



Australian Racing Board

AUSTRALIAN BLOODSTOCK CODE OF PRACTICE

1. Introduction

Australian Racing and its participants place great value on the reputation it has achieved for high standards of integrity and transparency in all of the industry's facets. This Code of Practice sets out principles that apply to sales of bloodstock and sales of stallion shares and nominations, be they private sales or sales at public auction, helping to ensure that sales of bloodstock in Australia continue to achieve this high standard of integrity and transparency, in order to safeguard the interests of vendors, consignors, bloodstock agents, owners, trainers and sales companies.

2. Definitions

- **“Agent”** means any trainer, consignor, bloodstock agent, racing or stud manager or other person or entity who represents and/or advises a principal in the sale or purchase of bloodstock, stallion shares or nominations, whether or not the agent is paid by way of retainer, commission or other forms of remuneration, or has ongoing financial arrangements (for example the payment of management or training fees).
- **“Principal”** means a person or entity who, either formally or informally, appoints an agent to represent and or advise him in the sale or purchase of bloodstock, stallion shares and nominations as in the definition above.
- **“Trainer”** means a person licensed or holding a permit to train granted by a Principal Racing Authority or Association, or a person qualified to train under **AR.80**.
- For clarification, words importing the singular include the plural and the plural the singular, unless the context requires otherwise; and words importing the masculine gender shall be deemed and taken to include females unless the contrary is expressly provided; and words importing the feminine shall be deemed and taken to include the masculine unless the contrary is expressly provided.

3. Obligations of Agents

- 3.1. An agent owes a duty to his principal to act at all times in accordance with his principal's best interests.
- 3.2. An agent shall not place himself in a position in which his personal interests conflict with his fiduciary duties to his principal.

- 3.3. An agent shall not acquire an interest in or buy for himself, any member of his immediate family, his firm or any member thereof, or for an entity in which he has an ownership interest (other than a public company), bloodstock listed with him, without making the true position known to his clients.
- 3.4. When an agent acts as a vendor or part-vendor and sells or intends to sell any horse in which he has an interest to a principal, or intended principal, the agent must disclose to his principal, before completion, the full extent of that interest and the benefit derived from that transaction.
- 3.5. If an agent acts in a transaction for more than one principal (which might be both the vendor and purchaser), the agent can only do so if he has before completion, disclosed this fact to all his principals, and obtained their consent.
- 3.6. An agent must notify his principal, wherever possible in advance, when a conflict of interest could arise, such as transactions involving third parties with whom he has a retainer, transactions where he is or should reasonably be aware he will or is likely to benefit from a third party, or transactions concerning horses which he has previously purchased or sold.
- 3.7. An agent shall disclose to his principal and, if required, account to his principal for any financial payment or payment in kind made by or on behalf of a vendor to a purchaser or his agent in relation to the sale of a horse, after the sale of the horse has been concluded. In particular, an agent shall not use his position to obtain an undisclosed profit or other benefit.
- 3.8. If an agent receives an offer to purchase a horse he must relay that offer in its entirety to his principal at the earliest opportunity and respond in accordance with the principal's instructions.
- 3.9. An agent must not communicate any false or misleading information to his principal regarding any horse under the principal's consideration.
- 3.10. Where an agent is, on behalf of his principal, bidding on a horse at an auction the agent must not enter into an arrangement with any person to inflate the price at which it is sold.

4. **Dual Agency or Conflicts of Interest of Veterinarians.**

A veterinarian engaged to advise a purchaser or his agent in connection with a purchase of a horse, including but not limited to reading and advising on material lodged in an auctioneer's x-ray repository, must only do so if he has first disclosed to the purchaser or his agent all of the following information:

- (a) Whether the veterinarian or his practice has within the previous three months had any professional dealings with the vendor or consignor of the horse or their agents.
- (b) If the veterinarian has a commercial relationship with the vendor or consignor of the horse.
- (c) Any ownership interest in the horse of the veterinarian, any member of his family, any member of his practice, or an entity in which he has an ownership interest.

5. **Obligation of the Vendor**

A vendor must not offer any secret profit to any person whom he believes to be an agent acting for a prospective purchaser.

6. **Enforcement**

6.1. Any alleged breach of the Code of Practice should be reported to the Principal Racing Authority in the State in which the agent is resident.

6.2. It is the responsibility of the complainant of an alleged breach to provide evidence to the Principal Racing Authority in support of the allegation.

6.3. All parties involved shall provide their full assistance in the respect of any complaint.

6.4. If the Principal Racing Authority is satisfied there has been a breach of this Code of Practice it is likely to consider this to be contrary to the integrity, proper conduct or good reputation of horse racing, and any person involved may, in addition to the punishments described in AR196, be warned-off.

6.5. The Australian Rules of Racing applying to this Code are set out in Appendix I.

Adopted and published by the Australian Racing Board on 9th May, 2007.