

*This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.*

I. P. K. VIDLER,  
*Clerk of the Legislative Assembly.*

*Legislative Assembly Chamber,  
Sydney, 29 September, 1970.*

## New South Wales



ANNO UNDEVICESIMO

**ELIZABETHÆ II REGINÆ**

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**Act No.       , 1970.**

An Act to provide for the appointment of an Assistant Commissioner for Corporate Affairs; to make further provisions with respect to dealing in securities; for these and other purposes to amend the Securities Industry Act, 1970; and for purposes connected therewith.

**B**E it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

**1.** (1) This Act may be cited as the "Securities Industry (Amendment) Act, 1970".

Short title  
and com-  
mencement.

(2)

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*Securities Industry (Amendment).*

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(2) This section shall commence on the day on which this Act receives the Royal assent.

(3) Subject to subsection two of this section, this Act shall commence in accordance with subsection four of this 5 section.

(4) The Governor may appoint, and notify by proclamation published in the Gazette, the day upon which a provision of this Act shall commence and may, at different times, appoint different days for different provisions, and the 10 provision to which such a proclamation relates shall commence as specified therein.

2. The Securities Industry Act, 1970, is amended—

Amendment  
of Act No.  
35, 1970.

- 15 (a) by omitting from the matter relating to Part II in section three the figure and letter “s. 5” and by inserting in lieu thereof the figures and letters “ss. 5–5E”;
- (b) (i) by inserting in subsection one of section four after the definition of “corresponding law” the following new definition :—
- 20 “Court” has the meaning ascribed thereto in the Companies Act, 1961 ;
- (ii) by inserting in the definition of “dealing in securities” in the same subsection after the word “into” where secondly occurring the words “any agreement (other than an exempt agreement)”;
- 25 (iii) by omitting from the same definition the words “any agreement” wherever occurring ;

(iv)

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(iv) by inserting next after the same definition the following new definition :—

“exempt agreement” means—

- 5 (a) an agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities, or the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities, which is made with—
- 10
- 15 (i) an exempt dealer ;
- (ii) any government, local government authority or body corporate or unincorporate and relates to subscriptions for or the disposal or acquisition or redemption of securities of or in that government, authority or body ; or
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- 25 (iii) the underwriter of an issue of securities and relates only to the underwriting of the issue ; and
- 30 (b) an agreement, or an agreement of a class, that is, under the regulations, an exempt agreement or an agreement of an exempt class ;

(v)

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(v) by omitting paragraph (f) of the definition of "investment adviser" in the same subsection and by inserting in lieu thereof the following paragraph : —

5 (f) the proprietor or publisher of a bona  
fide newspaper or periodical generally  
available to the public otherwise than  
only on subscription who only in that  
10 bona fide newspaper or periodical  
advises others concerning securities, or  
issues or promulgates analyses or  
reports concerning securities, not being  
the proprietor or publisher of a news-  
15 paper or periodical whose principal or  
only object is to advise others concern-  
ing securities, or to issue or promulgate  
analyses or reports concerning  
securities.

20 (vi) by inserting next after the same subsection the  
following new subsections : —

(1A) For the purposes of subsection six of  
section 5B, and of section 20B, of this Act—

25 (a) where a person has an interest under a  
trust and the property subject to the  
trust consists of or includes securities,  
that person shall be deemed to have an  
interest in those securities ;

(b) where a body corporate has an interest  
in securities and—

30 (i) the body corporate is, or its  
directors are, accustomed or  
likely to act in accordance  
with the directions, instructions  
or wishes of a person ;

(ii)

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(ii) a person or an associate of the person has a controlling interest in the body corporate,

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that person shall be deemed to have an interest in those securities; and

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(c) where a body corporate that has not more than twenty members has an interest in securities, a person who is a member of the body corporate and an associate of such a person shall be deemed to have an interest in those securities.

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(1B) For the purposes of subparagraph (iii) of paragraph (b) of subsection (1A) of this section, a person is an associate of another person if the first-mentioned person would be an associate of that other person for the purposes of paragraph (c) of subsection four of section 6A of the Companies Act, 1961.

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(1C) In determining, for the purposes of subsection six of section 5B, and of section 20B, of this Act, whether a person has an interest in a security the provisions of subsection three, and of subsections six to ten, both inclusive, of section 6A of the Companies Act, 1961, shall have effect and, in applying those provisions, a reference to a share shall be read as a reference to a security.

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(vii) by omitting subsection two of the same section and by inserting in lieu thereof the following subsection :—

(2) The regulations may provide that, subject to any terms and conditions prescribed,

all

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all the provisions of Part IV, Part IVA and Part V of this Act, or such of them as are specified in the regulations—

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(a) shall not have effect in relation to any specified person or to any person who is a member of a specified class of persons—

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(i) who is or may be a dealer or investment adviser by reason only of his doing anything that is incidental to another business;

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(ii) who does not deal in securities for or on behalf of any other person; or

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(iii) who is a dealer or investment adviser by reason only of his entering into any specified transaction or class of transactions; or

(b) shall not have effect in relation to a representative of a person in respect of whom a regulation may be made under paragraph (a) of this subsection; or

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(c) shall have effect, in relation to any person in respect of whom a regulation may be made under paragraph (a) or (b) of this subsection, to such extent as is prescribed.

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(c) by inserting at the end of section five the following new subsections :—

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(17) Subject to the provisions of the Public Service Act, 1902, the Governor may appoint an Assistant Commissioner for Corporate Affairs, who shall be an officer of the Commission, to assist the Commissioner in the exercise and the discharge of his powers, authorities, duties and functions.

Sec. 5.  
(Constitution and powers of Corporate Affairs Commission.)

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5 (18) During the absence from duty of the Commissioner the person for the time being holding or acting in the office of Assistant Commissioner shall act in the place of the Commissioner and may exercise and discharge while he so acts all the powers, authorities, duties and functions of the Commission.

10 (19) The Assistant Commissioner may, if the Governor thinks fit, be paid such allowances while he acts in the place of the Commissioner as the Governor may determine.

15 (20) No person shall be concerned to enquire whether any occasion has arisen requiring or authorising the Assistant Commissioner to act in the place of the Commissioner and all acts or other things done or omitted by the Assistant Commissioner in the course of so acting shall be as valid and effectual and shall have the same consequences as if they had been done or omitted by the Commissioner.

20 (21) The official seal of the Commission may be affixed to an instrument or a class of instruments by any officer or employee of the Commission authorised in that behalf by the Commissioner either generally or for a particular purpose.

25 (22) Except where otherwise expressly provided by or under this or any other Act, any power, authority, duty or function conferred or imposed by or under this or any other Act on the Commission may be exercised or performed by any officer or employee of the Commission authorised by the Commissioner to exercise or perform that power, authority, duty or function.

30 (23) Any act done by an officer or employee of the Commission that purports to have been done pursuant to an authorisation of the Commissioner

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under subsection twenty-one or twenty-two of this section shall be deemed to have been done by the Commission.

5 (24) The Commission shall as and when required by the Minister furnish reports with respect to the policy it is pursuing or proposes to pursue in the exercise or discharge of any of its powers, authorities, duties and functions.

10 (25) The Minister may issue directions to the Commission on matters of policy and the Commission shall observe and carry out the directions so given.

(d) by inserting next after the same section the following new sections :— New secs. 5A-5E.

15 5A. (1) Except where otherwise expressly provided by or under this or any other Act all moneys payable to the Commission under this or any other Act shall be collected and received by it on account of, and shall be paid into, the Consolidated Revenue Fund. Disposal of moneys by Commission.

20 (2) The accounts of the Commission shall be audited by the Auditor-General who shall have, in respect thereof, all the powers conferred on the Auditor-General by any law for the time being in force relating to the audit of public accounts; and the Audit Act, 1902, shall apply to the Commissioner and the officers and employees of the Commission in the same manner as it applies to accounting officers of public departments.

25 30 35 5B. (1) Subject to this section, a person appointed or employed under this Act, or authorised to discharge any function of the Commission, or any function on behalf of the Commission, shall not, except to the extent necessary to perform his official duties, or discharge such a function, either directly or indirectly, or before or after he ceases to be so appointed, employed or authorised, Unlawful use of information, &c.



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5 authorised, make a record of, or divulge or communicate to any person any confidential, non-public or official information that is gained by or conveyed to him through his connection with the Commission, or make use of any such information, for any purpose other than the discharge of his official duties or the discharge of that function.

Penalty : Two thousand dollars or imprisonment for six months, or both.

10 (2) Nothing in subsection one of this section shall preclude a person bound thereby from producing any document to any court in criminal proceedings or from divulging or communicating to any court in criminal proceedings any matter or  
15 thing coming under his notice in the performance of his official duties or in discharging a function referred to in that subsection.

20 (3) Where the regulations prescribe for the purposes of this section an office held under the law of the State or of the Commonwealth or of another State or a Territory of the Commonwealth, it shall not be a contravention of subsection one of this section to communicate to the holder of that  
25 office information connected with the duties of the office.

30 (4) Subject to subsection five of this section, the Commissioner shall not, nor shall any officer or employee of the Commission, directly or indirectly effect or cause to be effected on his own account or for the account of any other person any transaction in any securities which are, or are of a  
35 class which to his knowledge is, subject to investigation or proceedings by the Commission, or otherwise under consideration by the Commission, or in respect of which a prospectus is, to his knowledge, being considered by the Commission for registration.

(5)

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(5) Subsection four of this section does not apply to or in respect of any right of the holder of a security by virtue of being that holder—

- 5 (a) to exchange the security or convert it to another form of security;
- (b) to participate in a scheme of arrangement approved by the Court under the Companies Act, 1961;
- 10 (c) to subscribe for other securities or dispose of a right to subscribe for other securities;
- (d) to charge or pledge the security to secure the repayment of money;
- 15 (e) to realise the security for the purpose of repaying money referred to in paragraph (d) of this subsection; or
- (f) to realise the security in the course of discharging a duty imposed by law.

(6) An officer or employee of the Commission who, in the course of his official duties, is required to consider any matter relating to—

- 20 (a) a body to securities of which he is entitled or in which he has a personal non-official interest;
- (b) securities of the same class as—
  - 25 (i) securities to which he is entitled; or
  - (ii) securities in which he has a personal non-official interest; or
- (c) a person or body—
  - 30 (i) with whom, or with which, he has been employed or associated; or

(ii)

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(ii) of whom, or of which, he is or has been a client; or

(iii) who was, or which was, a client of a person or body with whom, or with which, he was employed or associated,

shall forthwith so inform the Commission.

5c. (1) For the purpose of ascertaining whether the holder of a licence has complied with the provisions of this Act applicable to him in that capacity, and any conditions or restrictions subject to which the licence was granted or renewed, the Commission may inspect and make copies of or take extracts from—

(a) any document, record or matter required by or under this Act or the conditions of the licence to be kept by the holder of that licence; and

(b) any banker's books, or the books of a dealer, in so far as they relate to the business of the holder of that licence.

(2) In subsection one of this section "banker's books" includes any cheques, bills of exchange, promissory notes, orders for payment of money made or given by the holder of a licence, and securities held by a banker by way of pledge or otherwise in relation to the holder of a licence.

(3) The Commission may require the holder of a dealer's licence to disclose to it in relation to any purchase or sale of securities the name of the person from or to or through whom the securities were bought or sold and the nature of the instructions given to the dealer in respect of that purchase or sale.

(4)

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5 (4) The holder of a licence under this Act, any banker, and the servants and agents of those persons shall, on being required by the Commission so to do, produce any document, record or matter referred to in subsection one of this section or disclose the information required under subsection three of this section.

10 (5) No person shall obstruct or hinder the Commission in the exercise of any of its powers under subsection one or three of this section or obstruct any person in the exercise of any of those powers that he is duly authorised to exercise.

15 (6) Where the Commission has reason to suspect that any person has contravened any of the provisions of this Act or has been guilty of any fraud or offence against this or any other Act or law with respect to trading or dealing in securities, the Commission may make such investigation as it thinks expedient for the due administration of this Act.

20 (7) Notwithstanding anything in this section, the Minister may, where it appears to him in the public interest so to do, appoint any person as an inspector to investigate any matter concerning trading or dealing in securities.

25 (8) The provisions of section one hundred and seventy-one, sections one hundred and seventy-three to 179B, both inclusive, and section three hundred and sixty-seven of the Companies Act, 1961, shall with such adaptations and modifications as are necessary apply to and in relation to an appointment under subsection seven of this section and, without affecting the generality of the foregoing, those provisions shall be applied as if—

30 (a) the particulars of the matters into which the investigation is to be made were affairs of a company; and

(b)

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5 (b) "officer" in relation to the matters into which the investigation is to be made meant any person whom the inspector has reasonable grounds for suspecting or believing to be capable of giving information in relation to the matters under investigation.

10 5D. (1) Where, on the application of the Commission, it appears to the Court that a person has contravened this Act or any conditions of a licence he holds or is about to do an act with respect to dealing or trading in securities that, if done, would be such a contravention, the Court may, without prejudice to any orders it would be  
15 entitled to make otherwise than pursuant to this section, make one or more of the following orders :—

- 20 (a) in the case of persistent or continuing breaches of the Act or of the conditions of a licence he holds, an order restraining a person from carrying on a business of dealing in securities, acting as an investment adviser, or as a dealer's representative or investment representative, or from  
25 holding himself out as so carrying on business or acting;
- (b) an order restraining a person from acquiring, disposing of or otherwise dealing with any securities specified in the order;
- 30 (c) an order appointing a receiver of the property of a dealer;
- (d) an order declaring a contract relating to securities to be void or voidable;
- 35 (e) for the purpose of securing compliance with any other order under this section, an order directing a person to do or refrain from doing a specified act; or

(f)

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(f) any ancillary order deemed to be desirable in consequence of the making of an order under paragraph (a), (b), (c), (d) or (e) of this subsection.

