

March 09

# news



Securities & Derivatives Industry Association | [www.sdia.org.au](http://www.sdia.org.au)

## Dear SDIA Member

### SDIA Conference Registrations Now Open

Registrations are being accepted for the 2009 SDIA Conference in Sydney on 28-29 May. Visit the SDIA website [www.sdia.org.au](http://www.sdia.org.au) to register online at early bird rates. Practitioner (Individual) Members \$1550, and Principal (Organisational) Members \$1780 inclusive of GST. Contact Gauri Wallia at the SDIA on (02) 8080 3201 for Practitioner Membership enquiries.

### Group Discounts for Members

SDIA is offering bigger incentives to groups for the SDIA Conference. Member firms can save \$150 per person for groups of 6-10 people; \$200 per person for groups of 11-20 people; and \$250 per person for groups of 21 people or more. Member firms should appoint a 'Conference Coordinator', as this will ensure that all the registrations are received in one lot and that the largest group discount possible will apply.

### Flights & Accommodation for SDIA Conference

Members are advised to book their flights and accommodation for the SDIA Conference. Visit the SDIA website and click on the link to Qantas to access discount fares. SDIA has negotiated discounted rates at Hilton Sydney from \$279 per night. Call Selina Aoake at Hilton Sydney on +61 2 9265 6046 and quote 'SDIA Conference' or visit the SDIA website.

### SDIA supports Australian Financial Centre Forum

SDIA was invited last year to form part of the Australian government's reference group for the Australian Financial Centre Forum. SDIA supports this initiative and as a member of this reference group, SDIA will have the opportunity to provide submissions, and discuss means of enhancing Australia's position as a financial centre in the Asia Pacific region. SDIA would be grateful to members for their comments on this matter, by emailing [info@sdia.org.au](mailto:info@sdia.org.au)

### SDIA Member Luncheon

Thank you to all who attended the SDIA Luncheon in Sydney on 17 February. The guest speaker at this luncheon was the Hon. Chris Pearce MP, Shadow Minister for Superannuation, Corporate Law & Financial Services.

### SDIA Board Meeting

SDIA Board met in Canberra on 25 February. Whilst in Canberra, the SDIA Board met with the Minister for Superannuation & Corporate Law, the Hon. Senator Nick Sherry, and his chief of staff Adam Wand, and separately with the Hon. Chris Pearce MP.

### SDIA Charity Golf Day

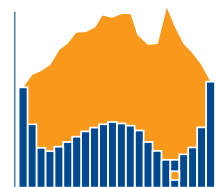
Book now for the 6th Annual SDIA Charity Golf Day on Wednesday 27 May at St Michaels Golf Club in Sydney. Sincere thanks to Religare Technova Global Solutions for sponsoring the event again this year. Entry fees are \$220 per person, or \$880 per team of 4. Please refer to the booking form in this newsletter for further details.

### SDIA Mining Tour

Register now for the SDIA Mining Tour of Australia. This 7 day tour departs Sydney on 18 June. Enquiries to [jmullen@sdia.org.au](mailto:jmullen@sdia.org.au)

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**SECURITIES &  
DERIVATIVES**  
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David W Horsfield MSDIA  
Managing Director/CEO

## Committee News

On behalf of the SDIA Profession Committee, welcome to the new Practitioner Members:

### Master Stockbroking (MSDIA)

David Swain	Consultant
Alistair Milne	ABN AMRO Morgans
Trent Donnelly	Ord Minnett
Andrew William Henderson	Ord Minnett
Ainsley Forbes Regan	DJ Carmichael
Beverley Merchant	Shaw Stockbroking
Lawrence Canty	Lands Kirwan Tong
Brian Phelps	CommSec
Aaron Stambulich	ABN AMRO Equities
Desmond Kee Eee Wee	Sinolink Capital

### Member Stockbroking (SDIAM)

Hamish Church	Bell Potter Securities
Matt Hollyman	ABN AMRO Morgans
Dinesh Magesan	PP Investments
Richard James Grimshaw	BKO Group
Deborah Spence	FMD Financial Pty Ltd
Thi Ngoc Nam Hoang	Shaw Stockbroking

### Affiliate (SDIAA)

Jacqueline Luu	Lanier Australia Pty Ltd
Andrew Zada	Summit Equities
Geoff Jakeman	Geoff Jakeman
Stephen Carter	Spotlight
Emma Carlile	Bendigo & Adelaide Bank
Jed Orilla	Student

