



ASIC
Australian Securities &
Investments Commission



ASIC Enforcement Update

July to December 2021

Report 722 | March 2022

Contents

Overview of our enforcement work	3
Summary of enforcement outcomes	5
Financial services	6
Markets	11
Corporate governance	15
Small business	17

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents: consultation papers, regulatory guides, information sheets and reports.

Disclaimer

This report does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations. Examples in this report are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

Overview of our enforcement work

This report provides an update on our enforcement action between 1 July and 31 December 2021. During this period, we continued to act against misconduct to maintain trust and integrity in Australia's financial system and promote a fair, strong and efficient financial system for all Australians.

Outcomes to deter misconduct

A number of significant enforcement outcomes were recorded:

- › **a total of \$84.3 million in penalties** imposed in the six-month period, which included penalties against National Australia Bank, superannuation trustees, asset management companies and managed investment schemes
- › **a \$20 million penalty imposed on Colonial First State Investments Ltd** for misleading its superannuation members (see page 9)
- › **additional licence conditions imposed on the ASX** resulting from its November 2020 outage, as well the release of a report of expectations to mitigate risks (see page 12)
- › **a former director sentenced** to five years imprisonment for breaching directors' duties and dealing with proceeds of crime (see page 18)
- › **a Federal Court finding against GetSwift and its directors Bane Hunter, Joel Macdonald and Brett Eagle** for making misleading statements to the ASX (this matter is now subject to appeal) (see page 13)
- › **criminal outcomes**, including the first criminal charges laid against an auditor for failing to meet auditing standards (see page 16) and imprisonment of a former financial adviser for facilitating unlawful early access to superannuation (see [Media Release 21-314MR](#)).

Court action

In this period, ASIC commenced court action in the following areas:

- › **Insurance misconduct:**
 - *ASIC v Insurance Australia Limited* for failure to honour discount promises (see [Media Release 21-270MR](#))
 - *ASIC v MLC Life Insurance* for insurance policy and service failures resulting from poor systems (see [Media Release 21-310MR](#))
- › **Consumer harm:** *ASIC v Westpac Banking Corporation* for multiple breaches of the law stemming from various system failures, including charging fees to deceased customers (see page 7)
- › **Superannuation misconduct:**
 - *ASIC v Diversa Trustees Limited* (see [Media Release 21-265MR](#))
 - *ASIC v Avanteos Investments Limited* (see [Media Release 21-337MR](#))
- › **Significant market misconduct:**
 - Charges laid against Vaughan Garfield Bowen for alleged insider trading offences (see [Media Release 21-245MR](#))
 - Orders restraining Tyson Scholz from carrying on a financial services business without a licence by making recommendations or giving opinions about securities trading in online chat forums (see [Media Release 21-345MR](#)).

Financial Services Royal Commission investigations now complete

This period also marked the filing of ASIC's last civil proceeding stemming from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Financial Services Royal Commission).

On 9 December 2021, ASIC commenced civil penalty proceedings against ANZ Banking Group for allegedly misleading customers and failing to provide promised benefits (see [Media Release 21-340MR](#)).

All of ASIC's Financial Services Royal Commission investigations are now complete, with 10 proceedings still before the courts. In total, ASIC brought 24 civil and criminal cases based on matters raised at the Financial

Services Royal Commission (with one additional criminal matter currently under consideration by the Commonwealth Director of Public Prosecutions).

As at 31 December 2021, the total penalties imposed from ASIC proceedings arising out of the Financial Services Royal Commission amounted to \$110.67 million.















For ongoing and regularly updated information, see [Financial Services Royal Commission: Summary of ASIC enforcement action](#).

Our corporate plan

For more information about ASIC's regulatory tools and enforcement priorities for 2021–22, read our latest [corporate plan](#).

