



ASIC
Australian Securities &
Investments Commission

CEU final compliance report by ASIC

ASIC's final report dated **11 September 2019** on compliance with the s93AA ASIC Act court enforceable undertaking (CEU) given by **Foster Stockbroking Pty Ltd** (ACN 008 747 148) ("Foster Stockbroking") dated 24 November 2017.

Terms used in this report have the same meaning as in the 24 November 2017 CEU.

Undertakings	Report on compliance
Contribution to The Ethics Centre CEU paragraph 3.2	<ol style="list-style-type: none">1. On 13 December 2017, Foster Stockbroking made a payment to the total amount of A\$80,000 to The Ethics Centre in accordance with the requirements and time frame specified in the CEU.2. On 15 February 2018, The Ethics Centre provided ASIC with a report on the proposed spending initiatives for the community benefit payment. ASIC confirmed it had no concerns with the proposed spending initiatives.
Engagement of Independent Expert CEU paragraphs 3.8 – 3.11	<ol style="list-style-type: none">3. On 27 November 2017, Foster Stockbroking requested ASIC to approve the appointment of a nominated Independent Expert (IE) and the draft terms of engagement for that Expert in accordance with the requirements and time frame specified by paragraph 3.8 of the CEU.4. On 26 April 2018, Mr Doug Clark of Doug Clark Consulting was appointed, with ASIC's approval, as the IE in accordance with the terms of engagement and time frame specified in paragraph 3.9 of the CEU.¹

¹ On 26 February 2018, ASIC requested that Foster Stockbroking nominate a second Independent Expert within 15 business days. On 14 March 2018, Foster Stockbroking requested ASIC to approve the appointment of a second nominated Independent Expert and the draft terms of engagement for that Expert.

<p>First Report</p> <p>CEU paragraph 3.11.5</p>	<ol style="list-style-type: none"> 5. On 23 July 2018, the IE provided ASIC with the First Report in accordance with the requirements and time frame specified in the CEU. 6. The First Report set out the IE’s findings from its review of: <ul style="list-style-type: none"> • the implementation by Foster Stockbroking of the undertakings set out in paragraphs 3.3 to 3.7 of the CEU; • details of any deficiencies identified by the review; • recommendations on how to rectify any deficiencies; and • a reasonable time for the rectification to be completed.
<p>First Remediation Plan</p> <p>CEU paragraphs 3.12 – 3.16</p>	<ol style="list-style-type: none"> 7. On 5 September 2018, Foster Stockbroking provided ASIC with the First Remediation Plan in accordance with the requirements and time frame specified in paragraph 3.12 of the CEU. 8. On 24 September 2018, the IE informed ASIC that the First Remediation Plan addressed the recommendations made by the IE in the First Report and did not require modification to address the recommendations made in the First Report. 9. On 15 November 2018, ASIC requested Foster Stockbroking to make eight minor modifications to the First Remediation Plan. 10. On 25 November 2018, Foster Stockbroking informed ASIC that it had undertaken the modifications to the First Remediation Plan as requested by ASIC. 11. On 23 January 2019, Foster Stockbroking informed ASIC that it had fully implemented the First Remediation Plan.
<p>Final Report</p> <p>CEU paragraph 3.11.6</p>	<ol style="list-style-type: none"> 12. On 2 April 2019, the IE provided ASIC with the Final Report in accordance with the requirements and time frame specified in the CEU. 13. The Final Report set out the IE’s findings from its review of the implementation by Foster Stockbroking of the First Report recommendations and any recommendations for actions that, in the opinion of the IE, would be necessary for Foster Stockbroking to implement to rectify deficiencies identified in the Final Report.

<p>Final Remediation Plan</p> <p>CEU paragraphs 3.17 – 3.18</p>	<p>14. On 8 May 2019, Foster Stockbroking provided ASIC with the Final Remediation Plan in accordance with the requirements and time frame specified in the CEU.</p> <p>15. On 4 June 2019, the IE informed ASIC that the Final Remediation Plan addressed the recommendations made by the IE in the Final Report and did not require modification to address the recommendations made in the Final Report.</p>
<p>Implementation of Final Remediation Plan</p> <p>CEU paragraph 3.21</p>	<p>16. On 11 June 2019, Foster Stockbroking informed ASIC that it had fully implemented the Final Remediation Plan.</p>
<p>Implementation Report</p> <p>CEU paragraph 3.11.7</p>	<p>17. On 19 July 2019, the IE provided ASIC with the Implementation Report in accordance with the requirements and time frame specified in the CEU.</p> <p>18. The Implementation Report set out the IE’s findings from its review of the implementation by Foster Stockbroking of the Final Report recommendations. The IE found that all deficiencies identified in the Final Report had been adequately rectified.</p>