

CIRCULAR



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To: **Associate Members**
 Floor Members
 Local Members
 Market Representatives

No: **296/99**

Disciplinary Action imposed by the Business Conduct Committee

Members are advised that in accordance with Article 38.9.1(d) the Business Conduct Committee (the Committee), acting under the said Article, resolved that an Associate Member had failed to comply with the following:

- Sections 1172 and 1176 of the Law;
(Principals to Authorise their Futures Representatives)
- Article 37.4(a);
(Failure to advise the Exchange that the Registered Representative (Managed Discretionary Account) is no longer employed by the Member)
- Article 4.6(3)(b)
(Failure to advise the Exchange's Membership Department within 21 days that the Directors have changed)
- Articles 4.6(4)(h)(i) and (ii), 4.6(4)(ha) and 4.6(4)(hb), General By-Laws G.32(a)(i) and (ii), G.32(c) and G.42(i) and (ii) and Section 1210 of the Law;
(Failure to provide a Client Agreement Documentation and Disclosure Document to a client)
- General By-Laws G.10(ca) and G.10A(b);
(Failure to comply with the Dual Trading Provisions)
- Article 4.7A(h) and General by-law G.32(d)(i);
(Failure to have a Registered Representative (Managed Discretionary Account) operating the Managed Discretionary Account)
- General By-Laws G.42(iii), G.35(a) and G.39;
(Failure to maintain a Disclosure Document that is complete and accurate)
- General By-Law G.42(vii);
(Failure to maintain documentation in relation to the suitability of clients)
- General By-Law G.42(vi) and Section 1266(7) of the Law;
(Failure to maintain accurate order records)

- Article 4.6(1)(e) by virtue of apparent failures to comply with the Law.

During a recent inspection it was identified that the Member's records and procedures were not maintained in a manner that ensured compliance with the Exchange's Business Rules.

In accordance with Article 38.9.1(d), the Committee imposed a fine of \$2,000 upon the Member for the identified breaches.

Deborah Horne
GM; Compliance & Surveillance

27/10/99

SYDNEY FUTURES EXCHANGE LIMITED
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