Summary of enforcement outcomes

Figure 1: Summary of enforcement outcomes (1 July to 31 December 2021)

PROSECUTIONS		
26	individuals charged in criminal proceedings	
178	criminal charges laid	
6	custodial sentences (two people imprisoned)	
10	non-custodial sentences	
99	defendants prosecuted for strict liability offences	
226	criminal charges laid in summary prosecutions for strict liability offences	
CIVIL PENALTIES		
\$84.3m	in civil penalties imposed by the courts	
21	civil penalty cases commenced	
48	civil penalty cases currently before the courts	
BANNINGS		
21	people or companies removed or restricted from providing financial services or credit	
31	individuals disqualified or removed from directing companies	
INFRINGEMENT NOTICES		
1	infringement notice issued	
\$110,250	in infringement penalties paid	
INVESTIGATIONS		
48	investigations commenced	
139	investigations ongoing	

Note: Figure 1 summarises all enforcement outcomes recorded between 1 July and 31 December 2021, including those that have not been reported in public announcements. For example, outcomes arising from summary prosecutions for strict liability offences are not generally announced in ASIC media releases.

Financial services

ASIC regulates the conduct of financial services, credit providers and the wealth management industry (including superannuation). Our work in financial services is focused on improving consumer outcomes by addressing practices that result in consumer harm or increase a risk of harm, particularly for vulnerable consumers.

This includes ensuring that:

- › financial services, credit providers and wealth managers act in the best interests of consumers and investors
- › financial services or wealth management company directors and their officers are held to account as important gatekeepers who have a duty to ensure that the company acts lawfully.

Financial services enforcement outcomes

In the six months between 1 July and 31 December 2021, ASIC concluded 32 financial services enforcement matters (see Table 1).

As at 1 January 2022, ASIC had 28 criminal and 48 civil financial services enforcement matters still before the courts (see Table 2).

Table 1: Financial services enforcement outcomes (number of respondents by misconduct and remedy type) – 1 July to 31 December 2021

Misconduct type	Criminal	Civil	Administrative	Court enforceable undertaking	Total
Credit misconduct	1	1	1	0	3
Financial advice misconduct	0	4	2	0	6
Insurance misconduct	0	1	0	0	1
Investment management misconduct	0	2	0	0	2
Superannuation misconduct	2	6	1	0	9
Other financial services misconduct	0	0	11	0	11
Total	3	14	15	0	32

Note: The outcomes in this table have been reported in ASIC media releases and include court determinations (criminal and civil) and administrative remedies.

Table 2: Financial services enforcement litigation in progress (number of respondents as at 1 January 2022)

Misconduct type	Criminal	Civil
Credit misconduct	5	15
Financial advice misconduct	10	6
Insurance misconduct	3	7
Investment management misconduct	6	9
Superannuation misconduct	4	11
Total	28	48



Case study: ASIC commences multiple proceedings against Westpac and associated entities

The launch of multiple legal proceedings against Westpac demonstrates that poor systems, poor processes, poor governance and an overall poor compliance culture can span banking, superannuation, financial advice and insurance businesses.

On 30 November 2021, ASIC commenced six civil penalty proceedings against Westpac in the Federal Court. The proceedings, each the result of an individual ASIC investigation, alleged a variety of compliance failures across multiple Westpac businesses. The alleged conduct occurred over many years and caused harm to thousands of consumers.

Westpac admitted ASIC's allegations in all six of the proceedings and has agreed to remediate approximately \$80 million to customers.

'It is unprecedented for ASIC to file multiple proceedings against the same respondent at the same time... However, these were exceptional circumstances. ASIC had numerous Westpac-related matters under investigation through the course of 2021, and we decided to expedite those matters for consideration by the Court at the earliest opportunity.'

– ASIC Deputy Chair Sarah Court

The specific cases alleged:

- **Fees for no service – deceased customers:** that over a 10-year period, Westpac and related entities within the Westpac group charged over \$10 million in advice fees to over 11,000 deceased customers for financial advice services that were not provided due to their death.

- **General insurance:** that Westpac distributed duplicate insurance policies to over 7,000 customers for the same property at the same time, causing customers to pay for two (or more) insurance policies when they had no need for them. ASIC also alleges that Westpac issued insurance policies to, and sought payment of premiums from, 329 customers who had not consented to entering into an insurance policy.
- **Insurance in superannuation:** that Westpac subsidiary BT Funds Management charged members insurance premiums that included commission payments, despite commissions having been banned under the Future of Financial Advice reforms.
- **Inadequate fee disclosure:** that Westpac licensees BT Financial Advice, Securitor and Magnitude (all no longer operating) charged ongoing contribution fees for financial advice to customers without proper disclosure. It is estimated that at least 25,000 customers were charged over \$7 million in fees that had either not been disclosed or had not been adequately disclosed.
- **Deregistered company accounts:** that Westpac did not have appropriate processes to manage accounts held in the names of deregistered companies. As a result, Westpac allowed approximately 21,000 deregistered company accounts to remain open while continuing to charge fees on those accounts and allowing funds to be withdrawn from these accounts that should have been remitted to ASIC or the Commonwealth.
- **Debt onsale:** that Westpac sold consumer credit card and flexi-loan debt to debt purchasers with incorrect interest rates that were higher than Westpac was contractually allowed to charge on at least part of the debts. This led to more than 16,000 customers, who were likely to be in financial distress, being overcharged interest.