## Policy & Regulatory News

### ASX Capital Requirements

a. Core Liquid Capital: In July, ASX announced (without prior consultation) that Core Liquid Capital for ACH Clearing Participants would be increased from \$100,000 in two stages:

- Stage 1. 1 Jan 09: \$100,000 to \$2m, and
- Stage 2. 1 Jan 10: \$2m to \$10m

In order to meet the new requirements, some Members will need to either a. increase capital, or b. outsource to a third party clearer. Following concerns raised by a working group of SDIA member firms, in December, Senator Nick Sherry, Minister for Superannuation and Corporate Law – while not formally disallowing the rule changes – referred the matter to the RBA and ASIC for advice on what is the appropriate core liquid capital amount, and what is the best transitional timeframe for it to be introduced. In February, SDIA made a submission to the RBA/ASIC review, raising the concerns of smaller retail self-clearers. The advice to the Minister is due by 8 March.

b. Acceptable Collateral: In November, SDIA raised concerns with ASX about the announcement that Bank-owned clearers could not lodge that Bank's stock as collateral, even for client positions. After considering Members' concerns, in

December ASX resolved the matter in our favour. Thanks to all those involved in the working group.

### Credit Rating and Research Houses report

Following U.S. moves, in October the Treasury and ASIC issued a report on the regulation of Credit Rating and Research Houses in Australia. The report specifically excludes research issued by stockbrokers and investment banks. It does not seek comments or consultation, but notes a number of possible regulatory issues with research houses, including:

- uncertainty over licensing requirements
- management and disclosure of conflicts of interest
- over-reliance by advisers
- unclear ratings systems
- quality of research, and
- monitoring and updating ratings.

SDIA is represented on an industry consultation group established by ASIC to further advise on the appropriate response.

### SDIA part of AFCF process

In November, SDIA was invited to form part of the Government's Reference Group for the Australian Financial Centre Forum. Following an election promise to develop Australia as a financial centre, the AFCF comprises industry and government representatives working on measures to enhance our position as a financial centre in the region.

In December, in response for submissions on initial steps that could be quickly taken, SDIA stressed building upon the following strengths:

- Markets of high integrity
- A strong banking and financial sector
- Strong regulation
- A skilled work force, and
- A stable political environment.

### ASIC accepts SDIA call for review of Share Purchase Plan (SPP) limits

Last year, SDIA approached ASIC to raise the limits of SPP's (currently \$5,000 p.a.) to \$20,000 to allow for meaningful investment by shareholders. Following this approach, in December ASIC announced a review of the SPP levels: ASIC Consultation Paper 103 Review of Share Purchase Plans December 2008 which proposes a new level of \$15,000. In February, we contributed a submission to ASIC reaffirming our arguments in favour of the level being set at \$20,000.

### Credit Reform

Following on from the Green Paper consultation earlier in 2008, the Government has announced its plans for National Consumer Credit.

Phase One (expected mid-2009) will see:

- Margin Lending regulated as a financial product under the Corporations Act
- States giving up all credit regulation to the Commonwealth (UCC)

- Licensing for mortgage and credit brokers, including compulsory external complaints resolution.

Phase Two (expected mid-2010) will see:

- Further credit reform for small business
- Further regulation of investment loans, other than for residential property
- Further regulation of reverse mortgages.

For many years, SDIA has called for the regulation of investment property advice. It is disappointing that it appears to have been put off (again). Margin lending will be treated as a financial product, with all the consequences for retail services (FSG, SOA, PDS, FOS, etc), but consumers receiving advice on investment property loans will remain without any of the protections of the Corporations Act.

In January, Minister Sherry announced the commencement of work on short form standard margin lending documents. The project is to be completed by commencement of the new regime of national regulation of margin lending as a financial product under the Corporations Act (Cth) on 1 July 2009 (Media Release 004/2009). SDIA is represented on two consultative committees, advising Government on a. the detail of the new legislation, and b. the short form margin lending PDS.

#### ■ FOS Complaints up 95%

The Financial Ombudsman Service has released figures that show complaints against Stockbrokers up 95% in 2008 compared to 2007. Complaints against financial planners and managed investment providers rose at a greater rate. Stockbroking complaints continue to account for around 10% of total complaints to FOS. The following table shows new disputes received. Note that historically, less than 40% of complaints against Stockbrokers are upheld.

