

# Stockbrokers MONTHLY

MEMBERSHIP • iLEARNING • EVENTS • EDUCATION • POLICY & REGULATORY ISSUES



**2015 ANNUAL STOCKBROKERS CONFERENCE**  
CPD Assessment Form: Thursday 28 May - Morning Session  
Stockbrokers  
Association of Australia

**2015 Annual  
Stockbrokers  
Conference**



**Stockbrokers**  
Association of Australia.



## Inside...

- 3 Message from the CEO
- 5 Committee News
- 7 FOFA: Wholesale/Retail Issue; Adviser Register extension to Bad Apples?
- 7 PJC Report on Professional Standards
- 8 Further Review of Competition in Clearing Australian Cash Equities
- 9 No more ASX Clear REs from June 15 – the SAA's position
- 9 Wanted: DTR Governors
- 9 Access to and use of Share Registers
- 9 ASIC Cost Recovery – Latest Developments
- 10 CHESS Release 9.0, FATCA and ETF's etc
- 10 Further Meeting with Treasury
- 10 Where to from here?
- 12 ASIC in the west
- 16 Accreditation & Training Calendar
- 18 Super Snippets: New numbers for a new year
- 20 2015 Annual Stockbrokers Conference
- 22 12th Annual Stockbrokers Charity Golf Day



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## 2015 Annual Stockbrokers Conference Delegate Feedback



*Stage a Technology  
Forum*

*Invite Rupert*

*Murdoch/Geoffrey Blainey/  
Andrew McKenzie (BHP)/Michael  
Bloomberg*

*Remains an excellent insight into  
the future and presentations on  
companies you wouldn't normally  
see*

*Great to see commodity outlooks  
by industry leaders too*

*Future panel - Greg Medcraft,  
Doug Clark, Chris Burrell, another  
retail broker, Josh Frydenberg*

*A conference app would be  
good. There have been some  
great examples of audience  
participation at conferences via  
live votes and questions*

*Excellent talks by Mr Li & Mr  
Chauhan - good insights*

*What about a discounted rate for  
delegates under 35?*

*Very good conference again – the  
quality of the speakers/topics  
is excellent and why I will keep  
attending.*

*Should discuss industry topics  
like growing the retail market,  
legislative change (adviser  
exam), and fewer company  
presentations. More time for Q&A.*

*Possibly a speaker on social media  
and technology – its benefits,  
threats (how to handle them), or  
use to your benefit.*

*Ashok Jacob a highlight. Could  
we have a facilitated Q&A Session  
with him again? His 5  
min Q&A held everyone's  
interest and was a talking  
point for many.*



## Dear Colleague,

### Review of 2015 Annual Stockbrokers Conference

I thank speakers, sponsors and delegates for their support of the 2015 Annual Stockbrokers Conference. In particular I thank CommSec Adviser Services, GBST, ASX Ltd, Broadridge, Macquarie Group Limited, Leveraged and BNP Paribas Securities.

I also thank those who helped secure speakers for the event.

Finally, I thank the Association's staff for their efforts in planning and execution – Doug Clark, Peter Stepek, Lillian Khoury, Gillian Gilmore, Anne Shortis, Jen Murray, Fran Lyons, Diem Tran & Stephen Brown. I could not fault their performance.

As the event organiser, we review every aspect of the conference with a view to improving the experience.

It's always interesting to read delegate suggestions. Some of them are listed on the left.

I thank delegates for these suggestions. We hope to embrace most of them.

### Bad Apples Register

I am indebted to our Policy Executive Doug Clark for petitioning the government to establish a bad apples register for financial advisors. I also thank Dean Surkitt at Bell Potter for his support.

### Wholesale/Retail Fix

I congratulate Doug Clark on his efforts in winning Government and Opposition support to fix the Wholesale/Retail definition. See Doug's report on page 7.



Andrew Green

### FATCA Obligations

I thank Peter Stepek for his steadfast opposition to moves by fund managers to require brokers to satisfy client identification obligations. See Peter's report on page 10.

### Leaders Forums

We have three Leaders Forums coming up over the next 6 months. The Forums discuss topical issues. Sponsored by Vanguard and hosted by Ashurst, the Forums are being held in Melbourne on 22nd July, Sydney 15th September, and Brisbane 18th November. I thank Gillian Gilmore for her initiative in developing these events.

### Industry lunches “ ”

I am delighted to announce that the first of our industry lunches, sponsored by ASX, will be held in Sydney on 19 August. Our speaker will be James White, Senior Investment Analyst at Colonial First State Asset Management. James' topic is: The Great Transition - *Global transformation driven by digital revolution.*

Thank you for your continuing support.

Yours sincerely,

**ANDREW GREEN**  
Chief Executive





Vanguard Investments and The Stockbrokers Association of Australia present

# 2015 Leaders Forums

## REGISTER NOW!

The 2015 Leaders Forums are designed for senior executives and leaders in the Stockbroking and Wealth Management industry to come together to hear about and discuss the 'hot' issues facing our industry. Through a mix of presentation and discussion, attendees will hear from industry experts and peers to update them on these issues. The Forums are held over a lunch time session and are hosted around Australia. For the remainder of this year they will be held in Melbourne (22 July), Sydney (15 September) and Brisbane (18 November). These are Forums you need to attend to keep abreast of key issues for your business.

