



FMOA

FINANCIAL MARKETS
OPERATIONS ASSOCIATION

NZ FMOA Chairperson's Report

October
2004

IN THIS ISSUE

- Chairperson's Report
- DMA Now Live in NZX
- Ex Date
- FMOA Committee Profiles

Welcome to another issue of the semi annual FMOA Newsletter. As always this edition will provide members with an update of goings on around the market place, plus a special focus on the committee members of the FMOA

I would ask you all to review the agenda, which is included in the newsletter, for the upcoming conference to be held in Wellington on the 12th November. You will see that this promises to be one of our best forums yet, particularly because we have some very high profile speakers.

I'm really looking forward to hearing from National MP John Key, who has made the move from Financial Markets into Politics, and who in New Zealand has not heard of Mark Sorenson, New Zealand Softball legend and perhaps the greatest player to ever play the game? I'm sure Mark will give us all some food for thought as he talks to us about Team Ethics & Values.

The meeting in November will also be a special day for me, as it will be my last as Chairperson of the FMOA. I have decided to stand down from the committee this year, after being actively involved for the past 9 years, and chairperson since 1998. I believe time is right for me to move on and allow someone else to take the reins, as we move into a new chapter of the Financial Markets. Accreditation is looming as the next big initiative for our business, with the Financial Markets Association, our front office partners, developing an accreditation process for dealers in conjunction with AFMA in Australia. We should also be looking to move into this space, leveraging off the work already done by AFOA, to give our people the formal training and skills to further their careers, be it in the New Zealand marketplace or overseas.

I take an immense amount of pride & satisfaction in the development of the FMOA over the past few years, registrations are up in an overall declining market, our semi annual conferences have had record attendance numbers, and the quality of speakers we have managed to obtain reads like a who's who of New Zealand business leaders and national icons. Who will forget Don Brash, Gavin Larsen, Denise L'Estrange, Lester Levy, Mark Blumsky, Adrian Orr to name a few, not to mention fantastic

speakers such as Joe Musaphia and John Thackery who had us all in stitches!!

To me though, the greatest part of the FMOA is the networking opportunities and the relationship building that is achieved by bringing together the leaders and participants in our market on a regular basis. The co-operation we show in a competitive market has allowed us to resolve many issues, which in other overseas markets would not be possible. You will still see me as a regular attendee at FMOA events and I urge you all to continue to support the association.

Before I sign off for the last time, I would like to take this opportunity to say thanks the committee for their hard work and dedication, in particular Paul Chandler who has always provided me with great support, and has been the "financial controller" of the FMOA now for many years. A big thanks goes to Maria Chandler, our administrator. The work that goes on behind the scenes to organise committee meetings, this newsletter, and the semi annual conferences is what makes the organisation tick, and we wouldn't have got the FMOA to the position we are in today without Maria's professionalism and dedication.

That's about it for now. I'll sign off for the final time, and I look forward to seeing you all on the 12th of November in Wellington.

Peter Thomas
Chairperson

AGENDA

FMOA CONFERENCE &
AUSTRACLEAR USER GROUP
MEETING

Friday 12 November 2004

Lambton Room One, Hotel
InterContinental,
Grey Street, Wellington

10.30am - 11.00am
Registration/Morning Tea

11.00am – 11.45am
"Global Talent War"
Bernie Kelly, CEO, Global Career Link

11.45am – 12.30pm
"Financier to Politician"
John Key, National MP

12.30 – 1.30pm Lunch

1.30pm – 3.00pm
Austraclear Users Group Meeting

3.00pm – 3.15pm Afternoon Tea

3.15pm - 3.30pm
FMOA AGM
- President's Report
- Treasurer's Report
- Committee Nominations

3.30pm – 4.15pm
Reserve Bank of New Zealand speaker

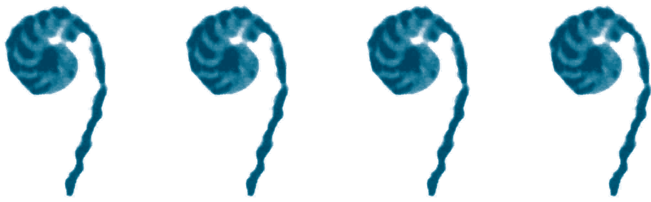
4.15pm – 5.15pm
"Team Ethics and Values"
Mark Sorenson, Black Sox Captain

5.15pm – 7.00pm Drinks/Nibbles for
Austraclear/FMOA members
operations and settlement staff at the
same venue

FINANCIAL MARKETS
OPERATIONS ASSOCIATION

PO Box 48057, Silverstream,
Upper Hutt, New Zealand

Email: info@fmoa.org.nz
Web site: www.fmoa.org.nz



Direct Market Access (DMA) Now Live in NZX's Markets

NZX's recent introduction of direct market access (DMA) provides NZX Participants who are authorised to trade in NZX's markets the ability to tailor service offerings to existing clients and to reach a much broader range of new clients, both domestic and international. Those participants can determine the right level of market access for clients, whether they are based in Auckland, Sydney, Hong Kong or New York.