Dispute by industry	New disputes		
	1 Jul 07 – 31 Dec 07	1 Jul 08 – 31 Dec 08	Increase (%)
Financial planning	163	346	183 (112%)
Life insurance	195	249	54 (28%)
Managed investments	68	181	113 (166%)
Stockbroking	55	107	52 (95%)
Out of jurisdiction	59	83	24 (41%)
Other*	11	31	20 (182%)
Total	551	997	

#### ■ Anti Money-Laundering Update

Members should take note that the AML/CTF Compliance Report for the 2008 year is due to be lodged with AUSTRAC by 31 March 2009. The Compliance Report is designed to give an indication of the current state of a reporting entity's AML/CTF Program and processes. Penalties apply for failure to lodge by the due date.

#### ■ Short Selling/Stock Lending Update

The ban on covered short selling of financial stocks is due to be lifted on 6 March 2009. ASIC has not so far given any indication whether it will lift the ban on that date or whether it will be extended for a further period.

On 24 February 2009, the RBA announced its concluded proposals for the stock borrowing and lending disclosure regime. The proposals will be mandated by amending the Financial Stability Standard applicable to Settlement facilities, and will translate into changes to the ASTC Settlement Rules.

The changes will impact on ASTC Settlement Participants, and will include the following new requirements:

- Real time tagging of all securities loan instructions submitted to CHES for settlement, utilizing a new transaction type 'L' in CHES for securities-loan related transactions (whether borrowings or returns).
- Daily reporting to ASX by Settlement Participants of their outstanding on-loan and borrowed positions in each stock. The information will be aggregated by ASX and reported with a time delay (the number of days yet to be determined).

The RBA is expecting real-time tagging to be implemented by end-September 2009 and Direct reporting by end-December 2009. There will be a pilot phase for direct reporting by settlement participants from end-April, in order to identify and rectify issues that may arise.

#### ■ CAMAC review of Market Integrity Issues

As previously reported, a number of areas have been referred by Minister Sherry to the Corporations and Markets Advisory Committee (CAMAC) for review, namely:

- Disclosure of margin lending by company executives
- Blackout trading by company executives
- Spreading false rumours, and
- Disclosure of sensitive information at Analyst Briefings.

One particular question on which CAMAC has invited submissions is whether or not there should compulsory recording by brokers of telephone and other electronic communications, including SMS, as a measure to deal with 'rumourtrage'.

SDIA will be lodging a submission with CAMAC in relation to the Issues Paper relating to the view, and will be seeking the views of Members as part of this process.

#### ■ SDIA Submissions

SDIA submissions are available to Members on our website: [www.sdia.org.au](http://www.sdia.org.au)

#### ■ Policy Enquiries

Doug Clark MSDIA, Policy Executive – [dclark@sdia.org.au](mailto:dclark@sdia.org.au)  
Peter Stepek, Policy Consultant – [pstepek@sdia.org.au](mailto:pstepek@sdia.org.au)

## SDIA Professional Development

#### ■ SDIA Professional Program

Get with the Professional Program!

The SDIA Professional Program is Australia's only professional qualification in stockbroking, securities and derivatives.

Distinctively professional, it is the recognised educational standard that employers, regulators, and clients expect from

individuals who work within institutional and retail stockbroking firms and the investment banking community.

Candidates who successfully complete the SDIA Professional Program will be awarded the SDIA Professional Diploma in Securities and Derivatives.

Find out more [www.sdia.org.au](http://www.sdia.org.au) – click on Accreditation and go to Professional Program.

#### ▪ SDIA In-house Training

Member firms and other service organisations are frequently using SDIA for tailored in-house training programs. Our expert presenters have a very thorough understanding of the industry and we can arrange workshops for your staff or new recruits in your offices or in any off-site location – at a date and time that is convenient to your business. Programs include Responsible Executive (RE) Training; Accreditation Preparation; Introduction to Stockbroking; Introduction to Options; Introduction to Warrants; Derivatives (ADA1), Futures and Financial Markets Overview. Courses can be specifically tailored to meet your firm's needs. Enquiries to Gillian Gilmore SDIAM: phone 02 8080 3200 or email [education@sdia.org.au](mailto:education@sdia.org.au)

#### ▪ Market Manipulation and Prohibited Conduct – 4 CPD (Compliance) \*\*\*NEW\*\*\*

This half day workshop will cover an in-depth examination of what constitutes market manipulation and other prohibited market conduct.