5 (2) The Court shall, before making an order under subsection one of this section, satisfy itself, so far as it can reasonably do so, that the order would not unfairly prejudice any person.

10 (3) The Court may, before making an order under subsection one of this section, direct that notice of the application be given to such persons as it thinks fit or direct that notice of the application be published in such manner as it thinks fit, or both.

15 (4) A person shall not contravene or fail to comply with an order under subsection one of this section that is applicable to him.

Penalty : Two thousand dollars or imprisonment for six months, or both.

20 (5) Subsection four of this section does not affect the powers of the Court in relation to the punishment of contempts of the Court.

25 (6) The Court may rescind, vary or discharge an order made by it under this section or suspend the operation of such an order.

30 5E. (1) If, on an application made to a judge of the Court in chambers by the Commission, there is shown to be reasonable cause to believe that any person has committed an offence in connection with trading or dealing in securities and that evidence of the commission of the offence is to be found in any books or papers of or under the control of a dealer or investment adviser (including banker's books as

Production and inspection of books where offence suspected.

defined

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defined in subsection two of section 5c of this Act, whether or not those books relate to the business of the dealer or investment adviser) an order may be made—

- 5 (a) authorising the Commission to inspect those books or papers or any of them and make copies thereof or take extracts therefrom for the purpose of investigating and obtaining evidence of the offence; or
- 10 (b) requiring the dealer or investment adviser or such other person as is named in the order to produce those books or papers or any of them to a person named in the order at a place so named.

15 (2) No appeal shall lie against any order or decision of a judge on or in relation to an application under this section.

(e) by omitting from section forty-six the definition of "Court". Sec. 46.  
(Interpretation.)

20 3. The Securities Industry Act, 1970, is further amended by omitting from paragraph (a) of section seven the word "twenty" and by inserting in lieu thereof the word "ten". Further amendment of Act No. 35, 1970.

Sec. 7.  
(Power for Minister to approve as stock exchange.)

4. The Securities Industry Act, 1970, is further amended—

Further amendment of Act No. 35, 1970.

25 (a) by omitting from the matter relating to Part IV in section three the figures "20" and by inserting in lieu thereof the figures and letter "20G"; Sec. 3.  
(Division into Parts.)

(b)

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- (b) by inserting next after section fifteen the following new section :— New sec. 15A.

5 15A. A person who in connection with an application for a licence wilfully makes a statement false or misleading in a material particular knowing it to be false or misleading or wilfully omits to state any matter or thing without which the application is misleading in a material respect shall be guilty of an offence against this Act. False, &c., statements in application.

10 Penalty : One thousand dollars or imprisonment for one year, or both.

- 15 (c) (i) by inserting in subsection one of section sixteen after the word "may" the words ", subject to such conditions or restrictions as may be prescribed,"; Sec. 16. (Conditions of, and restrictions applicable to, a licence.)

- (ii) by inserting next after the same subsection the following new subsection :—

20 (1A) The regulations may prescribe conditions or restrictions applicable to and in respect of a specified class of licence, being conditions or restrictions relating to—

- (a) the holding of a policy of indemnity insurance in a specified amount; or  
25 (b) terms upon which specified services are rendered.

- (d) by inserting next after section seventeen the following new section :— New sec. 17A.

30 17A. (1) The holder of a dealer's licence or investment adviser's licence shall, upon any change in the address of the principal place of business at which he carries on the business in respect of which the licence is held, forthwith notify the

Commission Change of address, &c.



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Commission of the new address in the prescribed form and, upon ceasing to carry on that business, shall forthwith so notify the Commission in the prescribed form.

5                   (2) The holder of a representative's  
licence who ceases to be a representative of the  
dealer or investment adviser in relation to whom  
10                   the representative's licence was issued shall forth-  
with so notify the Commission in the prescribed  
form.

(e) by inserting next after section eighteen the following <sup>New sec.</sup>  
new section :— <sup>18A.</sup>

15                   18A. (1) The Commission shall keep in such <sup>Register</sup>  
form as it thinks fit a register of the holders of <sup>of</sup>  
current licences, specifying— <sup>licensees.</sup>

(a) in relation to each holder of a dealer's or  
investment adviser's licence—

- (i) his name;
- 20                   (ii) the address of the principal place  
of business at which he carries on  
the business in respect of which the  
licence is held; and
- 25                   (iii) where the business is carried on  
under a name or style other than  
the name of the holder of the  
licence, the name or style under  
which the business is carried on;  
and

30                   (b) in relation to each holder of a representa-  
tive's licence—

- (i) his name;
- (ii) the name of the dealer or investment  
adviser in relation to whom the  
licence was issued; and

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5 (iii) where the business of that dealer or investment adviser is carried on under a name or style other than the name of the dealer or investment adviser, the name or style under which that business is carried on.

10 (2) Any person may, upon payment of the prescribed fee, peruse the register kept under subsection one of this section.

15 (3) Except as provided in subsection two of this section, the power of inspection conferred by paragraph (a) of subsection two of section twelve of the Companies Act, 1961, shall not apply in respect of a document filed or lodged with the Commission under this Act.

(f) by inserting in the heading to Part IV after the word "LICENCES." the words "DIVISION 1.—(Licences.) Licences.";

20 (g) by inserting next after section twenty the following new Division :—  
DIVISION 2.—*Records.*

Part IV.  
New  
Division 2.  
(Records.)

25 20A. (1) This Division applies to a person who is—

- (a) a dealer;
- (b) a dealer's representative;
- (c) an investment adviser;
- (d) an investment representative; or
- (e) a financial journalist—

30 but does not apply to a person who is resident in another State or in a Territory of the Commonwealth and who is required to comply with the provisions of a law of that State or Territory which corresponds to this Division.

(2)

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5 (2) In this Division "financial journalist" means a person who contributes advice concerning securities or prepares analyses or reports concerning securities for publication in a bona fide newspaper or periodical.

10 (3) In this Division a reference to securities is a reference to securities of a corporation which is a public company under the law of any State or a Territory of the Commonwealth and to securities which are quoted or dealt in on a stock exchange in Australia.

20B. (1) A person to whom this Division applies shall maintain a register in the prescribed form of the securities in which he has an interest.

15 (2) The register required to be kept under this Division shall be kept—

(a) in the case of a person who is the holder of a licence under this Act at such place in the State as he nominated in his application for the licence; and

20 (b) in any other case at the place in the State for the time being nominated by the person in a notice in writing lodged with the Commission.

25 (3) Particulars of the securities in which a person to whom this Division applies has an interest and particulars of his interest in those securities shall be entered in the register within fourteen days of the acquisition of the interest.

30 (4) Where there is a change (not being a prescribed change) in the interest or interests of a person to whom this Division applies in securities he shall enter in the register, within fourteen days after the date of the change, full particulars of the

change

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change including the date of the change and the circumstances by reason of which that change has occurred.

5 20c. (1) A person to whom this Division applies shall give notice to the Commission in the prescribed form containing such particulars as are prescribed including the place at which he will keep the register of his interests in securities.

(2) The notice shall be given—

10 (a) in the case of a person who is required by this Act to hold a licence—as part of his application for the licence; or

(b) in the case of any other person—

15 (i) if the person is a person to whom this Division applies at the commencement of the Securities Industry (Amendment) Act, 1970—within twenty-eight days after that commencement; or

20 (ii) if the person becomes a person to whom this Division applies after that commencement—within fourteen days after becoming such a person.

25 (3) A notice given under paragraph (b) of subsection two of this section shall be given notwithstanding that the person has ceased to be a person to whom this Division applies before the expiration of the period referred to in subsection two of this section.

30 (4) A person who ceases to be a person to whom this Division applies shall give notice to the Commission of his so ceasing in the prescribed form within fourteen days of his so ceasing.

35 Penalty : Two hundred and fifty dollars.

20D.

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5 20D. (1) It is a defence to a prosecution for failing to comply with section 20B if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that—

(a) he was not so aware on the date of the information or summons;

10 (b) he became so aware less than fourteen days before the date of the information or summons; or

15 (c) he became so aware not less than fourteen days before the date of the information or summons and complied with the relevant section within fourteen days after becoming so aware.

(2) For the purposes of subsection one of this section, a person shall conclusively be presumed to have been aware of a fact or occurrence at a particular time—

20 (a) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or

25 (b) of which a servant or agent of the person, being a servant or agent having duties or acting in relation to his master's or principal's interest or interests in the securities concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs, have been aware at that time.

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20E.

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5 20E. (1) The Commission or any person authorised by it in that behalf may require any person to whom this Division applies to produce for inspection the register required to be kept pursuant to section 20B of this Act and the Commission or any person so authorised may make copies of, or take extracts from, the register.

10 (2) Any person who fails to produce a register for inspection or fails to allow any person to make a copy of or make extracts from the register shall be guilty of an offence against this Act.

15 20F. (1) The Commission or any person authorised by it in that behalf may by notice in writing require the proprietor or publisher of a newspaper or periodical to supply it with—

(a) the name and address of the financial journalist who contributed any advice specified in the notice or prepared any analysis or report so specified; or

20 (b) the names and addresses of all financial journalists who, during a period specified in the notice, contributed any advice, or prepared any analysis or report,

25 being advice, or an analysis or report, published in a newspaper owned or published by that proprietor or publisher.

(2) A proprietor or publisher of a newspaper or periodical who wilfully fails to comply with a notice under subsection one of this section shall be guilty of an offence against this Act.

30 20G. Subject to this section, the Commission may supply a copy of a register required to be kept pursuant to section 20B of this Act or of any extract from such a register to any person who in the opinion of the Commission should in the public interest be informed of the dealing in securities disclosed in the register.

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5. The Securities Industry Act, 1970, is further amended— Further amendment of Act No. 35, 1970.

(a) by inserting in section three next after the matter relating to Part IV the following new matter :— Sec. 3. (Division into Parts.)

5 PART IVA.—CONDUCT OF SECURITIES BUSINESS—ss. 20H–20L.

(b) by inserting next after Part IV the following new Part :— New Part IVA.

PART IVA.

10 CONDUCT OF SECURITIES BUSINESS.

15 20H. No person who is the holder of a licence shall represent or imply or knowingly permit to be represented or implied in any manner to any person that his abilities or qualifications have in any respect been approved by the Commission otherwise than by a representation that he is the holder of that licence. Certain representations prohibited.

20 20I. (1) A dealer shall, in respect of a transaction of sale or purchase of securities (not being a transaction entered into in the ordinary course of business at a stock market between stockbrokers who are members of the stock exchange maintaining that stock market) forthwith issue a contract note that complies with subsection two of this section to the purchaser or vendor with or for whom he contracts whether as principal or agent. Issue of contract notes.

(2) A contract note issued by a dealer under subsection one of this section shall include—

30 (a) the name or style under which the dealer carries on his business as a dealer and the address of the principal place at which he so carries on business;

(b)

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- (b) where the dealer is dealing as principal with a person who is not the holder of a dealer's licence, a statement that he is so acting;
- 5 (c) the name of the person with whom the dealer has entered into the contract;
- (d) the day on which the transaction took place and whether or not it took place in the ordinary course of business on a stock market;
- 10 (e) the number or amount and description of the securities which are the subject of the contract;
- (f) the price per unit of the securities;
- 15 (g) the amount of the consideration;
- (h) if any commission is charged, the amount thereof and, in the case of a dealer who is not a stockbroker, the rate of commission;
- (i) the amounts of all stamp or other duties and taxes payable;
- 20 (j) if any amount is to be added to or deducted from the settlement amount in respect of the right to a benefit purchased or sold together with the securities, that amount and the nature of the benefit;
- 25 (k) if information has been given to the dealer pursuant to section 20L of this Act, an endorsement to the effect that the securities have been sold short.

(d)  
20J.



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*Securities Industry (Amendment).*

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5 20J. Where, in a letter, circular or other communication issued by him, a dealer or investment adviser refers to any securities issued by a corporation or other person, he shall cause to be included in the letter, circular or other communication, in type not less legible than that used in the body thereof, a concise statement of the nature and extent of his interest, if any, in the securities. <sup>Disclosure of certain interests.</sup>

10 20K. (1) A dealer shall not, as principal, deal in any securities with a person who is not the holder of a dealer's licence unless he first informs the person with whom he is dealing that he is acting in the transaction as principal and not as agent. <sup>Dealings as principal.</sup>

15 (2) For the purposes of subsection one of this section dealings as principal include dealings on behalf of a corporation in which the dealer has and, where the dealer carries on the business of dealing in partnership, the dealer and his partners together have, a controlling interest.

20 (3) Where a dealer has failed to comply with subsection one of this section in respect of a contract for the sale of securities by him, the purchaser of the securities may, if he has not disposed of them, rescind the contract by a notice of rescission, in writing, given to the dealer within seven days after the receipt of the contract note and, where a dealer has failed to comply with that subsection in respect of a contract for the purchase of securities by him, the vendor of the securities may, in the like manner, rescind the contract.

25 30 35 20L. A person shall not— <sup>Short selling.</sup>  
(a) as principal, instruct a dealer to sell securities of which that person is not, and is not entitled to become, the holder; or  
(b)

*Securities Industry (Amendment).*

(b) as agent, instruct a dealer to sell securities of which, to that person's knowledge, his principal is not, and is not entitled to become, the holder,

5 unless he so informs the dealer.