Orders are entered via NZX's FIX 4.2 interface by specifically designed software applications, developed by independent software vendors (ISVs) and accredited by NZX to meet DMA standards.

International markets have shown that DMA users drive a significant level of liquidity. As such, NZX hopes to see more ISVs entering and participating in NZX's markets.

Currently the main users of DMA applications in New Zealand are NZX Firms accredited to trade into NZX's markets using DMA. These firms are CitiGroup Global Markets (NZ) Limited, ABN AMRO New Zealand Ltd, Macquarie New Zealand Ltd, Goldman Sachs JBWere (NZ) Ltd, First NZ Capital Securities and Forsyth Barr Ltd.

NZX Firms accredited to trade into NZX's markets using DMA have control over and responsibility for which clients they allow to use the DMA application. NZX expects this to include fund managers and active traders who trade regularly via the NZX Firm.

NZX believes the introduction of DMA will increase diversity of market participation as it enables enhanced trading activity among retail and professional participants. The end result should see increased liquidity and increased information flows.

Ex Date

Currently the main Custodians in New Zealand ANZ, Westpac and National Nominees have formed an informal working group and petitioned the NZX for changes to the New Zealand market practice around ex date and record dates. We are looking to drive this change to bring the New Zealand market place into line with international practice to promote a more efficient market especially for international investors. The proposal is to move to a regime of ex date 3 days prior to record instead of the current regime of Record date Friday and Ex Date the following Monday.

Main advantages to the market

- Effectively remove the need for participants to claim DWP or Supplementary dividends from the companies involved as our holding would be correct at record date.
- It would also eliminate the DRP issues that have been

Ex Date (cont)

experienced in the past in ensuring the brokers protect our clients.

- Eliminate problems on dual listed stock where the books close and ex dates are different in two markets Australia and NZ - this leads to trading issues between markets and missed arbitrage opportunities.
- Eliminate confusion from international clients in understanding the NZ market

Currently there is a white paper due out for public consultation from the NZX by end of October. The proposed implementation date is March 2005.

FMOA Committee Profiles

Julie Allen

Operations Manager - Deutsche Bank AG, New Zealand Branch

Member of FMOA since May 2002.

I joined Bankers Trust New Zealand - Settlements in Jan 1986 and worked across all the settlement products, and then moved to analytical and management roles.

In 1999, Bankers Trust merged with Deutsche Bank.

As Operations Manager I oversee all New Zealand settlements and operations, including client relationships. My specialist area is Structured

Transactions.

Adrienne Barlow

Manager, Payment and Settlement Services Team

Joined FMOA Committee August 2004.

I started working for the Reserve Bank about 15 years ago as a clerk in what was then the Registry Department. I was in the Transfer Team, when Austraclear came to the New Zealand market. Therefore I have been involved with the system in various roles since day one.

The majority of my involvement with the Austraclear system has been as the Administrator, this role encompassed training internally and externally, set-up and management of memberships, system change control and testing.

I participated in all the testing for bringing the Exchange Settlement Accounts into the system, the system onshore, introduction of Equities and Corporate Actions, Y2000, Tech Refresh and liaison with the software providers, initially Austraclear Limited and now Datacom.

Earlier this year the bank merged the Austraclear Operations and ESAS/Settlements Teams appointing me as the Manager of the new Payment and Settlement Services Team.

“NZX believes the introduction of DMA will increase diversity of market participation”

Committee Profiles (cont)

Paul Chandler

Head of Markets and International Operations, ANZ National Bank My current role at the ANZ National Bank involves overseeing the Markets and International Operations as well as representing the Bank on various industry bodies and working groups. Prior to being appointed to this role in December 2003 (following the merger of the NBNZ and ANZ New Zealand) I performed the same role for the National Bank since 1995.

Prior to that, I established and lead the Wholesale Audit function for NBNZ. I have also held a number of Industry Directorships throughout this time.

I joined the FMOA Committee in the late 1990's.

Chris Corke

Chief Information Officer, NZX

Joined FMOA Committee in 2004.

Appointed as Chief Information Officer in September 2003, Chris manages NZX's Operations and Development group. His responsibilities include strategic information and technology initiatives, internal systems and risk management, and implementing IT and infrastructure projects.

Among other roles, Chris has held management positions with Telecom New Zealand Limited, BEA and Advantage Retail Solutions in New Zealand, and Accenture, in the UK.

Chris has worked in a number of capacities in Information Technology for almost 20 years. These roles have involved most major verticals including Finance, Utilities, Retail and Management Consulting.

Gillies Cornelius

Manager Treasury Settlements Telecom New Zealand Limited since 1994.