The workshop will involve a mix of presentation and scenario-based discussion. It is designed to suit the needs of market professionals, both front and back office, including:

- Sales staff/client representatives
- Proprietary traders
- DTRs
- Investment banking
- Settlement staff
- Compliance and Legal

The workshop will cover the following areas:

- What is market manipulation?
- Different types of market manipulation, including market rigging, false trading, wash sales, pre-arranged trading
- False/misleading statements, 'rumourtrage'
- The specific obligations in the Corporations Act and ASX Rules
- The difference between manipulation and ordinary market forces
- Major cases and 'War Stories'
- How to protect yourself
  - recognising 'red flags'
  - dealing with situations
  - internal procedures
- ASX Guidance
- Consequences of Market Manipulation, including
  - Criminal prosecution

- Civil action (including civil penalties)
- Administrative proceedings
- Surveillance and enforcement activity

#### Enquiries to

Gillian Gilmore SDIAM on (02) 8080 3200 or email [education@sdia.org.au](mailto:education@sdia.org.au)

#### ▪ Responsible Executive Refresher – 4 CPD (Compliance)

This NEW course provides a refresher on the ASX requirements applicable to REs and reviews some of the main topics in the ASX Responsible Executive Exam. This workshop is intended as a refresher course for existing REs who have already passed the Exam, but could also be of interest to potential REs.

Topics include ASX RE Management & Supervision Requirements (& ASIC RM comparisons); ASX Capital Adequacy, Records, Trust; Dealing & Client relations rules; ASX Disciplinary Processes; Corporations Act requirements.

#### Dates

Melbourne (2 April), Sydney (6 May)

#### Fees\*

Individual Members	\$434.50
Organisational Members	\$544.50
Non-Members	\$874.50

#### ▪ RE Exam Preparation Workshop – 10 CPD (Compliance)

*Are you (or your staff) about to sit for the ASX / ACH RE Exam?*

2 x 3-hour intensive workshops (conducted over 2 days) to cover the exam syllabus in detail, ensuring that you are well prepared for the exam and know what to expect on the day. SDIA Policy Executive, Doug Clark MSDIA – presents each workshop. Detailed course notes are provided upon registration for the workshop to help you self-study.

The 12 ASX topics are divided into 7 mini workshops:

- Accounts, Audit, Capital Requirements and Surveillance
- Dealing (2 Sections)
- Client Relations (2 Sections)
- Participants & Supervision arrangements; Unprofessional Conduct
- Derivatives
- Clearing and Settlements
- Corporations Act: Conduct of Securities Business; Conduct in relation to Securities & other requirements

#### Dates

Melbourne (25 & 26 March)

#### Fees\*

Individual Members	\$825.00
Organisational Members	\$990.00
Non-Members	\$1210.00

▪ **SDIA Derivatives Workshop – 4 CPD**

This half day workshop is ideal preparation for SDIA Derivatives Accreditation and ASX ADA1 exam candidates. Class numbers are limited to 15 people to maximize learning opportunities and interaction. All SDIA workshop presenters are experts with extensive market and training experience.

Course outline

- Introduction to derivatives
- Options
- Warrants and other equity derivatives
- Derivatives trading and clearing
- Legal and tax considerations

**Dates**

Sydney (10 March), Melbourne (11 March)

**Fees\***

Individual Members	\$544.50
Organisational Members	\$654.50
Non-members	\$984.50

▪ **Introduction to Stockbroking Workshop – 2.5 CPD**

You won't find a better course in the basics! Specifically for newcomers to the industry, back office, auxiliary and support personnel. This workshop covers: operation of financial markets, financial products, taxation, broking operations, regulation, and an explanation of common acronyms & jargon.

**Dates**

Brisbane (19 March), Sydney (19 March)

**Fees\***

Individual Members	\$434.50
Organisational Members	\$544.50
Non-Members	\$764.50

▪ **SDIA Professional Program – Core 1 Preparatory Workshop**

*Are you (or your staff) about to sit for the SDIA Professional Program Core 1 Exam?*

- This 4 hour course covers all topic areas in the SDIA Professional Program Core 1 – Securities & Managed Investment Accreditation
- Course notes will be provided upon registration for the workshop to help you with your self-study
- Industry expert presenters and small class sizes for personal tuition
- Earn up to 4 CPD hours (Compliance) for attending the workshop

Details are subject to alteration, and achieving a minimum number of registrations. Registrants will be advised if details change. Sessions in other States can be arranged with sufficient demand.

Payment is required prior to place being confirmed at session. NB: SDIA also offers this workshop on an in-house basis for small groups.

Please contact SDIA [education@sdia.org.au](mailto:education@sdia.org.au) for further details.

