



28 May 2013

ANNOUNCEMENT OF NZ MARKETS DISCIPLINARY TRIBUNAL

Background

1. In a determination of the NZ Markets Disciplinary Tribunal (*the Tribunal*) dated 14 May 2013, the Tribunal found that an NZX Trading and Advising Firm (*the NZX Firm*) had breached NZX Participant Rule (*Rule*) 15.17.1.
2. Rule 15.17.1 requires the dispatch of written contract notes to clients no later than the day following completion of that client's transaction instruction (unless certain prescribed exceptions apply).
3. The IT department of the NZX Firm had fixed an error with a printer, but in doing so had paused printing. While contract notes were being generated within the NZX Firm's system, they were not being printed and mailed to clients. The error was detected 10 business days later following queries by some of the clients involved. Once detected, the NZX Firm immediately notified NZX of its breach of Rule 15.17.1. The NZX Firm has reviewed its procedures in light of the breach.

Orders

4. The Tribunal made the following orders:
 - (a) That a censure in the form of this announcement be released;
 - (b) That the NZX Firm pay a penalty of \$1,000; and
 - (c) That the NZX Firm pay the costs and expenses incurred by NZX and the Tribunal in considering the breach.
5. The Tribunal wishes to remind Client Advising Participants of their obligations under Rule 15.17.1 and encourages them to review their own procedures to ensure a similar breach of Rule 15.17.1 does not occur.

DATED 28 May 2013

William Stevens, Division Chairman, NZ Markets Disciplinary Tribunal