

SFE Bulletin No: 54/01
From: SFE Corporation Limited ABN 74 000 299 392
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DISCIPLINARY ACTION IMPOSED BY THE BUSINESS CONDUCT COMMITTEE

Participants are advised, pursuant to General By-Law G.11.65, of disciplinary action taken by the Business Conduct Committee (BCC):

PARTICIPANT 1

It was identified that an Associate Participant had failed to comply with the following:

- **Condition (i) of the exemption granted on 4 June 1997, General By-Laws G.4.16(m)(i) and (ii) and G.4.16(n) and Section 1210 of the Corporations Law**
(Failure to execute Client Agreement Documentation)

Compliance staff undertook an inspection of the records and procedures relating to the Associate Participant. From a review of the Associate Participant's records it was identified that for all of its clients the Associate Participant did not have a copy of an executed Client Agreement Form on hand or evidence of having sent the Risk Disclosure Document.

In accordance with General By-Law G.11.36(d), the BCC imposed a Reprimand upon the Participant.

PARTICIPANT 2

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

- **General By-Law G.27(a)(i)**
(Failure to record telephone lines where client orders are received or are likely to be received)

Compliance staff undertook an investigation into the trading activities of an ex-employee whilst employed by the Participant. From the review it was identified that the Participant had not recorded telephone lines at the employee's home residence where orders were received from a client.

In accordance with General By-Law G.11.36(b), the Committee imposed a fine of \$2,500 upon the Participant.

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PARTICIPANT 3

It was identified that the Associate Participant had failed to comply with the following:

- **General By-Law G.4.16(d)(i)**
(Failure to lodge Quarterly Return)

The Participant resigned its status on 8 December 2000 and was advised by Compliance staff that it was still required to submit its December Return. As the Return had not been lodged by the due date, Compliance staff contacted the Participant to request immediate lodgement of the Return. The Return was received on 11 April 2001, which was after the due date.

In accordance with General By-Law G.11.36(b), the BCC imposed a fine of \$1,000 upon the Participant as this was a repeat offence.

PARTICIPANT 4

It was identified that the Associate Participant had failed to comply with the following:

- **General By-Law G.4.16(d)(i)**
(Failure to lodge Quarterly Return)

The Participant resigned its status on 8 December 2000 and was advised by Compliance staff that it was still required to submit its December Return. As the Return had not been lodged by the due date, Compliance staff contacted the Participant to request immediate lodgement of the Return. The Return was received on 11 April 2001, which was after the due date.

In accordance with General By-Law G.11.36(b), the BCC imposed a fine of \$1,500 upon the Participant as this was a repeat offence.

PARTICIPANT 5

It was identified that the Associate Participant had failed to comply with the following:

- **General By-Law G.4.16(d)(ii)**
(Failure to lodge Monthly Return)

On 28 December 2000 Compliance staff contacted the Participant to advise that the Return lodged had only been signed by one authorised signatory and could not be accepted as complete without two authorised signatories. The correctly signed Return was received on 18 January 2001 which was after the due date.

In accordance with General By-Law G.11.36(d), the BCC imposed a Reprimand upon the Participant.

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PARTICIPANT 6

It was identified that the Associate Participant had failed to comply with the following:

- **General By-Law G.4.16(d)(ii)**
(Failure to lodge Monthly Return)

As the Return had not been lodged by the due date, Compliance staff contacted the Participant to request immediate lodgement of the Return. The Return was received on 1 March 2001, which was after the due date.

In accordance with General By-Law G.11.36(b), the BCC imposed a fine of \$1,000 upon the Participant as this was a repeat offence.

Should you have any queries please contact Michelle Wagner on 9256-0580 or mwagner@sfe.com.au



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