Penalty: Two thousand dollars or imprisonment for six months, or both.

6. The Securities Industry Act, 1970, is further amended— Further amendment of Act No. 35, 1970.

10 (a) by inserting next after subsection two of section twenty-two the following new subsection :— Sec. 22. (Accounts to be kept by dealers.)

15 (2A) Subject to section nine of the Evidence (Reproductions) Act, 1967, a dealer shall retain, for a period of not less than seven years, the records referred to in subsection one of this section, every contract note received by him and a copy of every contract note issued by him.

20 (b) by inserting in paragraph (a) of section twenty-four after the word "thereto" the words "or in accordance with the directions of that person"; Sec. 24. (Purposes for which money may be withdrawn from trust account.)

(c) by omitting section twenty-eight and by inserting in lieu thereof the following section :— Subst. sec. 28.

28. (1) In this section— Auditor's report.

"financial year" in relation to a dealer means—

25 (a) where the dealer is not a corporation, the year ending on the thirtieth day of June; and

(b)

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*Securities Industry (Amendment).*

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(b) where the dealer is a corporation, the financial year of the corporation within the meaning of the Companies Act, 1961;

5 "prescribed day" in relation to a financial year of a dealer means—

(a) where the dealer is not a corporation, the day that is two months after the end of that financial year; or

10

(b) where the dealer is a corporation, the day that is three months after the end of that financial year,

15

or where in either such case an extension of time is approved pursuant to subsection three of this section, the day on which the extended time expires.

20

(2) A dealer shall, in respect of the financial year for the dealer beginning before and ending after—

(a) the day on which section six of the Securities Industry (Amendment) Act, 1970, commences; or

25

(b) the day on which the dealer commences to carry on business as a dealer,

30

whichever is the later day, and in respect of each financial year for the dealer thereafter, lodge with the relevant authority for the dealer, before the prescribed day for that financial year, an auditor's report containing the prescribed information.

(3)

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*Securities Industry (Amendment).*

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5 (3) An extension of the period of two months or, as the case may require, the period of three months, referred to in the definition of "prescribed day" in subsection one of this section may be approved—

(a) by the relevant authority, where—

(i) application for the extension is made by the dealer;

10 (ii) the reasons for requiring the extension are special and exceptional; and

(iii) the extension does not exceed one month; or

(b) by the Commissioner where—

15 (i) the maximum extension has been approved pursuant to paragraph (a) of this subsection; and

20 (ii) application for the extension is made by the dealer and his auditor with the concurrence, in the case of a dealer who is a stockbroker, of the relevant authority,

and any such approval may be given subject to conditions.

25 (4) If a dealer fails to comply with the provisions of subsection two of this section, the relevant authority for the dealer shall forthwith report the matter to the Minister.

*Securities Industry (Amendment).*

7. The Securities Industry Act, 1970, is further amended—

- Further amendment of Act No. 35, 1970.
- 5 (a) (i) by omitting from the definition of “prescribed day” in section thirty-nine the words “first day of July” where firstly and thirdly occurring and by inserting in lieu thereof the words “quarter day”;
- 10 (ii) by omitting from the same definition the words “that first day of July” wherever occurring and by inserting in lieu thereof the words “the day next following that quarter day”;
- 15 (iii) by inserting next after the same definition the following new definition :—  
“quarter day” means the last day of the months of March, June, September and December;
- 20 (iv) by omitting from the definition of “relevant period” in the same section the words “twelve months ending on the thirtieth day of June” wherever occurring and by inserting in lieu thereof the words “three months ending on the quarter day”;
- 25 (b) (i) by omitting from paragraph (b) of subsection one of section forty the words “twelve months ending on the thirtieth day of June” and by inserting in lieu thereof the words “three months ending on a quarter day”;
- 30 (ii) by omitting from subparagraph (i) of the same paragraph the words “period of twelve months ending on the immediately preceding thirtieth day of June” and by inserting in lieu thereof the words “the immediately preceding period of three months ending on a quarter day”;
- 35 (c) by omitting subsection four of section forty-four.
- Sec. 39. (Interpretation.)
- Sec. 40. (Certain moneys to be deposited with stock exchange.)
- Sec. 44. (Accounts of deposits.)

*Securities Industry (Amendment).*

8. The Securities Industry Act, 1970, is further amended by omitting from paragraph (a) of subsection one of section fifty-four the word "two" and by inserting in lieu thereof the word "four".

Further amendment of Act No. 35, 1970.  
Sec. 54.  
(Provisions if fund exceeds \$2,000,000.)

5 9. The Securities Industry Act, 1970, is further amended—

Further amendment of Act No. 35, 1970.

(a) by omitting paragraph (a) of subsection one of section seventy-six and by inserting in lieu thereof the following new paragraphs :—

Sec. 76. (Regulations.)

10 (a) regulating the publication of advertisements offering the services of dealers or investment advisers, or offering securities for purchase or sale, and the form and content of such advertisements;

15 (a1) the preparation by dealers of balance sheets and profit and loss accounts and the form and content thereof;

(b) by inserting next after section seventy-eight the following new sections :—

New secs. 79 and 80.

20 79. (1) If, in New South Wales, a person does an act or omits to do an act and that person would, if he had done that act or had omitted to do that act in another State or in a Territory of the Commonwealth, have been guilty of an offence against the law of that State or Territory that corresponds to a provision of this Act, that person is guilty of an offence against that provision of this Act.

Reciprocity in relation to offences.

30 (2) Where an act or omission constitutes an offence both under this Act and a law of another State or a Territory of the Commonwealth that

that



... (faint text) ...

200 (1) In any of the cases mentioned in sub-section (1) of section 200, the Commission may, if it is satisfied that the person concerned is a person of good character, direct that the provisions of this section shall not apply to him.

(2) The name of the Commission shall be printed on every certificate issued by it.

(3) The Commission may, if it is satisfied that the person concerned is a person of good character, direct that the provisions of this section shall not apply to him.

(4) The Commission may, if it is satisfied that the person concerned is a person of good character, direct that the provisions of this section shall not apply to him.

(5) The Commission may, if it is satisfied that the person concerned is a person of good character, direct that the provisions of this section shall not apply to him.



No. , 1970.

## A BILL

To provide for the appointment of an Assistant Commissioner for Corporate Affairs; to make further provisions with respect to dealing in securities; for these and other purposes to amend the Securities Industry Act, 1970; and for purposes connected therewith.

[MR McCaw—19 August, 1970.]

**B**E it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. (1) This Act may be cited as the "Securities Industry (Amendment) Act, 1970".

(2)

Short title  
and com-  
mencement.

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*Securities Industry (Amendment).*

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(2) This section shall commence on the day on which this Act receives the Royal assent.

(3) Subject to subsection two of this section, this Act shall commence in accordance with subsection four of this 5 section.

(4) The Governor may appoint, and notify by proclamation published in the Gazette, the day upon which a provision of this Act shall commence and may, at different times, appoint different days for different provisions, and the 10 provision to which such a proclamation relates shall commence as specified therein.

2. The Securities Industry Act, 1970, is amended—

Amendment  
of Act No.  
35, 1970.

15 (a) by omitting from the matter relating to Part II in section three the figure and letter "s. 5" and by inserting in lieu thereof the figures and letters "ss. 5-5E";

Sec. 3.  
(Division  
into Parts.)

(b) (i) by inserting in subsection one of section four after the definition of "corresponding law" the following new definition :—

Sec. 4.  
(Interpreta-  
tion.)

20 "Court" has the meaning ascribed thereto in the Companies Act, 1961 ;

25 (ii) by inserting in the definition of "dealing in securities" in the same subsection after the word "into" where secondly occurring the words "any agreement (other than an exempt agreement)";

(iii) by omitting from the same definition the words "any agreement" wherever occurring;

(iv)

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*Securities Industry (Amendment).*

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(iv) by inserting next after the same definition the following new definition :—

“exempt agreement” means—

- 5 (a) an agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities, or the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities, which is made with—
- 10
- 15 (i) an exempt dealer;
- (ii) any government, local government authority or body corporate or unincorporate and relates to subscriptions for or the disposal or acquisition or redemption of securities of or in that government, authority or body; or
- 20
- 25 (iii) the underwriter of an issue of securities and relates only to the underwriting of the issue; and
- 30 (b) an agreement, or an agreement of a class, that is, under the regulations, an exempt agreement or an agreement of an exempt class;

(v)

*Securities Industry (Amendment).*

(v) by omitting paragraph (f) of the definition of "investment adviser" in the same subsection and by inserting in lieu thereof the following paragraph :—

5 (f) the proprietor or publisher of a bona  
fide newspaper or periodical generally  
available to the public otherwise than  
only on subscription who only in that  
10 bona fide newspaper or periodical  
advises others concerning securities, or  
issues or promulgates analyses or  
reports concerning securities, but does  
not include the proprietor of a news-  
15 paper or periodical whose principal or  
only object is to advise others concern-  
ing securities, or to issue or promulgate  
analyses or reports concerning  
securities.

20 (vi) by inserting next after the same subsection the  
following new subsections :—

(1A) For the purposes of subsection six of  
section 5B, and of section 20B, of this Act—

25 (a) where a person has an interest under a  
trust and the property subject to the  
trust consists of or includes securities,  
that person shall be deemed to have an  
interest in those securities ;

(b) where a body corporate has an interest  
in securities and—

30 (i) the body corporate is, or its  
directors are, accustomed or  
likely to act in accordance  
with the directions, instructions  
or wishes of a person ;

(ii)

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*Securities Industry (Amendment).*

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(ii) a person or an associate of the person has a controlling interest in the body corporate, that person shall be deemed to have an interest in those securities; and

(c) where a body corporate that has not more than twenty members has an interest in securities, a person who is a member of the body corporate and an associate of such a person shall be deemed to have an interest in those securities.

(1B) For the purposes of subparagraph (iii) of paragraph (b) of subsection (1A) of this section, a person is an associate of another person if the first-mentioned person would be an associate of that other person for the purposes of paragraph (c) of subsection four of section 6A of the Companies Act, 1961.

(1C) In determining, for the purposes of subsection six of section 5B, and of section 20B, of this Act, whether a person has an interest in a security the provisions of subsection three, and of subsections six to ten, both inclusive, of section 6A of the Companies Act, 1961, shall have effect and, in applying those provisions, a reference to a share shall be read as a reference to a security.

(vii) by omitting subsection two of the same section and by inserting in lieu thereof the following subsection :—

(2) The regulations may provide that, subject to any terms and conditions prescribed,

all

*Securities Industry (Amendment).*

all the provisions of Part IV and Part V of this Act, or such of them as are specified in the regulations—

5

(a) shall not have effect in relation to any specified person or to any person who is a member of a specified class of persons—

10

(i) who is or may be a dealer or investment adviser by reason only of his doing anything that is incidental to another business;

15

(ii) who does not deal in securities for or on behalf of any other person; or

20

(iii) who is a dealer or investment adviser by reason only of his entering into any specified transaction or class of transactions; or

(b) shall not have effect in relation to a representative of a person in respect of whom a regulation may be made under paragraph (a) of this subsection; or

25

(c) shall have effect, in relation to any person in respect of whom a regulation may be made under paragraph (a) or (b) of this subsection, to such extent as is prescribed.

30

(c) by inserting at the end of section five the following new subsections :—

35

(17) Subject to the provisions of the Public Service Act, 1902, the Governor may appoint an Assistant Commissioner for Corporate Affairs, who shall be an officer of the Commission, to assist the Commissioner in the exercise and the discharge of his powers, authorities, duties and functions.

Sec. 5.  
(Constitution and powers of Corporate Affairs Commission.)

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*Securities Industry (Amendment).*

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5 (18) During the absence from duty of the Commissioner the person for the time being holding or acting in the office of Assistant Commissioner shall act in the place of the Commissioner and may exercise and discharge while he so acts all the powers, authorities, duties and functions of the Commission.

10 (19) The Assistant Commissioner may, if the Governor thinks fit, be paid such allowances while he acts in the place of the Commissioner as the Governor may determine.

15 (20) No person shall be concerned to enquire whether any occasion has arisen requiring or authorising the Assistant Commissioner to act in the place of the Commissioner and all acts or other things done or omitted by the Assistant Commissioner in the course of so acting shall be as valid and effectual and shall have the same consequences as if they had been done or omitted by the Commissioner.

20 (21) The official seal of the Commission may be affixed to an instrument or a class of instruments by any officer or employee of the Commission authorised in that behalf by the Commissioner either generally or for a particular purpose.

25 (22) Except where otherwise expressly provided by or under this or any other Act, any power, authority, duty or function conferred or imposed by or under this or any other Act on the Commission may be exercised or performed by any officer or employee of the Commission authorised by the Commissioner to exercise or perform that power, authority, duty or function.

30 (23) Any act done by an officer or employee of the Commission that purports to have been done pursuant to an authorisation of the Commissioner

under

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under subsection twenty-one or twenty-two of this section shall be deemed to have been done by the Commission.

(24) The Commission shall as and when required by the Minister furnish reports with respect to the policy it is pursuing or proposes to pursue in the exercise or discharge of any of its powers, authorities, duties and functions.

(25) The Minister may issue directions to the Commission on matters of policy and the Commission shall observe and carry out the directions so given.

(d) by inserting next after the same section the following new sections :— New secs. 5A-5E.

5A. (1) Except where otherwise expressly provided by or under this or any other Act all moneys payable to the Commission under this or any other Act shall be collected and received by it on account of, and shall be paid into, the Consolidated Revenue Fund. Disposal of moneys by Commission.