ASIC further alleges, and Westpac admits, that in four of the six matters Westpac failed to ensure that its financial services were provided efficiently, honestly and fairly.

For more information, see [Media Release 21-320MR](#).



Case study: False and misleading marketing leads to \$750,000 penalty in 'True to Label' proceedings

The outcome of a case against La Trobe Financial Asset Management (La Trobe) strengthens ASIC's 'True to Label' initiative that identified promotional material from a number of funds that may be misleading investors.

In November 2021, the Federal Court ordered La Trobe to pay a \$750,000 penalty for false and misleading marketing of the La Trobe Australian Credit Fund (the Fund).

La Trobe had advertised in newspapers, magazines and on websites using statements that any capital invested in the Fund would be 'stable'. ASIC was concerned that this gave the impression there could be no loss of capital and that La Trobe failed to express in a sufficiently prominent manner that a person who invested in the Fund could, in fact, lose substantial amounts of the capital invested. The Court found that this 'stable' description, in the sense of there being no risk of substantial loss of capital, was a false or misleading representation.

The Court also found that La Trobe made false or misleading representations about how investors could withdraw their funds from particular accounts.

ASIC commenced this action because of particular concern about this type of misconduct in a low interest rate economy when investors are seeking higher yields.

'When consumers are considering investments, they need to be provided with accurate information that doesn't mislead them... Advertising is misleading when products are described as having less risk, when, in fact, investors could lose some or all of their investment.'

– ASIC Deputy Chair Karen Chester

In his decision, Justice O'Bryan stated:

'The misleading conduct was serious and had very considerable potential to mislead the public about the characteristics of the investment options – both as to the entitlement to withdraw funds and the risk of loss of capital invested... Further, the misleading conduct potentially affected investment decisions involving very large sums of money.'

– Justice O'Bryan

For more information, see [Media Release 21-319MR](#).



Case study: Colonial to pay \$20 million penalty for misleading superannuation members

Colonial First State Investments Ltd (Colonial) received a substantial penalty for contraventions of the law indicating serious consequences for superannuation trustees that mislead members.

In October 2021, the Federal Court ordered that Colonial, as trustee for the Colonial First State FirstChoice Superannuation Trust (FirstChoice Fund), pay a penalty of \$20 million for misleading communications with members on at least 12,978 occasions.

The Court found that Colonial's misleading communications were intended to encourage members to stay within the FirstChoice Fund rather than move to a MySuper product.

In 2012, the Australian Government passed superannuation industry reforms requiring trustees, like Colonial, to offer members a default 'MySuper' superannuation product. MySuper products were designed to offer members a simple and cost-effective superannuation product with lower fees and straightforward features.

ASIC's investigation revealed that Colonial told its members that legislative changes required Colonial to contact them and obtain an investment direction to stay in the FirstChoice Fund when that was not the case. Colonial failed to tell members that if it did not receive an investment direction from the member, it was required to transfer the member's superannuation contributions into a MySuper product.

The case highlights the importance of superannuation members getting balanced and accurate information from their trustees to enable them to make informed decisions about their retirement savings.

'Superannuation represents the future financial security of all Australians. We want to see funds operate in a way that is fair for members and promotes confidence in superannuation.'

– ASIC Deputy Chair Sarah Court

In delivering this decision, Justice Murphy found that Colonial conducted 'a concerted campaign which went on for more than two years' and that 'its contravening conduct involved, in effect, seeking to take advantage of members whose interests it was, as trustee of the fund, duty-bound to protect'.

For more information, see [Media Release 21-276MR](#).

