

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023077446701**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: ANZ Securities, Inc. (Respondent)
Member Firm
CRD No. 36654

Pursuant to FINRA Rule 9216, Respondent ANZ Securities, Inc. submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

ANZ has been a FINRA member since 1995. The firm is headquartered in New York, NY and has approximately 30 registered representatives operating out of one branch location.¹

OVERVIEW

From July 2016 through June 2023, ANZ inaccurately reported to the Trade Reporting and Compliance Engine (TRACE) approximately 36,500 transactions without the required “No Remuneration” (NR) Indicator and approximately 22,500 of those transactions also without the required Non-Member Affiliate-Principal Transaction (NMA-PT) Indicator, in violation of FINRA Rules 6730(d) and 2010. In addition, between July 2016 through at least June 2023, ANZ’s supervisory system, including its written supervisory procedures (WSPs), was not reasonably designed to achieve compliance with FINRA Rule 6730(d), in violation of FINRA Rules 3110 and 2010. For these violations, ANZ is censured, fined \$50,000, and consents to an undertaking to take corrective action.

¹ For more information about the firm, visit BrokerCheck® at www.finra.org/brokercheck.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a review conducted by FINRA's Department of Market Regulation.

ANZ inaccurately reported transactions in TRACE-eligible Securities without the required NR or NMA-PT Indicators.

TRACE facilitates the mandatory reporting of over-the-counter transactions in certain fixed income securities and provides increased price transparency to market participants and investors. FINRA Rule 6730(a) provides, in relevant part, that "[e]ach member that is Party to a Transaction in a TRACE-Eligible Security must report the transaction." Rule 6730 also identifies the specific types of information required to be included in reports submitted to TRACE, including information about price and the use of modifiers and indicators.

FINRA Rule 6730(d)(1) and 6730(d)(4)(F) generally require member firms to include the NR Indicator where a trade report does not reflect either a commission, mark-up, or mark-down, subject to exceptions in Rule 6730(d)(1) that are not applicable here. The NR Indicator is part of publicly disseminated TRACE transaction data and identifies those trades where no commission, mark-up, or mark-down was charged or known when reported. A failure to accurately report the NR Indicator affects the audit trail and can result in either false alerts or the inability to detect problematic transactions.

FINRA Rule 6730(d)(4)(E) requires member firms to append an NMA-PT Indicator when reporting a transaction with a non-member affiliate in which both the member and non-member affiliate act in a principal capacity, and the trade occurs within the same day, at the same price, and in the same security as a transaction by the member with another contra-party. Application of the NMA-PT Indicator denotes a principal transaction with a non-member affiliate also acting as a principal and removes a trade from public dissemination.

A violation of FINRA Rule 6730 also constitutes a violation of FINRA Rule 2010, which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

From July 2016 through June 2023, due to the firm's misinterpretation of Rules 6730(d)(1) and 6730(d)(4)(F), ANZ failed to include the NR Indicator in TRACE reports for approximately 36,500 transactions executed without a mark-up, mark-down, or commission. During the same time period, due to a misinterpretation of Rule 6730(d)(4)(E), ANZ also failed to include the NMA-PT Indicator on approximately 22,500 of the approximately 36,500 transaction reports that were missing the NR Indicator, which resulted in those trades being publicly disseminated when they should not have been. For example, ANZ failed to include the NR Indicator on 34,800 reports of

transactions in Corporate Debt securities, which was approximately 80 percent of the firm's reportable transactions in Corporate Debt securities. The firm also failed to include the NMA-PT Indicator on 21,500 of those reports of transactions in Corporate Debt securities, which resulted in the transactions being publicly disseminated when they should not have been. The firm remediated the issues after FINRA made the firm aware of its misinterpretations.

By failing to report the NR Indicator on approximately 36,500 reports of transactions in TRACE-Eligible Securities and failing also to report the NMA-PT Indicator on approximately 22,500 of those transaction reports, ANZ violated FINRA Rules 6730(d)(1), 6730(d)(4)(F), 6730(d)(4)(E), and 2010.

ANZ's supervisory system was not reasonably designed to achieve compliance with FINRA 6730(d).

FINRA Rule 3110(a) requires a member firm to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. FINRA Rule 3110(b) requires a member firm to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. A violation of FINRA Rule 3110 is also a violation of FINRA Rule 2010.

Between July 2016 through at least June 2023, ANZ's supervisory system, including its written supervisory procedures, was not reasonably designed to achieve compliance with FINRA Rule 6730(d). The firm had no process to review, or written supervisory procedures addressing, the accuracy of indicators on the firm's TRACE reports.

Therefore, ANZ violated FINRA Rules 3110 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure and
- a \$50,000 fine; and
- an undertaking that, within 60 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Rules 6730 and 2010 regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such

evidence. Respondent shall submit the certification to Amanda Fein, Director, FINRA Department of Enforcement, Amanda.Fein@finra.org with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

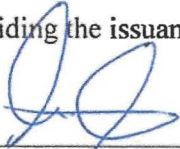
Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than

the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

Sep. 4, 2025
Date


ANZ Securities, Inc.
Respondent

Print Name: Aniel Aharon

Title: President

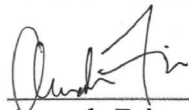
Reviewed by:


Michael T. Dyson
Counsel for Respondent
Sullivan & Worcester LLP
1666 K Street, NW
Washington, DC 20006

Accepted by FINRA:

Sept. 18, 2025
Date

Signed on behalf of the
Director of ODA, by delegated authority


Amanda Fein
Director
FINRA
Department of Enforcement
Brookfield Place
200 Liberty Street
New York, NY 10281