(2) The accounts of the Commission shall be audited by the Auditor-General who shall have, in respect thereof, all the powers conferred on the Auditor-General by any law for the time being in force relating to the audit of public accounts; and the Audit Act, 1902, shall apply to the Commissioner and the officers and employees of the Commission in the same manner as it applies to accounting officers of public departments.

5B. (1) Subject to this section, a person appointed or employed under this Act, or authorised to discharge any function of the Commission, or any function on behalf of the Commission, shall not, except to the extent necessary to perform his official duties, or discharge such a function, either directly or indirectly, or before or after he ceases to be so appointed, employed or authorised, Unlawful use of information, &c.



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*Securities Industry (Amendment).*

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5 authorised, make a record of, or divulge or communicate to any person any confidential, non-public or official information that is gained by or conveyed to him through his connection with the Commission, or make use of any such information, for any purpose other than the discharge of his official duties or the discharge of that function.

Penalty : Two thousand dollars or imprisonment for six months, or both.

10 (2) Nothing in subsection one of this section shall preclude a person bound thereby from producing any document to any court in criminal proceedings or from divulging or communicating to any court in criminal proceedings any matter or  
15 thing coming under his notice in the performance of his official duties or in discharging a function referred to in that subsection.

20 (3) Where the regulations prescribe for the purposes of this section an office held under the law of the State or of the Commonwealth or of another State or a Territory of the Commonwealth, it shall not be a contravention of subsection one of this section to communicate to the holder of that office information connected with the duties of the  
25 office.

30 (4) Subject to subsection five of this section, the Commissioner shall not, nor shall any officer or employee of the Commission, directly or indirectly effect or cause to be effected on his own account or for the account of any other person any transaction in any securities which are, or are of a class which to his knowledge is, subject to investigation or proceedings by the Commission, or otherwise under consideration by the Commission, or in  
35 respect of which a prospectus is, to his knowledge, being considered by the Commission for registration.

(5)

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*Securities Industry (Amendment).*

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(5) Subsection four of this section does not apply to or in respect of any right of the holder of a security by virtue of being that holder—

- 5 (a) to exchange the security or convert it to another form of security;
- (b) to participate in a scheme of arrangement approved by the Court under the Companies Act, 1961;
- 10 (c) to subscribe for other securities or dispose of a right to subscribe for other securities;
- (d) to charge or pledge the security to secure the repayment of money;
- 15 (e) to realise the security for the purpose of repaying money referred to in paragraph (d) of this subsection; or
- (f) to realise the security in the course of discharging a duty imposed by law.

20 (6) An officer or employee of the Commission who, in the course of his official duties, is required to consider any matter relating to—

- (a) a body to securities of which he is entitled or in which he has a personal non-official interest;
- (b) securities of the same class as—
- 25 (i) securities to which he is entitled; or
- (ii) securities in which he has a personal non-official interest; or
- (c) a person or body—
- 30 (i) with whom, or with which, he has been employed or associated; or

(ii)

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*Securities Industry (Amendment).*

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(ii) of whom, or of which, he is or has been a client; or

(iii) who was, or which was, a client of a person or body with whom, or with which, he was employed or associated,

shall forthwith so inform the Commission.

5c. (1) For the purpose of ascertaining whether the holder of a licence has complied with the provisions of this Act applicable to him in that capacity, and any conditions or restrictions subject to which the licence was granted or renewed, the Commission may inspect and make copies of or take extracts from—

Inspection of books and records of licensee and others.

(a) any document, record or matter required by or under this Act or the conditions of the licence to be kept by the holder of that licence; and

(b) any banker's books, or the books of a dealer, in so far as they relate to the business of the holder of that licence.

(2) In subsection one of this section "banker's books" includes any cheques, bills of exchange, promissory notes, orders for payment of money made or given by the holder of a licence, and securities held by a banker by way of pledge or otherwise in relation to the holder of a licence.

(3) The Commission may require the holder of a dealer's licence to disclose to it in relation to any purchase or sale of securities the name of the person from or to or through whom the securities were bought or sold and the nature of the instructions given to the dealer in respect of that purchase or sale.

(4)

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*Securities Industry (Amendment).*

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5 (4) The holder of a licence under this Act, any banker, and the servants and agents of those persons shall, on being required by the Commission so to do, produce any document, record or matter referred to in subsection one of this section or disclose the information required under subsection three of this section.

10 (5) No person shall obstruct or hinder the Commission in the exercise of any of its powers under subsection one or three of this section or obstruct any person in the exercise of any of those powers that he is duly authorised to exercise.

15 (6) Where the Commission has reason to suspect that any person has contravened any of the provisions of this Act or has been guilty of any fraud or offence against this or any other Act or law with respect to trading or dealing in securities, the Commission may make such investigation as it thinks expedient for the due administration of this Act.

20 (7) Notwithstanding anything in this section, the Minister may, where it appears to him in the public interest so to do, appoint any person as an inspector to investigate any matter concerning trading or dealing in securities.

25 (8) The provisions of section one hundred and seventy-one, sections one hundred and seventy-three to 179B, both inclusive, and section three hundred and sixty-seven of the Companies Act, 1961, shall with such adaptations and modifications as are necessary apply to and in relation to an appointment under subsection seven of this section and, without affecting the generality of the foregoing, those provisions shall be applied as if—

30 (a) the particulars of the matters into which the investigation is to be made were affairs of a company; and

(b)

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*Securities Industry (Amendment).*

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5 (b) "officer" in relation to the matters into which the investigation is to be made meant any person whom the inspector has reasonable grounds for suspecting or believing to be capable of giving information in relation to the matters under investigation.

10 5D. (1) Where, on the application of the Commission, it appears to the Court that a person has contravened this Act or any conditions of a licence he holds or is about to do an act with respect to dealing or trading in securities that, if done, would be such a contravention, the Court may, without prejudice to any orders it would be entitled to make otherwise than pursuant to this section, make one or more of the following orders :—

20 (a) in the case of persistent or continuing breaches of the Act or of the conditions of a licence he holds, an order restraining a person from carrying on a business of dealing in securities, acting as an investment adviser, or as a dealer's representative or investment representative, or from

25

holding himself out as so carrying on business or acting;

(b) an order restraining a person from acquiring, disposing of or otherwise dealing with any securities specified in the order;

30

(c) an order appointing a receiver of the property of a dealer;

(d) an order declaring a contract relating to securities to be void or voidable;

35

(e) for the purpose of securing compliance with any other order under this section, an order directing a person to do or refrain from doing a specified act; or

(f)

*Securities Industry (Amendment).*

(f) any ancillary order deemed to be desirable in consequence of the making of an order under paragraph (a), (b), (c), (d) or (e) of this subsection.

5 (2) The Court shall, before making an order under subsection one of this section, satisfy itself, so far as it can reasonably do so, that the order would not unfairly prejudice any person.

10 (3) The Court may, before making an order under subsection one of this section, direct that notice of the application be given to such persons as it thinks fit or direct that notice of the application be published in such manner as it thinks fit, or both.

15 (4) A person shall not contravene or fail to comply with an order under subsection one of this section that is applicable to him.

Penalty : Two thousand dollars or imprisonment for six months, or both.

20 (5) Subsection four of this section does not affect the powers of the Court in relation to the punishment of contempts of the Court.

25 (6) The Court may rescind, vary or discharge an order made by it under this section or suspend the operation of such an order.

30 5E. (1) If, on an application made to a judge of the Court in chambers by the Commission, there is shown to be reasonable cause to believe that any person has committed an offence in connection with trading or dealing in securities and that evidence of the commission of the offence is to be found in any books or papers of or under the control of a dealer or investment adviser (including banker's books as

Production and inspection of books where offence suspected.

defined

*Securities Industry (Amendment).*

defined in subsection two of section 5c of this Act, whether or not those books relate to the business of the dealer or investment adviser) an order may be made—

- 5 (a) authorising the Commission to inspect those books or papers or any of them and make copies thereof or take extracts therefrom for the purpose of investigating and obtaining evidence of the offence; or
- 10 (b) requiring the dealer or investment adviser or such other person as is named in the order to produce those books or papers or any of them to a person named in the order at a place so named.

15 (2) No appeal shall lie against any order or decision of a judge on or in relation to an application under this section.

(e) by omitting from section forty-six the definition of "Court". Sec. 46.  
(Interpretation.)

20 3. The Securities Industry Act, 1970, is further amended by omitting from paragraph (a) of section seven the word "twenty" and by inserting in lieu thereof the word "ten". Further amendment of Act No. 35, 1970.

Sec. 7.  
(Power for Minister to approve as stock exchange.)

4. The Securities Industry Act, 1970, is further amended— Further amendment of Act No. 35, 1970.

25 (a) by omitting from the matter relating to Part IV in section three the figures "20" and by inserting in lieu thereof the figures and letter "20G"; Sec. 3.  
(Division into Parts.)

(b)

Securities Industry (Amendment).

(b) by inserting next after section fifteen the following new section :— New sec. 15A.

15A. A person who in connection with an application for a licence wilfully makes a statement false or misleading in a material particular knowing it to be false or misleading or wilfully omits to state any matter or thing without which the application is misleading in a material respect shall be guilty of an offence against this Act. False, &c., statements in application.

10 Penalty : One thousand dollars or imprisonment for one year, or both.

(c) (i) by inserting in subsection one of section sixteen after the word "may" the words "subject to such conditions or restrictions as may be prescribed,"; Sec. 16. (Conditions of, and restrictions applicable to, a licence.)

(ii) by inserting next after the same subsection the following new subsection :—

(1A) The regulations may prescribe conditions or restrictions applicable to and in respect of a specified class of licence, being conditions or restrictions relating to—

- (a) the holding of a policy of indemnity insurance in a specified amount; or
- (b) terms upon which specified services are rendered.

(d) by inserting next after section seventeen the following new section :— New sec. 17A.

17A. (1) The holder of a dealer's licence or investment adviser's licence shall, upon any change in the address of the principal place of business at which he carries on the business in respect of which the licence is held, forthwith notify the Commission Change of address, &c.



*Securities Industry (Amendment).*

Commission of the new address in the prescribed form and, upon ceasing to carry on that business, shall forthwith so notify the Commission in the prescribed form.

5 (2) The holder of a representative's licence who ceases to be a representative of the dealer or investment adviser in relation to whom the representative's licence was issued shall forthwith so notify the Commission in the prescribed form.

(e) by inserting next after section eighteen the following New sec. 18A.  
new section :—

15 18A. (1) The Commission shall keep in such Register of licensees.  
form as it thinks fit a register of the holders of current licences, specifying—

(a) in relation to each holder of a dealer's or investment adviser's licence—

- (i) his name;
- 20 (ii) the address of the principal place of business at which he carries on the business in respect of which the licence is held; and
- 25 (iii) where the business is carried on under a name or style other than the name of the holder of the licence, the name or style under which the business is carried on; and

30 (b) in relation to each holder of a representative's licence—

- (i) his name;
- (ii) the name of the dealer or investment adviser in relation to whom the licence was issued; and

*Securities Industry (Amendment).*

5 (iii) where the business of that dealer or investment adviser is carried on under a name or style other than the name of the dealer or investment adviser, the name or style under which that business is carried on.

10 (2) Any person may, upon payment of the prescribed fee, peruse the register kept under subsection one of this section.

15 (3) Except as provided in subsection two of this section, the power of inspection conferred by paragraph (a) of subsection two of section twelve of the Companies Act, 1961, shall not apply in respect of a document filed or lodged with the Commission under this Act.

(f) by inserting in the heading to Part IV after the Part IV. word "LICENCES." the words "DIVISION 1.—(Licences.) Licences.";

20 (g) by inserting next after section twenty the following Part IV. new Division :—

DIVISION 2.—Records.

New  
Division 2.  
(Records.)

20A. (1) This Division applies to a person who is—

- 25 (a) a dealer;
- (b) a dealer's representative;
- (c) an investment adviser;
- (d) an investment representative; or
- (e) a financial journalist—

30 but does not apply to a person who is resident in another State or in a Territory of the Commonwealth and who is required to comply with the provisions of a law of that State or Territory which corresponds to this Division.

(2)

*Securities Industry (Amendment).*

5 (2) In this Division "financial journalist" means a person who contributes advice concerning securities or prepares analyses or reports concerning securities for publication in a bona fide newspaper or periodical.

10 (3) In this Division a reference to securities is a reference to securities of a corporation which is a public company under the law of any State or a Territory of the Commonwealth and to securities which are quoted or dealt in on a stock exchange in Australia.

15 20B. (1) A person to whom this Division applies shall maintain a register in the prescribed form of the securities in which he has an interest.

(2) The register required to be kept under this Division shall be kept—

20 (a) in the case of a person who is the holder of a licence under this Act at such place in the State as he nominated in his application for the licence; and

(b) in any other case at the place in the State for the time being nominated by the person in a notice in writing lodged with the Commission.

25 (3) Particulars of the securities in which a person to whom this Division applies has an interest and particulars of his interest in those securities shall be entered in the register within fourteen days of the acquisition of the interest.

30 (4) Where there is a change (not being a prescribed change) in the interest or interests of a person to whom this Division applies in securities he shall enter in the register, within fourteen days after the date of the change, full particulars of the  
change

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*Securities Industry (Amendment).*

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change including the date of the change and the circumstances by reason of which that change has occurred.

5           20c. (1) A person to whom this Division applies shall give notice to the Commission in the prescribed form containing such particulars as are prescribed including the place at which he will keep the register of his interests in securities.