## WHO SHOULD ATTEND?

CEO's, CFOs, COOs, Senior Executives, Senior Compliance and Legal, and team members who communicate with clients and staff on a regular basis.

## DURATION

Held over a lunch time session, the 2015 Leaders Forums will commence at 12.30pm sharp (registration from 12.15pm) and concludes at 2pm.

## PRESENTERS

All presenters are industry experts in their field.

## CPD

Attendees will receive 1.5 hours of CPD (Compliance)

## REGISTRATION FEE

|                                     |          |
|-------------------------------------|----------|
| Individual Members                  | \$105.00 |
| Employees of Organisational Members | \$120.00 |
| Non Members                         | \$140.00 |

*\*Discounts apply for bookings across all sessions.  
Please contact the Stockbrokers Association.*

## FURTHER INFORMATION

For further information visit [www.stockbrokers.org.au](http://www.stockbrokers.org.au) or call **02 8080 3200**.

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# Committee News

Recent and upcoming meetings of Stockbrokers Association Committees, Working Groups and Advisory Panels, and major issues discussed:

## National DTR Working Group Meeting, Tuesday 16 June 2015

Chair: Sadie Powers, Patersons Securities

- Discussion on Submission to ASIC
- CP 222 Update (ASIC repeal select Market Integrity Rules update & ASIC red tape reduction)
- DTR Manual and Exam update
- National DTR Governors – new recruits

## Institutional Broking Committee Meeting, Tuesday 23 June 2015

Chair: Andrew Farran MSAA, Credit-Suisse (Australia)

- ASX Review of HFT and Dark Pool Rules
- CHESS 9.0/ASX/FATCA, Stockbrokers, ETFs, REITS, LICs
- Cost Recovery Update
- SEGC/Inclusion of Chi-X
- ASIC Market Supervision Report June-Dec 2014

# Opening New Opportunities



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# Policy & Regulatory Issues

## FOFA: Wholesale/Retail Issue; Adviser Register extension to Bad Apples?

**Wholesale/Retail Definitions:** in past editions we have noted that some non-controversial issues with FOFA were not addressed in the December 2014 changes which did address the Accountants Certificate issue. These additional matters date from the 2005 FSR Refinements, which extended the definition of wholesale client, giving the ability to include a client's companies, trusts and related parties, in the assessment of the client's status as wholesale or retail.

### STOP PRESS

After some intensive lobbying since the beginning of this year, we are pleased to advise that on 25 June, Assistant Treasurer The Hon Josh Frydenberg MP announced that Regulations would be enacted by 1 July to restore the pre-FOFA wholesale/retail tests. The Government and the Opposition are to be applauded for this resolution, which is being made on a bipartisan basis.

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**Adviser Register – extension to Bad Apples?** As Members would be aware, the new ASIC Register of (retail) Advisers was launched in March and updated for qualifications and professional memberships in May. During the industry working group meetings in 2014 prior to the establishment of the register, we pushed for the inclusion of details of adviser misconduct in the register. Australia is way behind other jurisdictions in this area (e.g. U.S. & U.K.), and this was an ideal opportunity to remedy the situation. Surprisingly, we were the lone voice in seeking this investor protection measure. In the event, it did not eventuate, but was pushed back for possible future consideration. These moves by the Association were the latest in our decade-long campaign for proper disclosure of bad apples for the protection of Members and their clients. Now that the register is up and running, we are renewing calls for adviser misconduct – particularly details of

adverse terminations – to be reconsidered for incorporation into the register.

## PJC Report on Professional Standards

In December 2014, the Parliamentary Joint Committee on Corporations and Financial Services (PJC) released its Report into lifting the professional, ethical and education standards in the financial services industry.

In March 2015, the Government commenced consultation on whether the PJC recommendations ought to be adopted. After discussions with the Assistant Treasurer and his staff and Treasury and consultation with Members, the Association lodged its submission in May, with the following key points:

- the stockbroking industry has been collateral damage in FSR, FOFA and continuing reforms, despite the fact

At the National Conference in May, the Assistant Treasurer advised that the Government hoped to have its response to the PJC Report settled by the middle of the year.

that there have been no problems in this sector, and which is subject to higher standards of regulation than other sectors

- nevertheless the practical reasons why the Government is proposing a standard regime applying across the financial advice industry are understood
- there is broad but not unanimous support for regulatory proposal along the lines of the PJC Model with suitable modifications
- issues relating to the PSC cap on liability and its powers need to be resolved at the outset, otherwise another regime may be necessary and
- it is essential that any model adopted should have some flexibility so as to keep implementation and ongoing

costs down and to avoid adverse consequences.

At the National Conference in May, the Assistant Treasurer advised that the Government hoped to have its response to the PJC Report settled by the middle of the year.

#### Senate Scrutiny of Financial Advice

**Inquiry:** in addition to the work around the PJC Report, we also await the report of the Senate Economics References Committee inquiry into the Scrutiny of Financial Advice, including measures to stop unethical and misleading advice, regulatory oversight, compensation, and action where professional standards are breached. The Association made a Submission to this Inquiry in December. The Senate Committee is due to report by July 2015.