Markets

ASIC investigates market misconduct and acts to ensure Australia's financial markets are fair and efficient. This includes addressing issues relating to:

- › *insider trading* – this damages trust in market fairness and transparency
- › *market manipulation* – this undermines fair, orderly and transparent markets, and can have the effect of creating an artificial price for trading in financial products on a financial market
- › *continuous disclosure* – compliance with continuous disclosure obligations ensures that markets are fully informed.

Markets enforcement outcomes

In the six months between 1 July and 31 December 2021, ASIC concluded seven markets enforcement matters (see Table 3).

As at 1 January 2022, ASIC had 15 criminal and 10 civil markets enforcement matters still before the courts (see Table 4).

Table 3: Markets enforcement outcomes (number of respondents by misconduct and remedy type) – 1 July to 31 December 2021

Misconduct type	Criminal	Civil	Administrative	Court enforceable undertaking	Total
Continuous disclosure	0	1	0	0	1
Insider trading	2	0	0	0	2
Market manipulation	0	0	1	0	1
Other market misconduct	0	0	3	0	3
Total	2	1	4	0	7

Note: The outcomes in this table have been reported in ASIC media releases and include court determinations (criminal and civil) and administrative remedies.

Table 4: Markets enforcement litigation in progress (number of respondents as at 1 January 2022)

Misconduct type	Criminal	Civil
Continuous disclosure	0	3
Emerging misconduct (cyber, crypto)	2	0
Insider trading	6	3
Market manipulation	4	1
Other market misconduct	3	3
Total	15	10



Case study: ASIC imposes additional licence conditions and publishes report of expectations in response to the ASX outage in November 2020

ASIC's report on the ASX outage included expectations for market operators to improve market resilience. The report, coupled with the additional licence conditions, will help mitigate risks, with specific emphasis on the oversight of the CHES Replacement Program.

In November 2020, following a software upgrade to ASX Trade, several operational incidents impacted the effective operation of the ASX equity market, including a market outage on 16 November 2020. ASIC Chair Joe Longo said the ASX outage was a very serious event, exacerbated by subsequent operational issues.

The additional licence conditions imposed on the ASX's Australian market licence require remediation of the underlying issues with the ASX operations that led to the November 2020 market outage. Further, the conditions assign accountability to the ASX board and senior executives for the implementation of the remedial actions and require attestations on behalf of the ASX board that adequate controls, procedures, skills and resources are in place.

Additional conditions were also imposed on the licences of ASX Clear Pty Ltd and ASX Settlement Pty Ltd, which require an independent expert to be appointed as approved by ASIC to assess whether the ASX's assurance program for the replacement of CHES is fit for purpose, identifying any shortfalls, and reporting regularly to ASIC.

ASIC will continue to actively evaluate and monitor the implementation of actions taken in response to [Report 708](#) ASIC's expectations for industry in responding to a market outage, including the expectation that requires market participants to have the required certainty and ability to trade on alternative venues in the event of a market outage. For more information see [Media Release 21-313MR](#).

'ASIC's actions today are all about ensuring the efficient and effective future operation of Australia's financial markets infrastructure. ASX and market participants must act to ensure that the market can function at all times, so that vital sources of capital are available to the economy.'

– ASIC Chair Joe Longo



Case study: Federal Court finds GetSwift and directors Bane Hunter, Joel Macdonald and Brett Eagle misled the ASX

The Federal Court decision, now subject to appeal, is an important reminder to listed companies and their directors about their obligations to the Australian market.

On 10 November 2021, the Federal Court found technology and services company GetSwift Limited (GetSwift) made misleading statements and breached continuous disclosure obligations when making statements to the ASX between February and December 2017.

The Court also found GetSwift directors Bane Hunter and Joel Macdonald failed to meet their obligations as directors due to their involvement in the announcements made to the ASX. Brett Eagle was also found to have been knowingly concerned in a number of continuous disclosure breaches made by GetSwift.

GetSwift (former ASX code: GSW) announced to the market a series of agreements with enterprise clients for the use of GetSwift's 'software-as-a-service' (or SaaS) platform, including agreements with Amazon, the Commonwealth Bank of Australia and Yum Brands. However, these clients were only trialling, or contemplating a trial, of the GetSwift platform and the agreements, when announced, were not ongoing or revenue generating.

'[It was what] might be described as a public-relations-driven approach to corporate disclosure on behalf of those wielding power within the company.'