(2) The notice shall be given—

10           (a) in the case of a person who is required by this Act to hold a licence—as part of his application for the licence; or

(b) in the case of any other person—

15           (i) if the person is a person to whom this Division applies at the commencement of the Securities Industry (Amendment) Act, 1970—within twenty-eight days after that commencement; or

20           (ii) if the person becomes a person to whom this Division applies after that commencement—within fourteen days after becoming such a person.

25           (3) A notice given under paragraph (b) of subsection two of this section shall be given notwithstanding that the person has ceased to be a person to whom this Division applies before the expiration of the period referred to in subsection two of this section.

30

(4) A person who ceases to be a person to whom this Division applies shall give notice to the Commission of his so ceasing in the prescribed form within fourteen days of his so ceasing.

35           Penalty : Two hundred and fifty dollars.

20D.

*Securities Industry (Amendment).*

5 20D. (1) It is a defence to a prosecution for failing to comply with section 20B if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that—

(a) he was not so aware on the date of the information or summons;

10 (b) he became so aware less than fourteen days before the date of the information or summons; or

15 (c) he became so aware not less than fourteen days before the date of the information or summons and complied with the relevant section within fourteen days after becoming so aware.

(2) For the purposes of subsection one of this section, a person shall conclusively be presumed to have been aware of a fact or occurrence at a particular time—

20 (a) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or

25 (b) of which a servant or agent of the person, being a servant or agent having duties or acting in relation to his master's or principal's interest or interests in the securities concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs, have been aware at that time.

30 20E.

*Securities Industry (Amendment).*

5 20E. (1) The Commission or any person authorised by him in that behalf may require any person to whom this Division applies to produce for inspection the register required to be kept pursuant to section 20B of this Act and the Commission or any person so authorised may make copies of, or take extracts from, the register.

10 (2) Any person who fails to produce a register for inspection or fails to allow any person to make a copy of or make extracts from the register shall be guilty of an offence against this Act.

15 20F. (1) The Commission or any person authorised by it in that behalf may by notice in writing require the proprietor or publisher of a newspaper or periodical to supply it with—

(a) the name and address of the financial journalist who contributed any advice specified in the notice or prepared any analysis or report so specified; or

20 (b) the names and addresses of all financial journalists who, during a period specified in the notice, contributed any advice, or prepared any analysis or report,

25 being advice, or an analysis or report, published in a newspaper owned or published by that proprietor or publisher.

30 (2) A proprietor or publisher of a newspaper or periodical who wilfully fails to comply with a notice under subsection one of this section shall be guilty of an offence against this Act.

35 20G. Subject to this section, the Commission may supply a copy of a register required to be kept pursuant to section 20B of this Act or of any extract from such a register to any person who in the opinion of the Commission should in the public interest be informed of the dealing in securities disclosed in the register.

*Securities Industry (Amendment).*

5. The Securities Industry Act, 1970, is further amended— Further amendment of Act No. 35, 1970.

(a) by inserting in section three next after the matter relating to Part IV the following new matter : — Sec. 3. (Division into Parts.)

5 PART IVA.—CONDUCT OF SECURITIES BUSINESS—ss. 20H–20L.

(b) by inserting next after Part IV the following new Part : — New Part IVA.

PART IVA.

10 CONDUCT OF SECURITIES BUSINESS.

15 20H. No person who is the holder of a licence shall represent or imply or knowingly permit to be represented or implied in any manner to any person that his abilities or qualifications have in any respect been approved by the Commission otherwise than by a representation that he is the holder of that licence. Certain representations prohibited.

20 20I. (1) A dealer shall, in respect of a transaction of sale or purchase of securities (not being a transaction entered into in the ordinary course of business at a stock market between stockbrokers who are members of the stock exchange maintaining that stock market) forthwith issue a contract note that complies with subsection two of this section to the purchaser or vendor with or for whom he contracts whether as principal or agent. Issue of contract notes.

(2) A contract note issued by a dealer under subsection one of this section shall include—

30 (a) the name or style under which the dealer carries on his business as a dealer and the address of the principal place at which he so carries on business;

(b)

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*Securities Industry (Amendment)*

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- (b) where the dealer is dealing as principal with a person who is not the holder of a dealer's licence, a statement that he is so acting;
- 5** (c) the name of the person with whom the dealer has entered into the contract;
- (d) the day on which the transaction took place and whether or not it took place in the ordinary course of business on a stock market;
- 10** (e) the number or amount and description of the securities which are the subject of the contract;
- (f) the price per unit of the securities;
- 15** (g) the amount of the consideration;
- (h) if any commission is charged, the amount thereof and, in the case of a dealer who is not a stockbroker, the rate of commission;
- (i) the amounts of all stamp or other duties and taxes payable;
- 20** (j) if any amount is to be added to or deducted from the settlement amount in respect of the right to a benefit purchased or sold together with the securities, that amount and the nature of the benefit;
- 25** (k) if information has been given to the dealer pursuant to section 20L of this Act, an endorsement to the effect that the securities have been sold short.



*Securities Industry (Amendment).*

5 20J. Where, in a letter, circular or other communication issued by him, a dealer or investment adviser refers to any securities issued by a corporation or other person, he shall cause to be included in the letter, circular or other communication, in type not less legible than that used in the body thereof, a concise statement of the nature and extent of his interest, if any, in the securities. Disclosure of certain interests.

10 20K. (1) A dealer shall not, as principal, deal in any securities with a person who is not the holder of a dealer's licence unless he first informs the person with whom he is dealing that he is acting in the transaction as principal and not as agent. Dealings as principal.

15 (2) For the purposes of subsection one of this section dealings as principal include dealings on behalf of a corporation in which the dealer has and, where the dealer carries on the business of dealing in partnership, the dealer and his partners together have, a controlling interest.

20 (3) Where a dealer has failed to comply with subsection one of this section in respect of a contract for the sale of securities by him, the purchaser of the securities may, if he has not disposed of them, rescind the contract by a notice of rescission, in writing, given to the dealer within seven days after the receipt of the contract note and, where a dealer has failed to comply with that subsection in respect of a contract for the purchase of securities by him, the vendor of the securities may, in the like manner, rescind the contract.

25 20L. A person shall not— Short selling.  
30 (a) as principal, instruct a dealer to sell securities of which that person is not, and is not entitled to become, the holder; or  
35 (b)

Securities Industry (Amendment).

(b) as agent, instruct a dealer to sell securities of which, to that person's knowledge, his principal is not, and is not entitled to become, the holder,

5 unless he so informs the dealer.

Penalty: Two thousand dollars or imprisonment for six months, or both.

6. The Securities Industry Act, 1970, is further amended—

Further amendment of Act No. 35, 1970.

10 (a) by inserting next after subsection two of section twenty-two the following new subsection:—

Sec. 22.  
(Accounts to be kept by dealers.)

15 (2A) Subject to section nine of the Evidence (Reproductions) Act, 1967, a dealer shall retain, for a period of not less than seven years, the records referred to in subsection one of this section, every contract note received by him and a copy of every contract note issued by him.

20 (b) by inserting in paragraph (a) of section twenty-four after the word "thereto" the words "or in accordance with the directions of that person";

Sec. 24.  
(Purposes for which money may be withdrawn from trust account.)

(c) by omitting section twenty-eight and by inserting in lieu thereof the following section:—

Subst. sec. 28.

28. (1) In this section—

Auditor's report.

"financial year" in relation to a dealer means—

25 (a) where the dealer is not a corporation, the year ending on the thirtieth day of June; and

(b)

*Securities Industry (Amendment).*

(b) where the dealer is a corporation, the financial year of the corporation within the meaning of the Companies Act, 1961;

5 "prescribed day" in relation to a financial year of a dealer means—

(a) where the dealer is not a corporation, the day that is two months after the end of that financial year;  
10 or

(b) where the dealer is a corporation, the day that is three months after the end of that financial year,

15 or where in either such case an extension of time is approved pursuant to subsection three of this section, the day on which the extended time expires.

(2) A dealer shall, in respect of the financial year for the dealer beginning before and ending  
20 after—

(a) the day on which section six of the Securities Industry (Amendment) Act, 1970, commences; or

25 (b) the day on which the dealer commences to carry on business as a dealer,

30 whichever is the later day, and in respect of each financial year for the dealer thereafter, lodge with the relevant authority for the dealer, before the prescribed day for that financial year, an auditor's report containing the prescribed information.

(3)

*Securities Industry (Amendment).*

(3) An extension of the period of two months or, as the case may require, the period of three months, referred to in the definition of "prescribed day" in subsection one of this section may be approved—

(a) by the relevant authority, where—

(i) application for the extension is made by the dealer;

(ii) the reasons for requiring the extension are special and exceptional; and

(iii) the extension does not exceed one month; or

(b) by the Commissioner where—

(i) the maximum extension has been approved pursuant to paragraph (a) of this subsection; and

(ii) application for the extension is made by the dealer and his auditor with the concurrence, in the case of a dealer who is a stockbroker, of the relevant authority,

and any such approval may be given subject to conditions.

(4) If a dealer fails to comply with the provisions of subsection two of this section, the relevant authority for the dealer shall forthwith report the matter to the Minister.

*Securities Industry (Amendment).*

7. The Securities Industry Act, 1970, is further amended—

Further amendment of Act No. 35, 1970.

5 (a) (i) by omitting from the definition of "prescribed day" in section thirty-nine the words "first day of July" where firstly and thirdly occurring and by inserting in lieu thereof the words "quarter day";

Sec. 39. (Interpretation.)

10 (ii) by omitting from the same definition the words "that first day of July" wherever occurring and by inserting in lieu thereof the words "the day next following that quarter day";

(iii) by inserting next after the same definition the following new definition :—

15 "quarter day" means the last day of the months of March, June, September and December;

20 (iv) by omitting from the definition of "relevant period" in the same section the words "twelve months ending on the thirtieth day of June" wherever occurring and by inserting in lieu thereof the words "three months ending on the quarter day";

25 (b) (i) by omitting from paragraph (b) of subsection one of section forty the words "twelve months ending on the thirtieth day of June" and by inserting in lieu thereof the words "three months ending on a quarter day";

Sec. 40. (Certain moneys to be deposited with stock exchange.)

30 (ii) by omitting from subparagraph (i) of the same paragraph the words "period of twelve months ending on the immediately preceding thirtieth day of June" and by inserting in lieu thereof the words "the immediately preceding period of three months ending on a quarter day";

35 (c) by omitting subsection four of section forty-four.

Sec. 44. (Accounts of deposits.)

8.

*Securities Industry (Amendment).*

8. The Securities Industry Act, 1970, is further amended by omitting from paragraph (a) of subsection one of section fifty-four the word "two" and by inserting in lieu thereof the word "four".
- Further amendment of Act No. 35, 1970.  
Sec. 54.  
(Provisions if fund exceeds \$2,000,000.)
- 5 9. The Securities Industry Act, 1970, is further amended—
- Further amendment of Act No. 35, 1970.
- (a) by omitting paragraph (a) of subsection one of section seventy-six and by inserting in lieu thereof the following new paragraphs :—
- Sec. 76.  
(Regulations.)
- 10 (a) regulating the publication of advertisements offering the services of dealers or investment advisers, or offering securities for purchase or sale, and the form and content of such advertisements;
- 15 (a1) the preparation by dealers of balance sheets and profit and loss accounts and the form and content thereof;
- (b) by inserting next after section seventy-eight the following new sections :—
- New secs. 79 and 80.
- 20 79. (1) If, in New South Wales, a person does an act or omits to do an act and that person would, if he had done that act or had omitted to do that act in another State or in a Territory of the Commonwealth, have been guilty of an offence against the law of that State or Territory that corresponds to a provision of this Act, that person is guilty of an offence against that provision of this Act.
- 25
- 30 (2) Where an act or omission constitutes an offence both under this Act and a law of another State or a Territory of the Commonwealth that
- Reciprocity in relation to offences.

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*Securities Industry (Amendment).*

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that corresponds to a provision of this Act and the offender has been punished under that law, he is not liable to be punished in respect of the offence against this Act.

5           80. (1) In any proceedings for an offence Proceedings, how and when taken.  
against this Act, any information, charge, com-  
plaint or application may be laid and made—

- (a) in the name of the Commission where not required to be laid or made on oath;
- 10           (b) by the Commissioner or an officer or employee of the Commission authorised in that behalf by the Commissioner; or
- (c) with the consent of the Minister, by any person,

15           except where this Act otherwise provides.

(2) Notwithstanding anything in any Act, proceedings for an offence against this Act that is punishable on summary conviction may be brought within the period of three years next succeeding the  
20           commission of the alleged offence.

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BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1970

[30c]

(4) Security (Amendment)

that corresponds to a provision of this Act and the offender has been punished under that law, he is not liable to be punished in respect of the offence against this Act.

30. (1) In any proceedings for an offence against this Act any information, charge, complaint or application may be laid and made—

(a) in the name of the Commissioner where not reported to be laid or made on oath;

(b) by the Commissioner or an officer or employee of the Commission authorized in that behalf by the Commissioner or

(c) with the consent of the Minister by any person.

As far as may be otherwise provided.

(2) Notwithstanding anything in any Act relating to the limitation of actions, any proceedings for an offence against this Act may be brought at any time within the period of three years next succeeding the commission of the offence.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Parliament of New South Wales, this 10th day of May 1970.