## Further Review of Competition in Clearing Australian Cash Equities

We also await the Government's final decision on whether to allow competition in clearing of cash equities. Our written submission in March made the following key points:

- in-principle, everyone supports competition, and the potential for financial benefits, including efficiencies and innovation, that competition may bring
- the regulatory framework must not shut Australia out from these potential benefits
- however, the benefits of introducing competition must clearly exceed the costs that would be involved, and
- financial stability and investor confidence must not be undermined.

While there is no imminent threat of competition in clearing, in the absence of another deal on the table, most Members think that there is little incentive to open the floodgates in the short to medium

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term if ASX can offer a meaningful reduction in clearing fees.

We noted that there is a real lack of data available on the costs and benefits of possible clearing competition in order to put a compelling case either way. It would be of benefit to all parties if some feasible independent research could be undertaken, which takes into account internal costs to participants as well as headline clearing costs charged by CCPs.

## No more ASX Clear REs from June 15 – the SAA's position

In October 2014, ASX released a discussion paper on proposed red-tape reduction measures. The proposals include:

- Streamlining admission requirements
- Simplifying notification requirements, and
- Removing the ASX Clear Responsible Executive requirements.

In late February 2015, ASX announced that it had taken up the Association's suggestions that ASX should streamline its (ASX Clear) rule on PI insurance notification, and its (ASX Settlement) rule which requires ASX consent to sending letters to clients on the bulk transfer of HINs. ASX is also proceeding with its proposal to remove the ASX Clear requirement for Responsible Executives. The new rules commenced in June 2014.

**The ASX Clear RE Exam:** as there are no longer any ASX Clear REs, the above changes mean that there is no longer any compulsory examination in clearing and settlement. However, Responsible Executives are still required for trading participants under the ASIC (ASX Markets) Market Integrity Rules, and REs will still need to pass the prescribed examination prior to appointment. While the ASX requirements may have changed, the Stockbrokers Association believes that it is very important to continue to offer training and the relevant examinations in clearing and settlement. Notwithstanding the relaxation of rules by the ASX, the Association believes that all REs and Senior Executives should have and maintain a working knowledge of the

While there is no imminent threat of competition in clearing, in the absence of another deal on the table, most Members think that there is little incentive to open the floodgates in the short to medium term if ASX can offer a meaningful reduction in clearing fees.

key clearing and settlement requirements. Recent issues prove this beyond doubt. Accordingly, as a service to Members, and acknowledging the importance of clearing and settlement to the business of stockbroking, the Stockbrokers Association will continue to offer the following three examinations:

1. ASIC ASX Markets, Clearing and Settlement Examination (45 questions)
2. ASIC ASX Markets Examination (41 questions) and
3. ASX Clearing and Settlement Examination (41 questions).

Preparation training will also continue to be offered, which will cover clearing and settlement. (We note that this only constitutes 4 additional questions in the final exam.)

## Wanted: DTR Governors

Senior DTRs are invited to join the National DTR Working Group. The Working Group's Governors meet regularly to discuss issues relating to trading and operating. They also assist in the administration of the National DTR Accreditation. The National DTR Accreditation is provided as a service to market participants, to ensure that their DTRs have demonstrated knowledge of the rules, systems and practices under the market integrity and exchange operating rules. The Governors set the syllabus and content of the DTR Manual and conduct the oral examinations of candidates for accreditation. Please let Gillian Gilmore know if you would like to join this important group: [ggilmore@stockbrokers.org.au](mailto:ggilmore@stockbrokers.org.au)

## Access to and use of Share Registers

One of the unintended consequences of the 2010 amendments to the Corporations Act to restrict unsolicited off-market share offers was to restrict stockbrokers from accessing registers to send research reports to shareholders, while allowing shadow brokers specifically to do so. Once again, we wrote to the Government in September 2014 seeking a resolution to this issue. We raised this issue in Canberra again in February and will advise progress. This is an ideal opportunity for a Government that espouses deregulation to remove unjustifiable regulation and to reduce red tape.

## ASIC Cost Recovery – Latest Developments

As reported in last month's Stockbrokers Monthly, Treasury has issued for public comment a Cost Recovery Impact Statement (CRIS) outlining the proposed arrangements to apply to ASIC'S Market Supervision Cost Recovery for the period 1 July 2015 to 30 June 2016.

These arrangements are largely along the same lines as the arrangements for previous years, with the overall amount sought to be recovered from industry in the coming 12 month period (\$18.79 million) being slightly less than in 2014-15 (\$19.80 million), but with increases planned for subsequent years. Of this, 87.4% will be recovered from Market Participants (up from 87.3%) compared with 12.6% from the Exchanges.

There will be a small rise in the fixed component per Market Participant (\$1905 per quarter, up from \$1835).

A meeting of the Market Supervision Cost Recovery Panel was held on 1 June 2015 in order to discuss this CRIS. The Stockbrokers Association is represented on the Panel.

