

**Issued on: Monday 2 October 2000**

**ASIC ACCEPTS ENFORCEABLE UNDERTAKING FROM  
ORD MINNETT JARDINE FLEMING FUTURES LIMITED**

The Australian Securities and Investments Commission (ASIC) has accepted an enforceable undertaking from licensed futures broker Ord Minnett Jardine Fleming Futures Limited (Ord Minnett).

ASIC conducted an investigation into the conduct of three former Ord Minnett futures representatives in relation to unauthorised discretionary trading following a referral from Sydney Futures Exchange Limited (SFE).

The SFE had conducted an investigation into the conduct of a representative in the Brisbane office of Ord Minnett. As a result Ord Minnett conducted an internal review and identified and referred to the SFE two further representatives from its Sydney office for similar conduct.

In the course of its investigation, ASIC expressed concerns to Ord Minnett regarding its compliance procedures and the failure of its internal controls.

In order to address ASIC's concerns Ord Minnett has undertaken to engage an external compliance consultant to review, assess, make recommendations and report in writing to Ord Minnett and ASIC.

The compliance assessment will include the identification and the making of recommendations for remedying non-compliance with the Law, the Corporations Regulations, SFE Business Rules and the license conditions including:

- supervision and training of representatives;
- record keeping;
- adequacy of internal audit reviews;
- complaints handling procedures; and
- structure and effectiveness of compliance programs.

ASIC's Queensland Director Regulatory Projects, Jan Speirs, acknowledged that Ord Minnett had accepted the need to address ASIC's concerns and had already started to implement new processes and upgrade its internal compliance procedures.

"Futures and securities dealers should expect close scrutiny from ASIC on these issues. ASIC's action will help protect the investing public by improving the standards and strengthening the compliance culture in the financial services industry.

"An effective compliance program is essential for licensed futures brokers to ensure compliance with their license conditions and the Law, " said Ms Speirs.

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