[10]



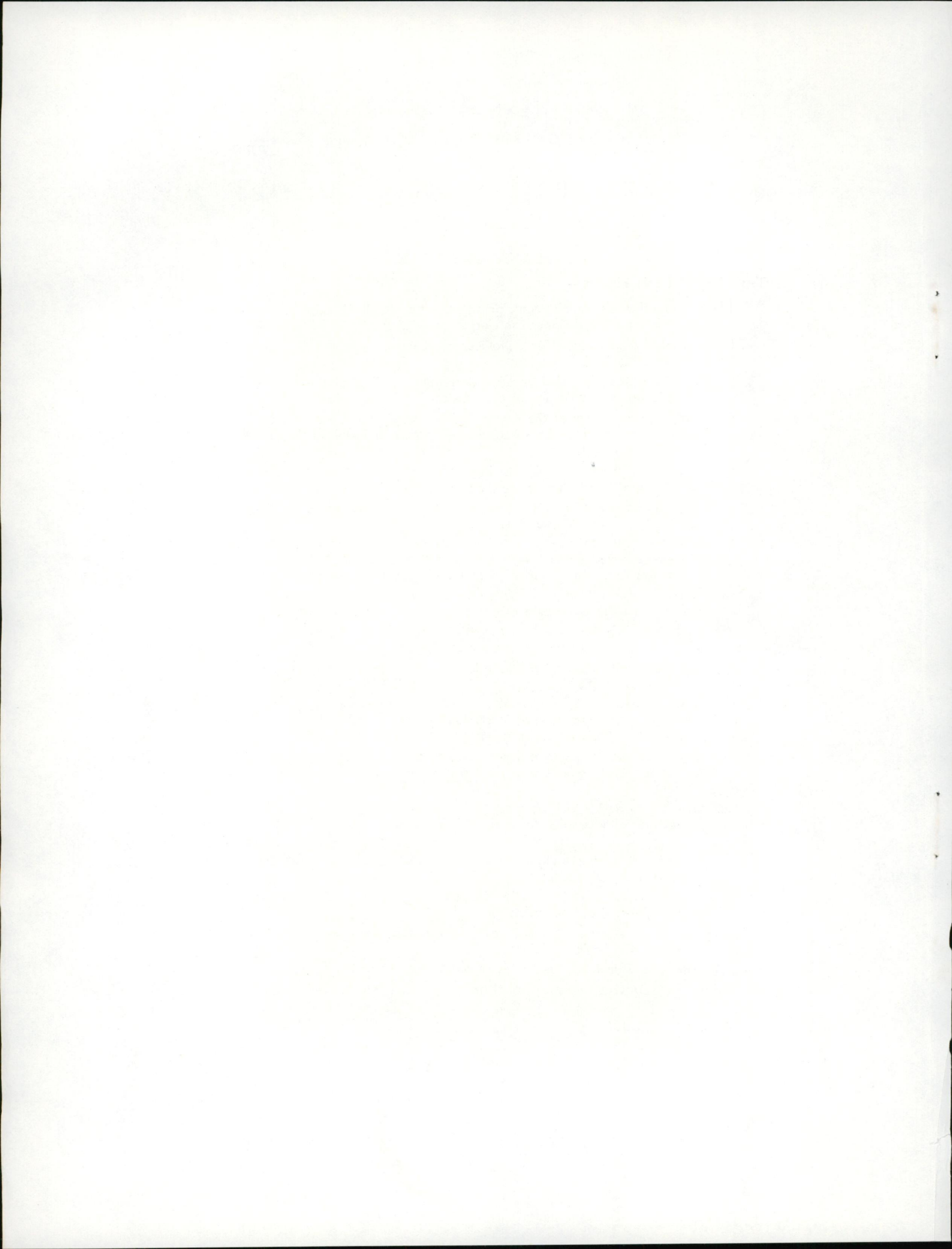
## SECURITIES INDUSTRY (AMENDMENT) BILL, 1970

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### EXPLANATORY NOTE

THE objects of this Bill are—

- (a) to authorise the appointment, pursuant to the Public Service Act, 1902, of an Assistant Commissioner for Corporate Affairs;
- (b) to make it an offence for an officer of the Corporate Affairs Commission to misuse official information;
- (c) to prohibit the Commissioner for Corporate Affairs and the officers of the Commission from engaging in certain dealings in securities;
- (d) to require an officer of the Commission to notify the Commission when his official duties require him to consider a matter in which he has a personal non-official interest;
- (e) to empower the Commission to inspect records kept by, and bankers books relating to, a licensee under the Act;
- (f) to authorise the Commission to investigate cases of suspected fraud and suspected breaches of the Act;
- (g) to confer on the Minister in relation to dealings in securities the same powers to appoint inspectors to investigate matters as are conferred on him by the Companies Act, 1961, in relation to the affairs of companies;
- (h) to empower the Court to restrain breaches of the Act or the conditions of a licence and to make certain other orders;
- (i) to reduce from twenty to ten the minimum number of persons required in order to establish a stock exchange;
- (j) to exempt certain newspaper proprietors and publishers and certain financial journalists from the licensing provisions of the Act in certain circumstances;
- (k) to require financial journalists, dealers, investment advisers and representatives to maintain registers, open to inspection by the Commission, of the securities in which they have an interest;
- (l) to prohibit the holder of a licence under the Act from representing that his abilities or qualifications have in any respect been approved by the Commission;
- (m) to require a dealer to issue a contract note, containing certain particulars, in connection with certain transactions in securities;
- (n) to require a dealer who is aware that a transaction by him on behalf of a client involves short selling by the client, to include a statement to that effect in a contract note;
- (o) to require a dealer, in certain circumstances, to disclose that he is acting as principal and not as agent;
- (p) to prohibit a person, in certain circumstances, from selling short without disclosing that he is so doing;
- (q) to require a dealer to retain his records for seven years;
- (r) to make provisions consequential upon or ancillary to the foregoing.



PROOF

No. , 1970.

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## A BILL

To provide for the appointment of an Assistant Commissioner for Corporate Affairs; to make further provisions with respect to dealing in securities; for these and other purposes to amend the Securities Industry Act, 1970; and for purposes connected therewith.

[MR McCaw—19 August, 1970.]

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**B**E it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. (1) This Act may be cited as the "Securities Industry (Amendment) Act, 1970".

(2)

Short title  
and com-  
mencement.

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*Securities Industry (Amendment).*

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(2) This section shall commence on the day on which this Act receives the Royal assent.

(3) Subject to subsection two of this section, this Act shall commence in accordance with subsection four of this section.

(4) The Governor may appoint, and notify by proclamation published in the Gazette, the day upon which a provision of this Act shall commence and may, at different times, appoint different days for different provisions, and the provision to which such a proclamation relates shall commence as specified therein.

2. The Securities Industry Act, 1970, is amended—

Amendment  
of Act No.  
35, 1970.

- (a) by omitting from the matter relating to Part II in section three the figure and letter “s. 5” and by inserting in lieu thereof the figures and letters “ss. 5-5E”;
- (b) (i) by inserting in subsection one of section four after the definition of “corresponding law” the following new definition :—
- “Court” has the meaning ascribed thereto in the Companies Act, 1961 ;
- (ii) by inserting in the definition of “dealing in securities” in the same subsection after the word “into” where secondly occurring the words “any agreement (other than an exempt agreement)”;
- (iii) by omitting from the same definition the words “any agreement” wherever occurring ;

(iv)

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*Securities Industry (Amendment).*

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(iv) by inserting next after the same definition the following new definition :—

“exempt agreement” means—

- 5 (a) an agreement for or with a  
view to acquiring, disposing of,  
subscribing for or underwriting  
securities, or the purpose or  
pretended purpose of which is  
10 to secure a profit to any of the  
parties from the yield of securi-  
ties or by reference to fluctua-  
tions in the value of securities,  
which is made with—
- 15 (i) an exempt dealer ;
- (ii) any government, local  
government authority  
or body corporate or  
unincorporate and re-  
20 lates to subscriptions  
for or the disposal or  
acquisition or redemp-  
tion of securities of or  
in that government,  
authority or body ; or
- 25 (iii) the underwriter of an  
issue of securities and  
relates only to the  
underwriting of the  
issue ; and
- 30 (b) an agreement, or an agreement  
of a class, that is, under the  
regulations, an exempt agree-  
ment or an agreement of an  
exempt class ;

(v)

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*Securities Industry (Amendment).*

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(v) by omitting paragraph (f) of the definition of "investment adviser" in the same subsection and by inserting in lieu thereof the following paragraph :—

5 (f) the proprietor or publisher of a bona  
fide newspaper or periodical generally  
available to the public otherwise than  
only on subscription who only in that  
10 bona fide newspaper or periodical  
advises others concerning securities, or  
issues or promulgates analyses or  
reports concerning securities, but does  
not include the proprietor of a news-  
15 paper or periodical whose principal or  
only object is to advise others concern-  
ing securities, or to issue or promulgate  
analyses or reports concerning  
securities.

(vi) by inserting next after the same subsection the following new subsections :—

20 (1A) For the purposes of subsection six of  
section 5B, and of section 20B, of this Act—

(a) where a person has an interest under a  
25 trust and the property subject to the  
trust consists of or includes securities,  
that person shall be deemed to have an  
interest in those securities ;

(b) where a body corporate has an interest  
in securities and—

30 (i) the body corporate is, or its  
directors are, accustomed or  
likely to act in accordance  
with the directions, instructions  
or wishes of a person ;

(ii)

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*Securities Industry (Amendment).*

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(ii) a person or an associate of the person has a controlling interest in the body corporate,  
5 that person shall be deemed to have an interest in those securities; and

(c) where a body corporate that has not more than twenty members has an interest in securities, a person who is a member of the body corporate and an  
10 associate of such a person shall be deemed to have an interest in those securities.

(1B) For the purposes of subparagraph (iii) of paragraph (b) of subsection (1A) of this section, a person is an associate of another person if the first-mentioned person would be an associate of that other person for the purposes of paragraph (c) of subsection four of section 6A of the Companies Act, 1961.  
15

(1C) In determining, for the purposes of subsection six of section 5B, and of section 20B, of this Act, whether a person has an interest in a security the provisions of subsection three, and of subsections six to ten, both  
20 inclusive, of section 6A of the Companies Act, 1961, shall have effect and, in applying those provisions, a reference to a share shall be read as a reference to a security.  
25

(vii) by omitting subsection two of the same section and by inserting in lieu thereof the following subsection :—  
30

(2) The regulations may provide that, subject to any terms and conditions prescribed,

all

*Securities Industry (Amendment).*

all the provisions of Part IV and Part V of this Act, or such of them as are specified in the regulations—

- 5 (a) shall not have effect in relation to any specified person or to any person who is a member of a specified class of persons—
  - 10 (i) who is or may be a dealer or investment adviser by reason only of his doing anything that is incidental to another business;
  - 15 (ii) who does not deal in securities for or on behalf of any other person; or
  - 20 (iii) who is a dealer or investment adviser by reason only of his entering into any specified transaction or class of transactions; or
- (b) shall not have effect in relation to a representative of a person in respect of whom a regulation may be made under paragraph (a) of this subsection; or
- 25 (c) shall have effect, in relation to any person in respect of whom a regulation may be made under paragraph (a) or (b) of this subsection, to such extent as is prescribed.

30 (c) by inserting at the end of section five the following new subsections :—

(17) Subject to the provisions of the Public Service Act, 1902, the Governor may appoint an Assistant Commissioner for Corporate Affairs, who shall be an officer of the Commission, to assist the Commissioner in the exercise and the discharge of his powers, authorities, duties and functions.

(18)

Sec. 5.  
(Constitution and powers of Corporate Affairs Commission.)



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*Securities Industry (Amendment).*

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5 (18) During the absence from duty of the Commissioner the person for the time being holding or acting in the office of Assistant Commissioner shall act in the place of the Commissioner and may exercise and discharge while he so acts all the powers, authorities, duties and functions of the Commission.

10 (19) The Assistant Commissioner may, if the Governor thinks fit, be paid such allowances while he acts in the place of the Commissioner as the Governor may determine.

15 (20) No person shall be concerned to enquire whether any occasion has arisen requiring or authorising the Assistant Commissioner to act in the place of the Commissioner and all acts or other things done or omitted by the Assistant Commissioner in the course of so acting shall be as valid and effectual and shall have the same consequences as if they had been done or omitted  
20 by the Commissioner.

(21) The official seal of the Commission may be affixed to an instrument or a class of instruments by any officer or employee of the Commission authorised in that behalf by the Commissioner  
25 either generally or for a particular purpose.

(22) Except where otherwise expressly provided by or under this or any other Act, any power, authority, duty or function conferred or imposed by or under this or any other Act on the Commission may be exercised or performed by  
30 any officer or employee of the Commission authorised by the Commissioner to exercise or perform that power, authority, duty or function.

35 (23) Any act done by an officer or employee of the Commission that purports to have been done pursuant to an authorisation of the Commissioner

under

*Securities Industry (Amendment).*

under subsection twenty-one or twenty-two of this section shall be deemed to have been done by the Commission.

5 (24) The Commission shall as and when required by the Minister furnish reports with respect to the policy it is pursuing or proposes to pursue in the exercise or discharge of any of its powers, authorities, duties and functions.

10 (25) The Minister may issue directions to the Commission on matters of policy and the Commission shall observe and carry out the directions so given.

(d) by inserting next after the same section the following new sections :— New secs. 5A-5E.

15 5A. (1) Except where otherwise expressly provided by or under this or any other Act all moneys payable to the Commission under this or any other Act shall be collected and received by it on account of, and shall be paid into, the Consolidated Revenue Fund. Disposal of moneys by Commission.

20

(2) The accounts of the Commission shall be audited by the Auditor-General who shall have, in respect thereof, all the powers conferred on the Auditor-General by any law for the time being in force relating to the audit of public accounts; and the Audit Act, 1902, shall apply to the Commissioner and the officers and employees of the Commission in the same manner as it applies to accounting officers of public departments.