There was a strong discussion about the fact that the existing Cost Recovery Model was continuing unchanged for another year. As previously reported, the Government was postponing any reconsideration of the Model in order to give it time to consider and respond to the recommendations of the Financial System Inquiry (FSI), which include a recommendation that ASIC be placed on full cost recovery for its entire budget. The preference of the Government was that any reconsideration of the Market Supervision Cost Recovery should be undertaken holistically with any approach to wider ASIC Cost Recovery.

The Stockbrokers Association has been pressing for some time for a change to the Cost Recovery model so that the burden of costs, which has fallen predominantly on the shoulders of the stockbroking industry, is shared more evenly across other users of the market. Deferring a review of the model for another year delays the chance for a fairer outcome to be obtained.

There was a robust discussion at the Cost Recovery Panel as to the undesirability to industry if, in one year's time, when this 2015-16 Cost Recovery cycle is due to end, there was a proposal any further delay to reviewing the Market Supervision cost recovery model.

## CHES Release 9.0, FATCA and ETF's etc

Members may recall that last year, we reported that there was a strong push by the Financial Services Council (FSC), on behalf of the issuers of ETFs, REITS and LICs, for the FATCA client identification obligations that fall on the issuers to carry out, under the terms of the Australia/US Inter Governmental FATCA agreement, to be transferred by legislation so that they fall onto the stockbroking sector.

The reason for this is that issuers have to undertake the FATCA checks post-trade

for any products acquired on exchange, whereas brokers would be able to conduct the checks pre-trade.

Some stockbroking firms have chosen to implement FATCA, or are required to, but many firms have not. This proposal would have a big impact on stockbrokers' new client process.

After many discussions, it was thought that the matter was dead and buried following a roundtable meeting with Treasury in February 2015, at which Treasury indicated that the Government had no appetite to legislate on this point.

However, there is now once more a renewed approach to Treasury by the FSC to bring about this result, and in connection with this, the ASX has proposed to amend CHES in order to impose FATCA obligations on stockbrokers in relation to these products.

Members may have seen the ASTC Technical Notice 0554.15.05 issued by ASX on 25 May 2015 setting out proposed details of the CHES Release 9.0.

ASX has proposed, in CHES Release 9.0, that that Clearing and Settlement Participants be obliged to obtain the following information from all clients and input this information into the HIN by way of CHES Message:

- i. Account Type [Individual, Joint, Superannuation Fund, Other Entity]
- ii. Are you a US Citizen? [YES/NO]
- iii. Are you a Foreign Tax Resident? [YES/NO]
- iv. If 'YES' to ii or iii the Foreign Tax Resident Code, Date of Birth and Tax Identification Number (TIN) for up to three parties
- v. Are there any Additional Foreign Parties? [YES/NO]

Effectively, the ASX is proposing to use CHES Rules to implement an outcome identical to the one that the FSC is seeking to achieve for its members.

Third party Clearing Participants will presumably request this information from the executing broker.

## Further Meeting with Treasury

At the request of Treasury, the Stockbrokers Association attended a further meeting with Treasury, the FSC, a raft of issuers, and the ASX on 11 June 2015. The FSC pushed for two alternatives, either for the Government to legislate, or it won't, for the ATO to recognise the ASX CHES 9.0 solution as compliant with FATCA.

Key points made by the Stockbrokers Association at the meeting:

- the unfairness, not to mention cost implication, if stockbrokers were forced to comply with FATCA legislation when presently they do not have to
- if the Government wants to impose this obligation on brokers, it will need to do this within its "no new regulation" philosophy
- the cost of taking on the additional obligations would be considerable. Brokers will need to change CHES agreements; change new client forms; mail out to thousands of existing clients; change operational processes; change IT systems; change compliance procedures.

Treasury made a strong call to all present to negotiate an industry solution.

## Where to from here?

The Stockbrokers Association is seeking information from member firms as to the likely costs of implementing the sort of FATCA checks that ASX is seeking to impose under CHES 9.0, in preparation for any possible negotiation either with issuers or with Government.

The Stockbrokers Association FATCA Working Group is scheduled to meet on 25 June 2015 to discuss this issue, and the response to ASX's CHES 9.0. ■

### SUBMISSIONS

Members can view submissions at [www.stockbrokers.org.au](http://www.stockbrokers.org.au)

### POLICY ENQUIRIES

Doug Clark MSAA, Policy Executive  
[dclark@stockbrokers.org.au](mailto:dclark@stockbrokers.org.au)

Peter Stepek MESAA, Policy Executive  
[pstepek@stockbrokers.org.au](mailto:pstepek@stockbrokers.org.au)



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# ASIC in the west

The Australian Securities & Investments Commission's Western Australian (WA) office has just under 100 employees, many of whom have specialist knowledge about the Perth market and stockbroking sector. In this article, ASIC offers some observations from its Perth-based Market & Participant Supervision (M&PS) and Emerging Mining and Resources (EM&R) teams.

The stockbroking community has a significant presence in WA. There is a mix of branch offices (both Australian and internationally owned) and independent organisations. While a small number of these Participants are institutionally focused, the vast majority have a greater proportion of retail clients than their counterparts in eastern states.

The WA market is predominantly made up of listed mining companies that account for around 40% of the national market.