– Justice Lee

Over the period of the announcements, GetSwift's share price rose almost 800%. GetSwift also raised \$100 million in capital from institutional investors, including \$75 million in December 2017 when the company's share price was close to its peak.

The matter is subject to appeal. A penalty in this matter has yet to be handed down.

For more information, see [Media Release 21-298MR](#).



Case study: Former director penalised \$40,000 and disqualified

The penalty handed down to a former director serves as a reminder to all directors of their continuous disclosure obligations and the importance of disclosure to the transparency of Australia's financial markets.

On 16 December 2021, the Federal Court ordered James Cruickshank, the former CEO of Blue Star Helium (formerly Antares Energy and Big Star Energy), be disqualified from managing corporations for four years and pay a \$40,000 pecuniary penalty.

The Court found Mr Cruickshank failed to discharge his duties as a director in considering whether information in his possession during the sale of Blue Star Helium's Northern Star and Big Star assets needed to be disclosed to the ASX.

The penalties follow an earlier judgment on 9 October 2020 (see [Media Release 20-238MR](#)) finding:

- Blue Star Helium breached continuous disclosure laws with ASX announcements made in 2015 regarding the sale of Blue Star Helium's Northern Star and Big Star assets
- former director, Mr Cruickshank, failed to discharge his duty as a director to act with the degree of care and diligence required of his position.

'The conduct in question was not inadvertent and involved a degree of deliberate decision-making on Mr Cruickshank's part.'

– Justice Banks-Smith

Mr Cruickshank has appealed the Federal Court's decision of 16 December 2021 regarding the declarations and orders that were made.

For more information, see [Media Release 21-356MR](#).

Corporate governance

ASIC is responsible for regulating conduct that influences company performance. We work to ensure that public companies are properly accountable to their investors, their officers and their auditors in Australia.

This includes ensuring that public companies understand their obligations to:

- › treat investors and consumers fairly
- › be accountable to investors through accurate, timely and clear disclosure
- › adopt sound corporate governance practices.

Corporate governance enforcement outcomes

In the six months between 1 July and 31 December 2021, ASIC concluded eight corporate governance enforcement matters (see Table 5).

ASIC had 25 criminal and one civil corporate governance enforcement matters still before the courts as at 1 January 2022 (see Table 6).

Table 5: Corporate governance enforcement outcomes (number of respondents by misconduct and remedy type) – 1 July to 31 December 2021

Misconduct type	Criminal	Civil	Administrative	Negotiated outcome	Total
Directors' duties and governance failures	0	3	1	0	4
Auditor misconduct	2	0	1	0	3
Other corporate governance misconduct	0	1	0	0	1
Total	2	4	2	0	8

Note: The outcomes in this table have been reported in ASIC media releases and include court determinations (civil) and administrative remedies.

Table 6: Corporate governance enforcement litigation in progress (number of respondents as at 1 January 2022)

Misconduct type	Criminal	Civil
Directors' duties and governance failures	21	1
Other corporate governance misconduct	4	0
Total	25	1



Case study: ASIC action against auditor misconduct leads to first ever criminal charges against Halifax auditor, Robert James Evett

The criminal charges and penalty against Mr Evett and EC Audit Pty Ltd (EC Audit) demonstrate serious consequences for auditors who fail to comply with auditing standards.

In August 2021, former auditors of Halifax Investment Services Pty Ltd (Halifax) – Robert James Evett and EC Audit (formerly Bentleys NSW Audit Pty Ltd) – were convicted and ordered to pay a fine of \$10,000 and \$40,000 respectively for failing to conduct audits in accordance with auditing standards.

Mr Evett and EC Audit are the first auditors in Australia to face criminal prosecution under section 989CA of the *Corporations Act 2001*.

The breaches of the auditing standards included that EC Audit failed to understand Halifax's business and failed to design appropriate tests to identify material misstatements in the accounts, and that Mr Evett failed to take responsibility for the overall conduct of the audits.

In delivering the sentence, the Court noted that had the audits of the financial statements been conducted in accordance with auditing standards, the material misstatements would have been detected and Halifax would have been required to cease trading until sufficient capital was raised. An auditing expert found each year the financial statements did not disclose that Halifax was not meeting its Australian financial services (AFS) licensing requirements, Halifax continued to trade while being prima facie insolvent.

Mr Evett's auditor's registration was cancelled in September 2021 (see [Media Release 21-250MR](#)).