FMOA committee member since 1999.

19 Years experience working in Treasury Settlements starting with the Bank of New Zealand in 1985.

Have worked at Banque Indosuez, New Zealand Dairy Board and National Mutual Funds Management.

Mark Lawrence

Head of ANZ Custodian Services New Zealand

Joined FMOA Committee in 2003.

Graduated from Otago University in 1992 with a Bachelor of Commerce degree. I promptly headed overseas to begin my career in the finance industry. I was employed in various operational roles in notable institutions in London including Chemical Bank, JP Morgan and Merrill Lynch over 4 years.

I then returned home to a role with ANZ Custodian Services as a Client Relationship Manager for another 4 years before being offered a role with HSBC Custody and Clearing based

in Hong Kong as Vice President Sales and Relationship Management for 2 years.

After returning to New Zealand I secured my current Role as Head of ANZ Custodian Services New Zealand which I have been in for 1 year now.

Robert Poulter

October 2003 to present - Manager National Nominees Limited.

FMOA Committee member since 2003.

National Nominees was established in 1988 as a sub-custodian. We are a wholly owned subsidiary of National Australia Bank and located in Auckland.

February 2000 to August 2003 - Assistant Vice President Retail Funds Administration, Bank of New York Europe Limited, London. I was responsible for third party processing of Unit Trust and ISA applications for five European clients. I was also responsible for the implementation of an Image and Workflow based system into the business.

February 1988 to August 1999 - Cavill White Securities Limited, Auckland.

I have had various roles from Market Operator but primarily 10 years as Financial Controller.

John Timmony

Manager Fixed Income Operations, Citigroup Global Markets, Australia

Joined the FMOA Committee in 2003.

I commenced in the Australian Fixed Income market when it was in its infancy in 1981 after many years with a Sydney stockbroker.

In 1990 I moved to County, which became County Natwest, then Natwest, a subsidiary of National Westminster Bank, then Salomon Smith Barney and finally Citigroup Global Markets.

I was involved with ATOA in Sydney for many years and was part of the group, which put together the "SCORE" document, which is used by operation areas as a means of self-regulation and testing.



Treasury Operations Opportunity

- Treasury outsourcing business
- Auckland CBD based

ETOS Limited has experienced significant growth since it was established in 2002. It is the leading provider of treasury outsourcing services in New Zealand, providing front, middle and back office services to a large range of organisations. This is a growing business that requires individuals who have the capability and capacity for many and varied roles with a focus on customer service.

We are seeking an experienced and committed treasury back-office professional to manage and service our clients directly. Reporting to the Treasury Operations Manager the successful applicant will be a team player, self-motivated and possess the following skills:

- 3 - 5 years treasury experience, preferably in a back office operations/administration role
- Good understanding of treasury products
- Comprehensive computer skills
- Excellent time management skills with the ability to prioritise
- Attention to detail
- Good communication and interpersonal skills
- Ability to fit into a small and highly focused team of professionals

This is an important role in a dynamic business that is expanding its services and client-base. A competitive salary with bonus potential will be paid to the successful candidate.

Please reply in confidence to Richard Eaddy, Managing Director by emailing your CV to richard.eaddy@etos.co.nz.



FMOA COMMITTEE MEMBERS 2003/2004

Peter Thomas (*Chairperson*)
Westpac Institutional Bank
P O Box 691
Wellington
(04) 381-1444
peter_thomas@westpac.com.au

Maria Chandler (*Administrator*)
P O Box 48057
Silverstream
Upper Hutt
(04) 5289-483
maria@fmoa.org.nz

Gillies Cornelius (*Committee*)
Telecom New Zealand
P O Box 570
Wellington
(04) 498-9443
gillies.cornelius@telecom.co.nz

Julie Allen (*Committee*)
Deutsche Bank
P O Box 6900
Auckland
(09) 351-1538
julie.allen@db.com

Chris Corke (*Committee*)
NZX
P O Box 2959
Wellington
chris.corke@nzx.com

Paul Chandler (*Treasurer*)
National Bank of NZ
P O Box 540
Wellington
(04) 802-2074
paul.chandler@nbnz.co.nz

Mark Lawrence (*Committee*)
ANZ Custodian Services
P O Box 1492
Wellington
(04) 474-5077
LawrencM@anz.com

Adrienne Barlow (*Committee*)
Reserve Bank of NZ Payment
Settlement Services, P O Box 2498
Wellington
(04) 471-3629
barlowa@rbnz.govt.nz

Robert Poulter (*Committee*)
National Nominees Ltd
125 Queen Street
Auckland
(09) 302-7539
Robert_poulter@bnz.co.nz

John Timmony (*Committee*)
Salomon Smith Barney Australia
Level 24
2 Park Street, Sydney
00612 8225 4363
john.timmony@citigroup.com