The WA market is predominantly made up of listed mining companies that account for around 40% of the national market. Traditionally there has been a heavy reliance upon corporate fees being generated from capital raisings undertaken by companies with small capitalisation in need of funding. However, the WA stockbroking community has shown a tendency to shift its focus from a sector such as resources when interest is lacking to a sector that is booming, for example, the technology resurgence in recent times.

Relationship Managers from M&PS regularly meet with WA-based

Participants to conduct compliance liaison meetings, risk assessment visits and to assess the state of the market. Recently, during these visits, they have been observing a number of these firms diversifying their product and advice offerings by adding options strategies or wealth management to their suite of client services. Additional resources are being placed into the development of wealth management platforms and investment in professionals with the appropriate expertise to build this capability.

The EM&R team primarily focuses on small cap mining and resource exploration companies. Most of the team's work is required under the Corporations Act 2001. This includes regulating disclosure and conduct by corporations and

focusing on corporate transactions such as fundraising, mergers and acquisitions, corporate governance, related party transactions and financial reporting.

In 2012, EM&R identified the need for the mining industry to carefully consider its reporting obligations. Since the Joint Ore Reserves Committee (JORC) Code is the industry standard for mining and exploration reporting in Australia, EM&R worked with the resources industry, JORC and the ASX to update the JORC Code in the ASX Listing Rules and provide guidance on public reporting for mining and oil and gas companies. These changes came into effect on 1

December 2013. The updates have enhanced transparency and disclosure in the exploration, mining and energy sectors and EM&R continues to work with industry to improve disclosure practices.

An ongoing concern for the EM&R team is the use of forward looking statements such as production targets, forecast financial information and income based discounted cash flow valuations by companies. It is common for investors in resource companies to put a lot of emphasis on forecasts when considering an investment. With this in mind, directors, analysts or Participants may provide forward looking statements to attract investment. However, companies need to be aware that under the Corporations Act, representations about future matters may be taken to be misleading if they are made without reasonable grounds. Reasonable grounds will depend on the facts of each case and the use of cautionary language, qualifications or disclaimers are not sufficient to prevent forward looking statements from being misleading.

With the downturn in commodity prices, WA mining companies have come under increasing pressure which has led them to search for alternative options. As a result, EM&R are seeing a transformation in business with an increasing number of technology and service companies backdoor listing through struggling resource companies. This uplift in transaction activity shows similar characteristics to the dot-com boom in the early 2000s.

Many of the businesses being backdoor listed include start-up technology companies with innovative business plans. Given the nature of the technology industry, these businesses generally have unique and technical product or service offerings, complex corporate



The future work of EM&R will continue to be guided by the types of risk that emerge within the WA market. Part of the team's work over the next year will involve onsite due diligence surveillances.

structures, high proportions of intangible assets and operations and assets in emerging market jurisdictions. It should also be noted that backdoor listings are very significant transactions which often involve an entirely new and often different business that is vended into the resources company.

EM&R have identified significant concerns with the majority of these transactions. These concerns include deficiencies in disclosure particularly in relation to audited financial information, the valuation of the business or intangibles, the

business model of the incoming company and the roles of the key people involved in the business. EM&R have responded to the additional areas of risk by increasing our regulatory focus on these transactions and taking regulatory action such as interim and final stop orders.

The future work of EM&R will continue to be guided by the types of risk that emerge within the WA market. Part of the team's work over the next year will involve onsite due diligence surveillances. The EM&R team are also mindful of the impact of cyber-crime in the current market and

will therefore focus on companies' cyber resilience, what controls are used and what type of cyber related governance they have in place.

### Perth office relocation

On 22 June 2015, ASIC's Perth office moved to new premises located at Level 1, 11 Mounts Bay Road. ■



## Stockbrokers Association forms an Education Partnership with Leveraged

The Stockbrokers Association of Australia continues to build and develop our education offerings for members and from 30 June 2015 formalised an Education Partnership with Leveraged.

Andrew Green, CEO of the Stockbrokers Association of Australia says, "We are delighted to embark upon this Education Partnership with Leveraged. We feel there is a gap in the market for quality gearing education and Leveraged is a thought leader in this space."

Matt Low, Head of Broker Distribution at Leveraged says, "We really value education not only for investors but intermediaries. Leveraged is pleased to partner with the Stockbrokers Association of Australia to share our knowledge and gearing education resources."

One hour gearing workshops will be available from September and there will also be free online gearing education, which will carry CPD points, available from October 2015.

# 2015 Annual Stockbrokers Conference

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# THE GREAT TRANSITION: Global transformation driven by digital revolution

James White argues that big shifts in productivity, such as the one the global economy is now experiencing, dramatically raise living standards. But they also occur by stealth; traditional means of measurement aren't counting the right things, and old ways are quickly disrupted by new technologies. Consequently, investment becomes more difficult. Value disappears rapidly and opportunities emerge in new places.

James White is a Senior Investment Analyst at Colonial First State Global Asset Management. James focuses on the changing nature of the global economy; the rise of China, the impact of technological change and the need for a different perspective on economic policy in the developed economies. He is a regular contributor to business television. He has 15 years experience as an economist and degrees in Economics from the Universities of Sydney and Edinburgh.