25

30 5B. (1) Subject to this section, a person appointed or employed under this Act, or authorised to discharge any function of the Commission, or any function on behalf of the Commission, shall not, except to the extent necessary to perform his official duties, or discharge such a function, either directly or indirectly, or before or after he ceases to be so appointed, employed or authorised, Unlawful use of information, &c.

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5 authorised, make a record of, or divulge or communicate to any person any confidential, non-public or official information that is gained by or conveyed to him through his connection with the Commission, or make use of any such information, for any purpose other than the discharge of his official duties or the discharge of that function.

Penalty : Two thousand dollars or imprisonment for six months, or both.

10 (2) Nothing in subsection one of this section shall preclude a person bound thereby from producing any document to any court in criminal proceedings or from divulging or communicating to any court in criminal proceedings any matter or  
15 thing coming under his notice in the performance of his official duties or in discharging a function referred to in that subsection.

20 (3) Where the regulations prescribe for the purposes of this section an office held under the law of the State or of the Commonwealth or of another State or a Territory of the Commonwealth, it shall not be a contravention of subsection one of this section to communicate to the holder of that office information connected with the duties of the  
25 office.

30 (4) Subject to subsection five of this section, the Commissioner shall not, nor shall any officer or employee of the Commission, directly or indirectly effect or cause to be effected on his own account or for the account of any other person any transaction in any securities which are, or are of a class which to his knowledge is, subject to investigation or proceedings by the Commission, or otherwise under consideration by the Commission, or in  
35 respect of which a prospectus is, to his knowledge, being considered by the Commission for registration.

(5)

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*Securities Industry (Amendment).*

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(5) Subsection four of this section does not apply to or in respect of any right of the holder of a security by virtue of being that holder—

- 5 (a) to exchange the security or convert it to another form of security;
- (b) to participate in a scheme of arrangement approved by the Court under the Companies Act, 1961;
- 10 (c) to subscribe for other securities or dispose of a right to subscribe for other securities;
- (d) to charge or pledge the security to secure the repayment of money;
- 15 (e) to realise the security for the purpose of repaying money referred to in paragraph (d) of this subsection; or
- (f) to realise the security in the course of discharging a duty imposed by law.

20 (6) An officer or employee of the Commission who, in the course of his official duties, is required to consider any matter relating to—

- (a) a body to securities of which he is entitled or in which he has a personal non-official interest;
- (b) securities of the same class as—
- 25 (i) securities to which he is entitled; or
- (ii) securities in which he has a personal non-official interest; or
- (c) a person or body—
- 30 (i) with whom, or with which, he has been employed or associated; or

(ii)

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*Securities Industry (Amendment).*

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(ii) of whom, or of which, he is or has been a client; or

(iii) who was, or which was, a client of a person or body with whom, or with which, he was employed or associated,

shall forthwith so inform the Commission.

5c. (1) For the purpose of ascertaining whether the holder of a licence has complied with the provisions of this Act applicable to him in that capacity, and any conditions or restrictions subject to which the licence was granted or renewed, the Commission may inspect and make copies of or take extracts from—

Inspection of books and records of licensee and others.

(a) any document, record or matter required by or under this Act or the conditions of the licence to be kept by the holder of that licence; and

(b) any banker's books, or the books of a dealer, in so far as they relate to the business of the holder of that licence.

(2) In subsection one of this section "banker's books" includes any cheques, bills of exchange, promissory notes, orders for payment of money made or given by the holder of a licence, and securities held by a banker by way of pledge or otherwise in relation to the holder of a licence.

(3) The Commission may require the holder of a dealer's licence to disclose to it in relation to any purchase or sale of securities the name of the person from or to or through whom the securities were bought or sold and the nature of the instructions given to the dealer in respect of that purchase or sale.

(4)

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*Securities Industry (Amendment).*

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5 (4) The holder of a licence under this Act, any banker, and the servants and agents of those persons shall, on being required by the Commission so to do, produce any document, record or matter referred to in subsection one of this section or disclose the information required under subsection three of this section.

10 (5) No person shall obstruct or hinder the Commission in the exercise of any of its powers under subsection one or three of this section or obstruct any person in the exercise of any of those powers that he is duly authorised to exercise.

15 (6) Where the Commission has reason to suspect that any person has contravened any of the provisions of this Act or has been guilty of any fraud or offence against this or any other Act or law with respect to trading or dealing in securities, the Commission may make such investigation as it thinks expedient for the due administration of this Act.

20

25 (7) Notwithstanding anything in this section, the Minister may, where it appears to him in the public interest so to do, appoint any person as an inspector to investigate any matter concerning trading or dealing in securities.

30 (8) The provisions of section one hundred and seventy-one, sections one hundred and seventy-three to 179B, both inclusive, and section three hundred and sixty-seven of the Companies Act, 1961, shall with such adaptations and modifications as are necessary apply to and in relation to an appointment under subsection seven of this section and, without affecting the generality of the foregoing, those provisions shall be applied as if—

35 (a) the particulars of the matters into which the investigation is to be made were affairs of a company; and

(b)

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*Securities Industry (Amendment).*

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5 (b) "officer" in relation to the matters into which the investigation is to be made meant any person whom the inspector has reasonable grounds for suspecting or believing to be capable of giving information in relation to the matters under investigation.

10 5D. (1) Where, on the application of the Commission, it appears to the Court that a person has contravened this Act or any conditions of a licence he holds or is about to do an act with respect to dealing or trading in securities that, if done, would be such a contravention, the Court may, without prejudice to any orders it would be entitled to make otherwise than pursuant to this section, make one or more of the following orders :—

- 20 (a) in the case of persistent or continuing breaches of the Act or of the conditions of a licence he holds, an order restraining a person from carrying on a business of dealing in securities, acting as an investment adviser, or as a dealer's representative or investment representative, or from holding himself out as so carrying on business or acting;
- 25 (b) an order restraining a person from acquiring, disposing of or otherwise dealing with any securities specified in the order;
- 30 (c) an order appointing a receiver of the property of a dealer;
- (d) an order declaring a contract relating to securities to be void or voidable;
- 35 (e) for the purpose of securing compliance with any other order under this section, an order directing a person to do or refrain from doing a specified act; or

(f)

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*Securities Industry (Amendment).*

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(f) any ancillary order deemed to be desirable in consequence of the making of an order under paragraph (a), (b), (c), (d) or (e) of this subsection.

5 (2) The Court shall, before making an order under subsection one of this section, satisfy itself, so far as it can reasonably do so, that the order would not unfairly prejudice any person.

10 (3) The Court may, before making an order under subsection one of this section, direct that notice of the application be given to such persons as it thinks fit or direct that notice of the application be published in such manner as it thinks fit, or both.

15 (4) A person shall not contravene or fail to comply with an order under subsection one of this section that is applicable to him.

Penalty : Two thousand dollars or imprisonment for six months, or both.

20 (5) Subsection four of this section does not affect the powers of the Court in relation to the punishment of contempts of the Court.

25 (6) The Court may rescind, vary or discharge an order made by it under this section or suspend the operation of such an order.

30 5E. (1) If, on an application made to a judge of the Court in chambers by the Commission, there is shown to be reasonable cause to believe that any person has committed an offence in connection with trading or dealing in securities and that evidence of the commission of the offence is to be found in any books or papers of or under the control of a dealer or investment adviser (including banker's books as

Production and inspection of books where offence suspected.

defined



*Securities Industry (Amendment).*

defined in subsection two of section 5c of this Act, whether or not those books relate to the business of the dealer or investment adviser) an order may be made—

- 5 (a) authorising the Commission to inspect those books or papers or any of them and make copies thereof or take extracts therefrom for the purpose of investigating and obtaining evidence of the offence; or
- 10 (b) requiring the dealer or investment adviser or such other person as is named in the order to produce those books or papers or any of them to a person named in the order at a place so named.

15 (2) No appeal shall lie against any order or decision of a judge on or in relation to an application under this section.

(e) by omitting from section forty-six the definition of "Court". Sec. 46.  
(Interpretation.)

20 3. The Securities Industry Act, 1970, is further amended by omitting from paragraph (a) of section seven the word "twenty" and by inserting in lieu thereof the word "ten". Further amendment of Act No. 35, 1970.

Sec. 7.  
(Power for Minister to approve as stock exchange.)

4. The Securities Industry Act, 1970, is further amended— Further amendment of Act No. 35, 1970.

25 (a) by omitting from the matter relating to Part IV in section three the figures "20" and by inserting in lieu thereof the figures and letter "20G"; Sec. 3.  
(Division into Parts.)

(b)

*Securities Industry (Amendment).*

- (b) by inserting next after section fifteen the following <sup>New sec.</sup>  
new section :— <sup>15A.</sup>

5 15A. A person who in connection with an <sup>False, &c.,</sup>  
application for a licence wilfully makes a statement <sup>statements</sup>  
false or misleading in a material particular <sup>in</sup>  
knowing it to be false or misleading or wilfully <sup>application.</sup>  
omits to state any matter or thing without which  
the application is misleading in a material respect  
shall be guilty of an offence against this Act.

10 Penalty : One thousand dollars or imprisonment  
for one year, or both.

- (c) (i) by inserting in subsection one of section <sup>Sec. 16.</sup>  
sixteen after the word "may" the words <sup>(Conditions</sup>  
", subject to such conditions or restrictions as <sup>of, and re-</sup>  
may be prescribed,"; <sup>strictions</sup>  
<sup>applicable</sup>  
<sup>to, a</sup>  
<sup>licence.)</sup>

- (ii) by inserting next after the same subsection the  
following new subsection :—

20 (1A) The regulations may prescribe con-  
ditions or restrictions applicable to and in  
respect of a specified class of licence, being  
conditions or restrictions relating to—

(a) the holding of a policy of indemnity  
insurance in a specified amount; or

25 (b) terms upon which specified services  
are rendered.

- (d) by inserting next after section seventeen the <sup>New sec.</sup>  
following new section :— <sup>17A.</sup>

30 17A. (1) The holder of a dealer's licence or <sup>Change of</sup>  
investment adviser's licence shall, upon any change <sup>address,</sup>  
in the address of the principal place of business <sup>&c.</sup>  
at which he carries on the business in respect of  
which the licence is held, forthwith notify the

Commission

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*Securities Industry (Amendment).*

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Commission of the new address in the prescribed form and, upon ceasing to carry on that business, shall forthwith so notify the Commission in the prescribed form.

5 (2) The holder of a representative's  
licence who ceases to be a representative of the  
dealer or investment adviser in relation to whom  
the representative's licence was issued shall forth-  
with so notify the Commission in the prescribed  
10 form.

(e) by inserting next after section eighteen the following New sec.  
18A.  
new section :—

15 18A. (1) The Commission shall keep in such Register  
of  
licensees.  
form as it thinks fit a register of the holders of  
current licences, specifying—

(a) in relation to each holder of a dealer's or  
investment adviser's licence—

- (i) his name;
- 20 (ii) the address of the principal place  
of business at which he carries on  
the business in respect of which the  
licence is held; and
- (iii) where the business is carried on  
25 under a name or style other than  
the name of the holder of the  
licence, the name or style under  
which the business is carried on;  
and

30 (b) in relation to each holder of a representa-  
tive's licence—

- (i) his name;
- (ii) the name of the dealer or investment  
adviser in relation to whom the  
licence was issued; and

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*Securities Industry (Amendment).*

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5 (iii) where the business of that dealer or investment adviser is carried on under a name or style other than the name of the dealer or investment adviser, the name or style under which that business is carried on.

10 (2) Any person may, upon payment of the prescribed fee, peruse the register kept under subsection one of this section.

15 (3) Except as provided in subsection two of this section, the power of inspection conferred by paragraph (a) of subsection two of section twelve of the Companies Act, 1961, shall not apply in respect of a document filed or lodged with the Commission under this Act.

(f) by inserting in the heading to Part IV after the Part IV. word "LICENCES." the words "DIVISION 1.—(Licences.) Licences.";

20 (g) by inserting next after section twenty the following Part IV. new Division :—

DIVISION 2.—*Records.*

New  
Division 2.  
(Records.)

25 20A. (1) This Division applies to a person who is—

- (a) a dealer;
- (b) a dealer's representative;
- (c) an investment adviser;
- (d) an investment representative; or
- (e) a financial journalist—

30 but does not apply to a person who is resident in another State or in a Territory of the Commonwealth and who is required to comply with the provisions of a law of that State or Territory which corresponds to this Division.

(2)

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*Securities Industry (Amendment).*

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5 (2) In this Division "financial journalist" means a person who contributes advice concerning securities or prepares analyses or reports concerning securities for publication in a bona fide newspaper or periodical.

10 (3) In this Division a reference to securities is a reference to securities of a corporation which is a public company under the law of any State or a Territory of the Commonwealth and to securities which are quoted or dealt in on a stock exchange in Australia.

20B. (1) A person to whom this Division applies shall maintain a register in the prescribed form of the securities in which he has an interest.

15 (2) The register required to be kept under this Division shall be kept—

20 (a) in the case of a person who is the holder of a licence under this Act at such place in the State as he nominated in his application for the licence; and

(b) in any other case at the place in the State for the time being nominated by the person in a notice in writing lodged with the Commission.

25 (3) Particulars of the securities in which a person to whom this Division applies has an interest and particulars of his interest in those securities shall be entered in the register within fourteen days of the acquisition of the interest.

