1 with respect to its client bank account)

In accordance with Rule 49.5(c), the Committee imposed a censure upon the Dealer.

- **Rule 19.1(b) by virtue of Regulation 9(2)(b)**  
(Failure to title its client funds account held with SFECH as such)
- **Rule 19.1(b) by virtue of Regulation 10(1)**  
(Failure to execute form 3 with respect to its client funds account)

In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer.

- **Rule 21.2 by virtue of Prescription 21(a)**  
(Failure to report its Reportable Positions correctly)
- **Rule 31.1**  
(Failure to execute a Client Acknowledgement and Risk Disclosure Document)

In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer.

- **Rule 35.1 by virtue of Prescription 35.1**  
(Failure to record client identifiers in the trading system)

In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer.

### **DEALER 4**

It was identified that a Dealer had failed to comply with the following:

- **Rule 19.1(b) by virtue of Regulation 4(1)**  
(Failure to execute form 1 with respect to its client bank account)

In accordance with Rule 49.5(c), the Committee imposed a private warning upon the Dealer.

- **Rule 19.1(b) by virtue of Regulation 9(2)(b)**  
(Failure to title its client funds account held with SFECH as such)

- **Rule 19.1(b) by virtue of Regulation 10(1)**  
(Failure to execute form 3 with respect to its client funds account)

In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer.

#### **DEALER 5**

It was identified that a Dealer had failed to comply with the following:

- **Rule 20.2**  
(Failure to lodge Annual Audited Financial Accounts)

Dealers are required to lodge signed annual audited financial accounts, within three months after its annual balance date. In this instance the Dealer lodged its annual financial accounts four (4) days late. In accordance with Rule 49.5(b), the Committee imposed a private warning upon the Dealer.

#### **DEALER 6**

It was identified that a Dealer had failed to comply with the following:

- **Rule 20.2**  
(Failure to lodge Annual Audited Financial Accounts)

Dealers are required to lodge signed annual audited financial accounts, within three months after its annual balance date. In this instance the Dealer lodged its annual financial accounts fifty-one (51) days late. In accordance with Rule 49.5(b), the Committee imposed a censure upon the Dealer.

#### **DEALER 7**

It was identified that a Dealer had failed to comply with the following:

- **Rule 20.2**  
(Failure to lodge Annual Audited Financial Accounts)

Dealers are required to lodge signed annual audited financial accounts, within three months after its annual balance date. In this instance the Dealer lodged its annual financial accounts fifty-one (51) days late. In accordance with Rule 49.5(b), the Committee imposed a censure upon the Dealer.

**DEAN CROWLE**  
**COMPLIANCE OFFICER**

**3 JULY 2001**