**JAMES WHITE**

*Senior Investment  
Analyst, Colonial First  
State Asset Management*

#### EVENT DETAILS

**Wednesday 19th August**  
**Radisson Blu Hotel**  
**27 O'Connell Street, Sydney**  
**12pm for 12.30pm – 2.00pm**

#### PRICES

|                  |                              |
|------------------|------------------------------|
| <b>\$120.00</b>  | <b>Members</b>               |
| <b>\$1150.00</b> | <b>Member Table (10)</b>     |
| <b>\$140.00</b>  | <b>Non Members</b>           |
| <b>\$1350.00</b> | <b>Non Member Table (10)</b> |

#### TO REGISTER

Please visit the **Stockbrokers Association website** or [click here](#). Seats are limited. Bookings accepted on a first come basis.

#### EVENT SPONSOR



## ACCREDITATION & TRAINING July, August & September

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                              |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Responsible Executive (RE) Series Workshops | <b>RE REFRESHER – 4 CPD (COMPLIANCE)</b><br><p>This workshop provides a refresher on the requirements applicable to REs and reviews some of the main topics in The ASIC Market Integrity Rules (ASX Markets) 2010 and/or The ASX Clear Operating Rules (Clearing &amp; Settlement) Responsible Executive Examination. Intended as a refresher course for existing REs who have already passed the Exam(s), this workshop could also be of interest to potential REs. Topics include RE Management &amp; Supervision Requirements (&amp; ASIC RM comparisons); Capital Adequacy, Records, Trust; Dealing &amp; Client relations rules; Disciplinary Processes; Corporations Act requirements.</p>                                                                                                                                                                                                                                                                                | MELB: Tues 21 Jul   9:30am – 1:30pm<br>SYD: Mon 7 Sep   9am – 1pm                                                                                            |
|                                             | <b>RE EXAM PREPARATION COURSE – 10 CPD (COMPLIANCE)</b><br><p>This 2 x 3-hour intensive workshop (conducted over 2 days) covers the ASIC/ASX Markets &amp; ASX Clear (Clearing &amp; Settlement) RE exam syllabus in detail, ensuring that candidates are well prepared for the exam(s) and know what to expect on the day, with sample questions and a practice exam.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | SYD: Mon 27 & Tues 28 Jul   9am – 12pm<br>MELB: Wed 2 & Thurs 3 Sep   9:30am – 12:30pm                                                                       |
|                                             | <b>RE EXAM PREPARATION 'SHORT COURSE' – 4 CPD (COMPLIANCE)</b><br><p>This 4-hour intensive workshop is a condensed version of the Stockbrokers Association 2-day RE Exam Preparation Workshop. It covers The ASIC Market Integrity Rules (ASX Markets) 2010 and/or The ASX Clear Operating Rules (Clearing &amp; Settlement) Responsible Executive exam syllabuses in detail, with 7 subject areas and 2 assessments during class time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | MELB: Mon 20 Jul   9:30am – 1:30pm<br>SYD: Tues 8 Sep   9am – 1pm                                                                                            |
| Professional Development Workshops          | <b>MARKET MANIPULATION AND OTHER PROHIBITED CONDUCT – 4 CPD (COMPLIANCE)</b><br><p>This workshop covers an in-depth examination of what constitutes market manipulation and other prohibited market conduct. Involving a mix of presentation and scenario-based discussion, it is designed to suit market professionals, both front and back office, including: Sales staff/client representatives; Proprietary Traders; DTRs; Investment banking; Settlement staff; and Compliance &amp; Legal.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | SYD: Thurs 6 Aug   9am – 12pm<br>MELB: Tues 1 Sep   1:30pm – 4:30pm                                                                                          |
|                                             | <b>INSIDER TRADING – 4 CPD (COMPLIANCE)</b><br><p>This workshop provides a thorough analysis of Insider Trading. Topics include: elements of insider trading; statutory defences; insider trading and continuous disclosure; front running; dealing with rumours; management of confidential information; how to protect yourself, including Chinese walls, internal processes; and consequences of insider trading breaches. The Workshop is designed for sales staff/client representatives; proprietary traders; research analysts; investment banking; compliance and legal; and regulatory staff.</p>                                                                                                                                                                                                                                                                                                                                                                      | MELB: Thurs 13 Aug   1:30pm – 4:30pm<br>SYD: Thurs 3 Sep   9am – 12pm                                                                                        |
|                                             | <b>A DAY IN THE LIFE OF A TRADE – 2 CPD (COMPLIANCE)</b><br><p>This 2.5 hour short 'course in operations' focuses on the evolution of share and derivative trades from order placement through to execution to settlement (and later exercise/expiry where relevant) and reporting requirements. Designed for new or unfamiliar starters in the Industry or Markets, this workshop provides a comprehensive overview of the market and operational process. It provides an excellent foundation for retail desk assistants and would suit as a refresher for experienced staff as well as those staff in auxiliary and rotating roles: legal, IT, HR and other supporting roles associated with stockbroking. There is no assumed knowledge for participants of this workshop.</p>                                                                                                                                                                                              | SYD: Tues 11 Aug   9am – 11:30am<br>MELB: Wed 19 Aug   2pm – 4:30pm<br> |
|                                             | <b>DMA, ALGORITHMIC &amp; HIGH FREQUENCY TRADING – 2 CPD (COMPLIANCE)</b><br><p><i>Are you confused by all the talk about Algorithmic Trading, High Frequency Trading and the 'May 6 Flash Crash'?</i> Rapid technological advances and market changes overseas have radically changed the nature and appearance of on-market trading and these same changes are quickly unfolding in Australia as well. This two-hour workshop looks at the growing trend of electronic trading, including Automated Order Processing (or Direct Market Access), Algorithmic Trading and High Frequency Trading. The workshop will focus on: The regulatory obligations that apply to brokers who use AOP for clients or for proprietary trading; The types of algorithmic trading and High Frequency trading strategies that are being used overseas, and increasingly in Australia; and, Potential dangers, such as the "May 6 Flash Crash", market manipulation and disorderly markets.</p> | SYD: Wed 29 Jul   9am – 11am                                                                                                                                 |



