



**Securities Exchanges Guarantee Corporation: BBY Limited (In Liquidation) (Receivers and Managers Appointed)**  
**Circular to Equities and ETO clients – Property Entrusted Claims**

The purpose of this circular is to invite clients of BBY Limited (In Liquidation) (Receivers and Managers Appointed) (**BBYL**) who might be eligible to claim compensation from the National Guarantee Fund (**NGF**) to lodge their claims with the Securities Exchanges Guarantee Corporation (**SEGC**).

**Why are you receiving this circular?**

You are receiving this circular because you have been identified in the books and records of BBYL as an Equity and/or ETO client of BBYL, who might be eligible to claim compensation from the NGF.

To date, SEGC has received over 300 claims from former clients of BBY. However, it is aware that there are still a large number of Equities clients and ETO clients who have not yet lodged claims. If you have already lodged a claim, no further action is required.

**What is the NGF?**

The NGF is a compensation fund available to meet certain claims arising from dealings with participants or former participants in the ASX market, including BBYL. Payments from the NGF may only be made in the circumstances specified in the *Corporations Regulations 2001 (Cth)* (**Corporations Regulations**).

**Who is SEGC?**

SEGC administers the NGF in accordance with Division 4 of Part 7.5 of the *Corporations Act 2001 (Cth)* and the *Corporations Regulations* and holds the assets of the NGF on trust for the purposes set out in the legislation.

**Which BBYL clients are likely to be eligible to claim?**

SEGC will determine each individual claim on its merits, having regard to the particular circumstances of that claim. However, having regard to the claims which SEGC has reviewed to date, it considers that the following categories of BBYL clients, amongst others, may be eligible to claim compensation from the NGF.

1. Equities and ETO clients who deposited money into one or more client segregated accounts maintained by BBYL (**CSAs**) before 17 May 2015, for the purposes of trading in ASX-listed equities and options, in respect of the *shortfall* between:
  - (a) the money so deposited (which should have been held on trust by BBYL); and
  - (b) the amount which those clients ultimately receive by way of distribution by the BBYL Liquidators from the CSAs or from other trust accounts.
2. ETO Clients with open positions as at 15 May 2015, and for whose accounts "Returned Collateral" was paid by ASX Clear to BBYL, in respect of the *shortfall* between:
  - (a) the money returned by ASX Clear for their account; and
  - (b) the amount of "Returned Collateral" which those clients ultimately receive by way of distribution by the BBYL Liquidators.

("Returned Collateral" refers to the \$3.4 million surplus in realisations of ETO margin collateral that was paid by ASX Clear to BBYL after 17 May 2015).

In each instance, those Equities and/or ETO clients of BBYL may submit a "property entrusted claim" under subdivision 4.9 in Part 7.5 of the *Corporations Regulations* - that is, claims relating to property (such as shares or money) entrusted to BBYL in connection with its securities business before it went into administration. The amount of compensation payable to claimants is subject to a statutory cap (of \$11.4 million).

**Timing for lodging claims**

Please be aware that SEGC will soon impose a cut-off date for submitting property entrusted claims. You should continue to monitor the SEGC website for the cut-off date. However, there is no reason to wait until the cut-off date is imposed to lodge your claim with SEGC, and SEGC encourages you to submit your claim as soon as possible. Claim forms are available at [segc.com.au](http://segc.com.au). Please contact Gabby Hart on (02) 8216 0232 or [gabby.hart@segc.com.au](mailto:gabby.hart@segc.com.au) if you have any queries.