**Dates**

Melbourne (21 April), Sydney (22 April)

**Fees\***

Individual Members:	\$434.50
Organisational Members:	\$544.50
Non-Members:	\$874.50

▪ **Options Fundamentals Workshop – 2 CPD**

This 2 hour workshop on options fundamentals covers options pricing, basic strategies, and the mechanics of trading equity options on the ASX. The workshop is suitable for industry participants, including client advisers and back office staff, who have no previous options experience and who wish to acquire some understanding of options trading.

**Dates**

Melbourne (2 April), Sydney (13 May)

**Fees\***

Individual Members	\$324.50
Organisational Members	\$434.50
Non-Members	\$764.50

For further information, please contact SDIA on (02) 8080 3200 or email [education@sdia.org.au](mailto:education@sdia.org.au)

\* All prices include GST. Merchant fees apply to credit card payments: Visa (1.5%); Mastercard (1.5%), AMEX (3.1%) Diners Club (4%)

▪ **SDIA Young Members Drinks**

SDIA Young Members Drinks functions are scheduled for Brisbane on Thursday 2 April, Sydney on Thursday 23 April and Melbourne on 7 May. Please alert your younger staff members to these networking events and encourage them to come along. It's a great opportunity for your young staff to meet others working in the industry and in many cases to put a face to a name. Please RSVP online via the Events Calendar on the SDIA website.

▪ **SDIA Mining Tour**

Planning is well underway for the SDIA Mining Tour which will commence on 18 June through to 25 June. The tour will visit Moranbah, Port Hedland, Newman, Kalgoorlie and Olympic Dam. Tour numbers are limited to 12 and a private aircraft has been secured. Further information regarding the tour itinerary and costings will be made available in the coming weeks.

If you would like to join the tour– please contact Julia Mullen on [jmullen@sdia.org.au](mailto:jmullen@sdia.org.au).

▪ **Proposed China Delegation 2009**

SDIA plans to take a delegation to China in September this year. Places are limited so please contact Julia Mullen on [jmullen@sdia.org.au](mailto:jmullen@sdia.org.au) or phone: 02 8080 3203 to express your interest.



6<sup>th</sup> Annual

# SDIA Charity Golf Day

Wednesday 27 May 2009 – St. Michael's Golf Club – Little Bay – Sydney

The **Securities & Derivatives Industry Association** invites you to enter a team in the SDIA Charity Golf Day.

Sponsored by **Religare Technova Global Solutions**, the 6th Annual SDIA Charity Golf Day is to be held at St Michael's Golf Club at Little Bay. Rated in the top fifty courses in Australia, St Michael's offers spectacular 180° uninterrupted views of the Pacific Ocean, and is only 20 minutes from the CBD and Sydney airport.

The SDIA Cup will be awarded to the team that finishes in first place in this **Ambrose Competition**. Some fantastic individual prizes can also be won by those who also enter our fundraising competitions on the day.

**SDIA Cup - 2008 Title Holder: Optus**

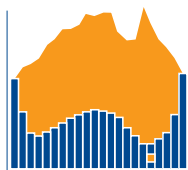
SDIA proudly supports the **Heartwell Foundation**, a community-based rehabilitation and education program for children with special needs. Heartwell empowers children to lead a better quality of life by developing their skills and improving their health, self esteem and confidence to participate with their peers.

**Places are strictly limited - Book now!**

Registration and player briefing at 9.00am. Shot gun start at 10.00am. Drinks and presentation of prizes following the game, concluding approximately 4.30pm.

Fees include electric cart hire, morning tea on arrival, lunch on course, snacks, and drinks and canapés following the game.

Equipment hire will be available at St Michael's on the day.



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## REGISTRATION FORM

### Personal Details

Dr  Mr  Mrs  Ms  Miss

Name: \_\_\_\_\_

Surname: \_\_\_\_\_

Position: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Postcode: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

### Name of Players

1: \_\_\_\_\_

2: \_\_\_\_\_

3: \_\_\_\_\_

4: \_\_\_\_\_

Registration Fee	fee	gst	total
Individual	\$200	\$20	\$220
Team	\$800	\$80	\$880

### Method of Payment

Attach cheque made payable to SDIA or provide credit card details:

Visa  Mastercard  AMEX  Diners Club

Cardholders Name: \_\_\_\_\_

Card Number: \_\_\_\_\_

Total Amount\*: \$ \_\_\_\_\_ Expiry Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**Cancellations:** SDIA will only reimburse registration fees if the event is cancelled. SDIA is not responsible for any costs incurred.

ENQUIRIES PLEASE CALL SDIA ON (02) 8080 3200

Fax your completed registration to 02 8080 3299 or post to SDIA, PO Box R1461 Royal Exchange NSW 1225