|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                           |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Introductory Series Workshops                             | <b>BIG DATA FOR STOCKBROKERS – 1 CPD</b><br>This 1 hour seminar focuses on how BIG Data and BIG Data technologies could be used to provide better insight into clients and the market. Being able to collect data from multiple sources, internal and external to organizations (e.g. CRM systems, social media), different types of data (log files, phone calls, emails, transactional data, market research, websites/blogs) and being able to analyse the data fast opens up a lot of opportunities for firms. The power of BIG Data is being able to not only analyse traditional datasets, but import data from other sources and analyse your existing data in new and different ways to provide targeted or enriched answers to questions. | BRIS: Wed 26 Aug   12:30pm – 1:30pm<br>SYD: Tues 1 Sep   12:30pm – 1:30pm |
|                                                           | <b>UNDERSTANDING DERIVATIVES: OPTIONS AND WARRANTS – 4 CPD</b><br>Derivatives are an established and essential component of global financial markets. Focusing on options and warrants, this workshop discusses how and why derivatives are used for leverage and/or manage risk. Key concepts are explained through worked examples, under the guidance of an experienced practitioner. This half day workshop is also ideal preparation for <b>Accredited Derivatives Adviser Level 1 - ADA1 candidates</b> .                                                                                                                                                                                                                                    | SYD: Tues 14 Jul   9am – 1:30pm<br>MELB: Wed 9 Sep   9am – 1:30pm         |
|                                                           | <b>THE BUSINESS OF STOCKBROKING IN AUSTRALIA – 2.5 CPD</b><br>This workshop provides an overview of Australia's financial markets and the critical role that stockbrokers play in both retail and institutional markets. A short history of broking in Australia sets the scene for explanation of the current market structure, operations and regulation.                                                                                                                                                                                                                                                                                                                                                                                        | SYD: Thurs 23 Jul   9am – 12pm<br>MELB: Tues 25 Aug   9:30am – 12:30pm    |
|                                                           | <b>UNDERSTANDING OPTIONS: FEATURES, BENEFITS AND RISKS – 2 CPD</b><br>This workshop focuses on equity options traded on the Australian Securities Exchange (ASX). Equity options offer investors an efficient means of managing the risks of adverse price movements in the share market. In addition, they give traders a vehicle by which to gain leveraged exposure to individual shares and selected indices. This workshop covers options pricing, basic strategies and the mechanics of trading options on the ASX.                                                                                                                                                                                                                          | MELB: Wed 29 Jul   9:30am – 11:30am<br>SYD: Tues 18 Aug   9am – 11am      |
|                                                           | <b>UNDERSTANDING WARRANTS: TYPES, DIFFERENCES AND RISKS – 2 CPD</b><br>This 2 hour workshop covers the main types of warrants traded on the ASX with a particular focus on equity trading warrants and instalments. Basic warrant pricing will be discussed, and the role of the warrant issuer will be explained. Ideal for those who wish to acquire fundamental knowledge about the Australian warrants market.                                                                                                                                                                                                                                                                                                                                 | MELB: Wed 15 Jul   9am – 11am<br>SYD: Wed 26 Aug   9am – 11am             |
|                                                           | <b>INTRODUCTION TO CONTRACTS FOR DIFFERENCE (CFD) – 3 CPD</b><br>This workshop focuses on the class of derivatives known as Contracts for Difference (CFDs). This workshop covers the different types of CFDs, their uses, risks and potential rewards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | MELB: Thurs 23 Jul   9am – 12pm<br>SYD: Tues 25 Aug   9am – 12pm          |
| Professional Stockbrokers Program – Preparatory Workshops | <b>CORE 1 (RG146) PREPARATORY WORKSHOP – 3 CPD (COMPLIANCE)</b><br>Are you undertaking the Professional Stockbrokers Program Core 1 (RG146) Securities & Managed Investments Accreditation Assessment? Then this half-day workshop is ideal for you. Learn the syllabus in detail and key areas to focus on for your studies. Industry expert presenters and small class size for personal tuition. The Professional Stockbrokers Program Core 1 (RG146) Securities & Managed Investments Accreditation meets ASIC RG146 requirements in generic and specialist knowledge and skills in Securities and Managed Investments.                                                                                                                        | MELB: Tues 14 Jul   9:30am – 1pm<br>SYD: Wed 15 Jul   9:30am – 1pm        |

For further information visit [www.stockbrokers.org.au](http://www.stockbrokers.org.au)

## SUPER SNIPPETS

# New numbers for a new year

By Peter Grace

*The new financial year means that many of the superannuation thresholds are indexed.*

## Concessional contributions

The cap is indexed in increments of \$5,000 and in 2015/16 there is no change. The standard cap is currently \$30,000 and is indexed. The special cap of \$35,000 applies for members over age 49. This cap is not indexed and will be obsolete when the standard cap reaches that level.