ASIC brought this action because of the important role that auditors play as gatekeepers to the market, ensuring financial reports are free from misstatements.

For more information, see [Media Release 21-218MR](#).

Small business

ASIC helps small businesses understand and comply with their legal obligations and directors' duties. We help protect small businesses from harm by:

- › providing support to company directors and advisers through education and surveillance
- › deterring poor behaviour and misconduct through the use of enforcement action against harmful conduct.

Small business enforcement outcomes

In the six months between 1 July and 31 December 2021, ASIC concluded 139 small business enforcement matters (see Table 7). These matters included:

- › 93 persons identified through the ASIC's Liquidator Assistance Program convicted for failing to help liquidators
- › nine persons convicted of criminal offences, of which two were custodial sentences
- › six companies prosecuted for failing to lodge their annual financial reports with ASIC
- › 29 persons disqualified from managing corporations, of which two related to illegal phoenix activity
- › two Australian credit licences cancelled or suspended.

Additionally, as at 1 January 2022, ASIC had 97 small business criminal matters still before the courts (see Table 8).

Table 7: Small business enforcement outcomes (number of respondents by misconduct and remedy type) – 1 July to 31 December 2021.

Misconduct type	Criminal	Administrative	Total
Action against persons or companies	108	31	139

Note: The outcomes from our Small Business Engagement and Compliance team are not generally announced in ASIC media releases.

Table 8: Small business criminal prosecutions in progress (number of respondents as at 1 January 2022)

Misconduct type	Criminal
Action against persons or companies	97
Total	97



Case study: Former telecommunications director sentenced to five years imprisonment for breaching directors' duties and dealing with proceeds of crime

The conviction of a former company director demonstrates that the fraudulent removal of company funds to prevent creditor access can have serious consequences.

While Richard Ludwig was a director of Cap Coast Telecoms Pty Ltd (Cap Coast Telecoms), he sought advice from John Narramore and Stephen O'Neill of pre-insolvency firm SME's R Us about a dispute with a Cap Coast Telecoms creditor.

Between October 2014 and January 2015, Mr Narramore and Mr O'Neill facilitated Mr Ludwig's removal of \$743,050 of company funds by issuing fictitious invoices from companies under their control to Cap Coast Telecoms. This was done to ensure creditors did not have access to these funds. Mr Narramore and Mr O'Neill then transferred the funds to Mr Ludwig or his associates.

After the funds had been transferred, Cap Coast Telecoms was wound up. At the time, it owed creditors \$2,955,128.

Mr Ludwig was convicted and sentenced to five years in prison, with a non-parole period of 20 months.

'A critical duty of company directors is to ensure creditor debts are properly paid. Not only did Mr Ludwig fail in this duty, he actively sought to dishonestly avoid these obligations, and denied funds to creditors to which they should have had access.'

– ASIC Deputy Chair Sarah Court

Mr Narramore and Mr O'Neill had previously each pleaded guilty to one breach of section 400.4(2) of the *Criminal Code Act 1995* for intentionally dealing with the proceeds of crime.

In November 2019, Mr Narramore was sentenced to four and a half years in prison, with a non-parole period of 20 months (see [Media Release 19-307MR](#)).

In February 2020, Mr O'Neill was sentenced to five years in prison, with a non-parole period of 22 months (see [Media Release 20-050MR](#)).

As a consequence of the conviction, Mr Ludwig is automatically disqualified from managing corporations for a further five years upon his release from prison.

For more information, see [Media Release 21-329MR](#).



Case study: Agricultural producer fined \$300,000 for failing to meet financial reporting and company officer obligations

The fine of \$300,000 highlights that there are significant financial consequences for companies that fail to meet reporting requirements.

Dongfang Modern Agriculture Holding Group Pty Ltd (Dongfang) failed to lodge with ASIC an annual report for its company financial year ending 31 December 2019 and a half-year report for the period ending 30 June 2019.

The company also failed to hold an annual general meeting for the 2019 calendar year, to report to its members for the 2019 financial year, and to have a company secretary and at least three directors between 9 June 2019 and 27 July 2021.

As a public company, Dongfang is required by law to provide financial reports to ASIC, hold annual general meetings and report to its members. These reporting requirements are in place to promote investor confidence and support the integrity of Australia's financial system.

For more information, see [Media Release 21-303MR](#).