30 (4) Where there is a change (not being a prescribed change) in the interest or interests of a person to whom this Division applies in securities he shall enter in the register, within fourteen days after the date of the change, full particulars of the

change

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*Securities Industry (Amendment).*

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change including the date of the change and the circumstances by reason of which that change has occurred.

5           20c. (1) A person to whom this Division applies shall give notice to the Commission in the prescribed form containing such particulars as are prescribed including the place at which he will keep the register of his interests in securities.

(2) The notice shall be given—

10           (a) in the case of a person who is required by this Act to hold a licence—as part of his application for the licence; or

(b) in the case of any other person—

15           (i) if the person is a person to whom this Division applies at the commencement of the Securities Industry (Amendment) Act, 1970—within twenty-eight days after that commencement; or

20           (ii) if the person becomes a person to whom this Division applies after that commencement—within fourteen days after becoming such a person.

25           (3) A notice given under paragraph (b) of subsection two of this section shall be given notwithstanding that the person has ceased to be a person to whom this Division applies before the expiration of the period referred to in subsection two of this section.

30           (4) A person who ceases to be a person to whom this Division applies shall give notice to the Commission of his so ceasing in the prescribed form within fourteen days of his so ceasing.

35           Penalty : Two hundred and fifty dollars.

20D.

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*Securities Industry (Amendment).*

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5 20D. (1) It is a defence to a prosecution for failing to comply with section 20B if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that—

- (a) he was not so aware on the date of the information or summons;
- 10 (b) he became so aware less than fourteen days before the date of the information or summons; or
- 15 (c) he became so aware not less than fourteen days before the date of the information or summons and complied with the relevant section within fourteen days after becoming so aware.

(2) For the purposes of subsection one of this section, a person shall conclusively be presumed to have been aware of a fact or occurrence at a particular time—

- 20 (a) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or
- 25 (b) of which a servant or agent of the person, being a servant or agent having duties or acting in relation to his master's or principal's interest or interests in the securities concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs,
- 30 have been aware at that time.

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*Securities Industry (Amendment).*

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5           20E. (1) The Commission or any person authorised by him in that behalf may require any person to whom this Division applies to produce for inspection the register required to be kept pursuant to section 20B of this Act and the Commission or any person so authorised may make copies of, or take extracts from, the register.

10           (2) Any person who fails to produce a register for inspection or fails to allow any person to make a copy of or make extracts from the register shall be guilty of an offence against this Act.

15           20F. (1) The Commission or any person authorised by it in that behalf may by notice in writing require the proprietor or publisher of a newspaper or periodical to supply it with—

- 20           (a) the name and address of the financial journalist who contributed any advice specified in the notice or prepared any analysis or report so specified; or
- (b) the names and addresses of all financial journalists who, during a period specified in the notice, contributed any advice, or prepared any analysis or report,

25           being advice, or an analysis or report, published in a newspaper owned or published by that proprietor or publisher.

30           (2) A proprietor or publisher of a newspaper or periodical who wilfully fails to comply with a notice under subsection one of this section shall be guilty of an offence against this Act.

35           20G. Subject to this section, the Commission may supply a copy of a register required to be kept pursuant to section 20B of this Act or of any extract from such a register to any person who in the opinion of the Commission should in the public interest be informed of the dealing in securities disclosed in the register.



*Securities Industry (Amendment).*

5. The Securities Industry Act, 1970, is further amended— Further amendment of Act No. 35, 1970.

(a) by inserting in section three next after the matter relating to Part IV the following new matter :— Sec. 3. (Division into Parts.)

5 PART IVA.—CONDUCT OF SECURITIES BUSINESS—*ss.* 20H–20L.

(b) by inserting next after Part IV the following new Part :— New Part IVA.

PART IVA.

10 CONDUCT OF SECURITIES BUSINESS.

15 20H. No person who is the holder of a licence shall represent or imply or knowingly permit to be represented or implied in any manner to any person that his abilities or qualifications have in any respect been approved by the Commission otherwise than by a representation that he is the holder of that licence. Certain representations prohibited.

20 20I. (1) A dealer shall, in respect of a transaction of sale or purchase of securities (not being a transaction entered into in the ordinary course of business at a stock market between stockbrokers who are members of the stock exchange maintaining that stock market) forthwith issue a contract note that complies with subsection two of this section to the purchaser or vendor with or for whom he contracts whether as principal or agent. Issue of contract notes.

(2) A contract note issued by a dealer under subsection one of this section shall include—

30 (a) the name or style under which the dealer carries on his business as a dealer and the address of the principal place at which he so carries on business;

(b)

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*Securities Industry (Amendment).*

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- (b) where the dealer is dealing as principal with a person who is not the holder of a dealer's licence, a statement that he is so acting;
- 5 (c) the name of the person with whom the dealer has entered into the contract;
- (d) the day on which the transaction took place and whether or not it took place in the ordinary course of business on a stock market;
- 10 (e) the number or amount and description of the securities which are the subject of the contract;
- (f) the price per unit of the securities;
- 15 (g) the amount of the consideration;
- (h) if any commission is charged, the amount thereof and, in the case of a dealer who is not a stockbroker, the rate of commission;
- 20 (i) the amounts of all stamp or other duties and taxes payable;
- (j) if any amount is to be added to or deducted from the settlement amount in respect of the right to a benefit purchased or sold together with the securities, that amount and the nature of the benefit;
- 25 (k) if information has been given to the dealer pursuant to section 20L of this Act, an endorsement to the effect that the securities have been sold short.

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*Securities Industry (Amendment).*

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20J. Where, in a letter, circular or other communication issued by him, a dealer or investment adviser refers to any securities issued by a corporation or other person, he shall cause to be included in the letter, circular or other communication, in type not less legible than that used in the body thereof, a concise statement of the nature and extent of his interest, if any, in the securities. <sup>Disclosure of certain interests.</sup>

20K. (1) A dealer shall not, as principal, deal in any securities with a person who is not the holder of a dealer's licence unless he first informs the person with whom he is dealing that he is acting in the transaction as principal and not as agent. <sup>Dealings as principal.</sup>

(2) For the purposes of subsection one of this section dealings as principal include dealings on behalf of a corporation in which the dealer has and, where the dealer carries on the business of dealing in partnership, the dealer and his partners together have, a controlling interest.

(3) Where a dealer has failed to comply with subsection one of this section in respect of a contract for the sale of securities by him, the purchaser of the securities may, if he has not disposed of them, rescind the contract by a notice of rescission, in writing, given to the dealer within seven days after the receipt of the contract note and, where a dealer has failed to comply with that subsection in respect of a contract for the purchase of securities by him, the vendor of the securities may, in the like manner, rescind the contract.

20L. A person shall not— <sup>Short selling.</sup>

(a) as principal, instruct a dealer to sell securities of which that person is not, and is not entitled to become, the holder; or

(b)

*Securities Industry (Amendment).*

(b) as agent, instruct a dealer to sell securities of which, to that person's knowledge, his principal is not, and is not entitled to become, the holder,

5 unless he so informs the dealer.

Penalty : Two thousand dollars or imprisonment for six months, or both.

6. The Securities Industry Act, 1970, is further amended—

Further amendment of Act No. 35, 1970.

10 (a) by inserting next after subsection two of section twenty-two the following new subsection :—

Sec. 22. (Accounts to be kept by dealers.)

15 (2A) Subject to section nine of the Evidence (Reproductions) Act, 1967, a dealer shall retain, for a period of not less than seven years, the records referred to in subsection one of this section, every contract note received by him and a copy of every contract note issued by him.

20 (b) by inserting in paragraph (a) of section twenty-four after the word "thereto" the words "or in accordance with the directions of that person";

Sec. 24. (Purposes for which money may be withdrawn from trust account.)

(c) by omitting section twenty-eight and by inserting in lieu thereof the following section :—

Subst. sec. 28.

28. (1) In this section—

Auditor's report.

"financial year" in relation to a dealer means—

25 (a) where the dealer is not a corporation, the year ending on the thirtieth day of June; and

(b)

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*Securities Industry (Amendment).*

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(b) where the dealer is a corporation, the financial year of the corporation within the meaning of the Companies Act, 1961;

5 "prescribed day" in relation to a financial year of a dealer means—

(a) where the dealer is not a corporation, the day that is two months after the end of that financial year;  
10 or

(b) where the dealer is a corporation, the day that is three months after the end of that financial year,

15 or where in either such case an extension of time is approved pursuant to subsection three of this section, the day on which the extended time expires.

(2) A dealer shall, in respect of the financial year for the dealer beginning before and ending after—  
20

(a) the day on which section six of the Securities Industry (Amendment) Act, 1970, commences; or

(b) the day on which the dealer commences to carry on business as a dealer,  
25

whichever is the later day, and in respect of each financial year for the dealer thereafter, lodge with the relevant authority for the dealer, before the prescribed day for that financial year, an auditor's report containing the prescribed information.  
30

(3)

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*Securities Industry (Amendment).*

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5 (3) An extension of the period of two months or, as the case may require, the period of three months, referred to in the definition of "prescribed day" in subsection one of this section may be approved—

(a) by the relevant authority, where—

- 10 (i) application for the extension is made by the dealer;
- (ii) the reasons for requiring the extension are special and exceptional; and
- (iii) the extension does not exceed one month; or

(b) by the Commissioner where—

- 15 (i) the maximum extension has been approved pursuant to paragraph (a) of this subsection; and
- 20 (ii) application for the extension is made by the dealer and his auditor with the concurrence, in the case of a dealer who is a stockbroker, of the relevant authority,

and any such approval may be given subject to conditions.

25 (4) If a dealer fails to comply with the provisions of subsection two of this section, the relevant authority for the dealer shall forthwith report the matter to the Minister.

*Securities Industry (Amendment).*

7. The Securities Industry Act, 1970, is further amended—

- Further amendment of Act No. 35, 1970.
- 5 (a) (i) by omitting from the definition of “prescribed day” in section thirty-nine the words “first day of July” where firstly and thirdly occurring and by inserting in lieu thereof the words “quarter day”;
- 10 (ii) by omitting from the same definition the words “that first day of July” wherever occurring and by inserting in lieu thereof the words “the day next following that quarter day”;
- 15 (iii) by inserting next after the same definition the following new definition :—  
“quarter day” means the last day of the months of March, June, September and December;
- 20 (iv) by omitting from the definition of “relevant period” in the same section the words “twelve months ending on the thirtieth day of June” wherever occurring and by inserting in lieu thereof the words “three months ending on the quarter day”;
- 25 (b) (i) by omitting from paragraph (b) of subsection one of section forty the words “twelve months ending on the thirtieth day of June” and by inserting in lieu thereof the words “three months ending on a quarter day”;
- 30 (ii) by omitting from subparagraph (i) of the same paragraph the words “period of twelve months ending on the immediately preceding thirtieth day of June” and by inserting in lieu thereof the words “the immediately preceding period of three months ending on a quarter day”;
- 35 (c) by omitting subsection four of section forty-four.
- Sec. 39. (Interpretation.)
- Sec. 40. (Certain moneys to be deposited with stock exchange.)
- Sec. 44. (Accounts of deposits.)
- 8.

*Securities Industry (Amendment).*

8. The Securities Industry Act, 1970, is further amended by omitting from paragraph (a) of subsection one of section fifty-four the word "two" and by inserting in lieu thereof the word "four".
- Further amendment of Act No. 35, 1970.  
Sec. 54.  
(Provisions if fund exceeds \$2,000,000.)
- 5 9. The Securities Industry Act, 1970, is further amended—
- Further amendment of Act No. 35, 1970.
- (a) by omitting paragraph (a) of subsection one of section seventy-six and by inserting in lieu thereof the following new paragraphs :—
- Sec. 76.  
(Regulations.)
- 10 (a) regulating the publication of advertisements offering the services of dealers or investment advisers, or offering securities for purchase or sale, and the form and content of such advertisements;
- 15 (a1) the preparation by dealers of balance sheets and profit and loss accounts and the form and content thereof;
- (b) by inserting next after section seventy-eight the following new sections :—
- New secs. 79 and 80.
- 20 79. (1) If, in New South Wales, a person does an act or omits to do an act and that person would, if he had done that act or had omitted to do that act in another State or in a Territory of the Commonwealth, have been guilty of an offence against the law of that State or Territory that corresponds to a provision of this Act, that person is guilty of an offence against that provision of this Act.
- Reciprocity in relation to offences.
- 25
- 30 (2) Where an act or omission constitutes an offence both under this Act and a law of another State or a Territory of the Commonwealth that



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*Securities Industry (Amendment).*

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that corresponds to a provision of this Act and the offender has been punished under that law, he is not liable to be punished in respect of the offence against this Act.

5           80. (1) In any proceedings for an offence Proceedings, how and when taken. against this Act, any information, charge, complaint or application may be laid and made—

- (a) in the name of the Commission where not required to be laid or made on oath;
- 10           (b) by the Commissioner or an officer or employee of the Commission authorised in that behalf by the Commissioner; or
- (c) with the consent of the Minister, by any person,

15           except where this Act otherwise provides.

             (2) Notwithstanding anything in any Act, proceedings for an offence against this Act that is punishable on summary conviction may be brought within the period of three years next succeeding the  
20           commission of the alleged offence.

to be in the...

the provisions of the Act shall not apply to any person who is not a member of the...

(1) In any proceeding...

(2) In any proceeding...

(3) In any proceeding...

(4) In any proceeding...

(5) In any proceeding...

(6) In any proceeding...

(7) In any proceeding...

(8) In any proceeding...

(9) In any proceeding...

(10) In any proceeding...

(11) In any proceeding...

(12) In any proceeding...

(13) In any proceeding...