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### Submission to a GTA Technical Committee

#### Instructions

Please complete **all** sections of this form to ensure the Committee receives a clear indication of the issue and your recommended course of action.

**Proposal from:** Nathan Cattle

**GTA Member name:** Clear Grain Exchange

**Contact details:**

**Date submitted:** 20/2/17

*sent, via email, to GTA at [submissions@graintrade.org.au](mailto:submissions@graintrade.org.au)*

#### NOTE

Submissions will be published on the GTA website unless there is a request not to, based on confidentiality. GTA publishes submissions:

1. to aid industry in understanding the issues on a particular topic; and
2. as a method for submitters to check that their submission has been received.

**Issue** - *outline what the issue is.*

We have an issue with a sentence in clause 2.15 Disclosure of Commissions  
"As an aside, it is industry practice for the Seller to pay commissions on tonnes brokered."

**Impact on Member Business** - *detail how the issue affects the business operations of not just your business but other GTA members as well.*

PLEASE REFER EXPLANATION IN THE BODY OF MY EMAIL TO SUPPORT THE COMMENTS BELOW.  
The intent of the TGD regarding disclosure of commissions is very clear in the first two sentences of clause 2.15. In the case of Clear Grain Exchange, we are a Broker as defined by this document and charge both the buyer and seller in any transaction. All fees are fully disclosed to both buyer and seller before they place a firm bid or offer in the market and we ensure we are impartial at all times with actions only ever based on specific instructions.□

**Recommendation** - *detail your recommendation to address the issue.*

Our recommendation is to delete the aforementioned sentence from clause 2.15.  
The sentence does not add anything, is poorly worded, and potentially adds confusion.  
The intent of the TGD is to ensure best practice by Brokers and Agents. In regards to clause 2.15 best practice is in full disclosure of all fees ahead of providing the service. The wording in this sentence has the potential to limit business models of GTA members.

**Members who Support this Submission** - *list other GTA members who support this submission. Insert their name and contact person with phone number.*

I have not reached out to any other GTA members regarding this submission but would be happy to do so if thought necessary by the Committee. I expect it would be of interest to others, for example there are Agents that act on behalf of buyers and charge the buyer accordingly.

Industry Submission

Title: GTA TGD Brokers & Agents

From: Nathan Cattle, ClearGrain

Date: 21 March 2017

Hi team

I would like to make a submission on behalf of Clear Grain Exchange to delete a sentence of the DRAFT Brokers and Agents TGD under 2.15 Disclosure of Commissions - *"As an aside, it is industry practice for the Seller to pay commissions on tonnes brokered."*

Please find attached a formal submission doc to support the explanation below.

The intent of the TGD regarding disclosure of commissions is very clear in the first two sentences of clause 2.15 ie. *Brokers and Agents must disclose any commission arrangements to clients prior to (where known) providing services. The aim is to ensure there is absolute clarity regarding who pays for the service.*

Hence the intent of this clause is to ensure proper disclosure of fees by Brokers or Agents to those using the service, not to determine how the service is charged.

The reason for the submission is that the afore mentioned sentence does not add anything, is poorly worded, and potentially adds confusion.

In the case of Clear Grain Exchange, we are a Broker as defined by this document and charge both the buyer and seller in any transaction. All fees are fully disclosed to both buyer and seller before they place a firm bid or offer in the market and we ensure we are impartial at all times with actions only ever based on specific instructions

- hence we aim to comply with this TGD.

There are also Agents in the market currently acting on behalf of "Buyers" and charging the buyer accordingly.

The intent of the TGD is to ensure best practice by Brokers and Agents. In regards to clause 2.15 best practice is in full disclosure of all fees ahead of providing the service. The wording in this sentence has the potential to limit business models of GTA members.

Thank you for your consideration  
and please call if any queries at all.

Many thanks

**Nathan Cattle**

MANAGING DIRECTOR

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