## Non concessional contributions

The cap is six times the standard concessional contributions cap so remains at \$180,000 in 2015/16.

## Division 293 tax

High income earners pay an extra 15% tax on concessional contributions. The threshold for this tax is an income of \$300,000 which is not indexed.

## Lump sum tax

The 'low rate cap' is the amount that can be paid tax free from the taxable

component of a lump sum for members between age 55 and 59. It is indexed in increments of \$5,000 and has increased from \$185,000 to \$195,000 for 2015/16.

## CGT cap

This is the amount of contributions that can be made by a small business on the disposal of business assets. The cap is indexed and has increased from \$1,355,000 to \$1,395,000 in 2015/16.

## Superannuation guarantee

The SG rate remains at 9.5% in 2015/16 and will remain at that rate until 2020/21. It will increase progressively after then to be 12% in 2025/26. The 'maximum superannuation contributions base' is the maximum quarterly income on which SG must be paid. It has increased from \$49,430 to \$50,810 in 2015/16 (equivalent to an annual income of \$203,240).

## Co-contributions

The threshold for the maximum co-contribution of \$500 is indexed and has increased from \$34,488 to \$35,454 in 2015/16. This means eligibility for the



co-contribution will cut out once income reaches \$50,454 in 2015/16.

## Spouse contribution tax offset

The maximum offset is available when a spouse makes a non concessional contribution for their partner who has an income of under \$10,800. This figure has never been indexed.

All these thresholds will apply for 2015/16 but as they all have revenue consequences for the Government any or all of them could be revised in the future. ■

All these thresholds will apply for 2015/16 but as they all have revenue consequences for the Government any or all of them could be revised in the future.

*Our RG146 Superannuation course is an elective in our Professional Stockbroker's Program. It provides the necessary qualifications for anyone who advises on securities in self managed or other superannuation funds. Each month we publish a short article covering a current superannuation topic written by Peter Grace the author of the course. Peter can be contacted at [wordsandtraining@bigpond.com](mailto:wordsandtraining@bigpond.com)*

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## 2015 Annual Stockbrokers Conference



@DarrenWrightPSL

'Love how attendees of the #2015StockbrokersConf think 'business casual' means full suit minus tie' #highstandards #takenoteFPA





@asicmedia

'ASX CEO says Australia is very well served by the regulators in our financial markets'  
#2015StockbrokersConf

## 12<sup>th</sup> Annual Stockbrokers Charity Golf Day







# ONE FOR 365

Meet Garcia.

Garcia would love to run, kick, swim and play basketball on Saturday mornings like other kids. But Garcia can't because he has developed a condition that has affected his muscle strength, endurance and general well being. He needs a specialised movement program to keep his weak muscles functioning and slow the progress of his disease.

0 0 0 0 0

There are hundreds of Australian children who have disabilities, illnesses and are disadvantaged just like Garcia. The Heartwell Foundation empowers these children to grow and develop to the best of their ability through special movement and physical education programs. The Foundation's motto "creating a level playing field" emphasises its passion for children to unlock their physical potential.

The Heartwell Foundation has provided this service for 20 years with no Government support. Many children are waiting to start a program at Heartwell but due to restricted funding, are not able to receive that opportunity. It costs between \$5,000-\$8,000 a year to put a child or small group of children through a comprehensive specialist program.

**One for 365** is a donation plan where you put away one dollar a day for a year for the Heartwell Foundation. Over the course of the year you will receive updates about the program and the children involved. At the end of the period, donate your pledged amount to the Heartwell Foundation.


With your help and a pledge of **One for 365**, together we can ensure many more children have access to these special movement programs.


Sincerely,

*Gary Pert, John Gillam, Scott Taylor and Julianne Espenschied*

**Directors**




 03 9842 0396

 03 9842 0397

 [info@heartwell.org.au](mailto:info@heartwell.org.au)

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 87 118 642 023

*Please make payments to:*  
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14 Phoenix Court  
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I/We \_\_\_\_\_, Phone: \_\_\_\_\_

wish to become a donor in the **One for 365** program conducted by the Heartwell Foundation.

I/We acknowledge that this involves a commitment of a donation of \$1.00 per day for the next 365 days (\$365.00) from the commencement date listed below and at the end of 12 months will donate to the Heartwell Foundation. An official receipt will be issued for your total amount.

Our total donation is \$ \_\_\_\_\_ Start date \_\_\_\_\_

I/We understand that by signing and returning this pledge, I/we are committed to assisting the Heartwell Foundation in its programs.

*Please complete the information and forward by fax or email at your earliest convenience. All donations over \$2 are fully tax deductible.*