

ASX INVESTIGATIONS

Investigations Process

ASX Investigations

- 6 Investigators plus Manager
- Receive referrals from Compliance Services, Surveillance Division, Issuers Department and Capital Monitoring
- Investigate alleged or suspected breaches of Market Rules, Clearing Rules and Settlement Rules – no role in respect of Listing Rule breaches

ASX Investigations

– Power to obtain records and information

Market Rule 28.1.1 (and equivalent provisions in Clearing Rules and Settlement Rules) authorises ASX to investigate a Participant and obtain information and documents

Market Rule 28.1.2 (and equivalents) obliges the Participant to comply

Market Rule 28.1.3 (and equivalents) authorises ASX to conduct interviews

ASX Investigations

- A Draft Report is sent to the Regulated Person for comment. A Final Disciplinary Report is then sent to them with a Contravention Notice and the case is referred to the Disciplinary Tribunal
- The Appeal Tribunal provides a mechanism for review of decisions
- Since 31 March 2008 the maximum penalty is \$1,000,000

ASX Investigations

- The conduct of Market Participants can adversely affect Issuers' Products and a number of Referrals relate to manipulative trading or the creation of a disorderly market
- Several of these under investigation and some recent successful actions for manipulation and disorderly market breaches

ASX Investigations

- **Recent outcomes:**
 - ABN AMRO Morgans (\$175,000) and Bell Potter (\$145,000) trading in GTG
 - ETRADE (\$50,000) prearranged trades
 - CommSec – (\$20,000) disorderly market