

CIRCULAR



30 - 32 Grosvenor Street

Sydney NSW 2000

Australia

Telephone +61 (0)2
9256 0555

Facsimile +61 (0)2 9256
0666

To: **Associate Members**
Full Members
Local Members

No: **339/99**

Disciplinary Action Imposed by the Market Practices Committee and the Business Conduct Committee

Members are advised, pursuant to Article 38.13, of Disciplinary Action taken by the Market Practices Committee (MPC) and the Business Conduct Committee (BCC):

MEMBER 1

An enquiry found that a Floor Member had failed to comply with:

- **Article 3.6(1)(e) by virtue of an apparent failure to comply with Section 1266(4) of the Law and Section TE.6.5.1 of the Trading Etiquette.**
[Disclosure of Information]; and
- **Section TE.6.8.2(e) of the Trading Etiquette**
[Withholding an Order in order to Cross].

An enquiry identified that the Member had disclosed information regarding orders that were not known to the rest of the market and also withheld orders in order to cross.

In accordance with Article 38.9.1(b), the MPC imposed a fine of \$7,500 upon the Member for the identified breaches.

MEMBER 2

An enquiry found that a Floor Member and its employee had failed to comply with:

- **Article 3.6(1)(aa) on the basis that they committed a major offence pursuant to Section TR.8.16(f) of the Trading Rules.**
[Trading out of line with the market]

The enquiry identified that the Member had executed a trade out of line with the prevailing market.

In accordance with Article 38.9.1(b) the Committee imposed a fine of \$1,000 on the Member and \$500 on the Member's employee for the identified breach.

MEMBER 3

An enquiry found that a Floor Member had failed to comply with:

- **Section TE.6.4A.2 of the Trading Etiquette**
[Failure to make a market enquiry based on an Expression of Interest]

The enquiry identified that the Member did not make an enquiry of the pit in relation to an Expression of Interest, but instead discussed details of the Expression of Interest with other parties.

In accordance with Article 38.9.1(b) the MPC imposed a fine of \$500 on the Member for the identified breach.

MEMBER 4

An enquiry found that a Local Member had failed to comply with:

- **Article 4A.7A(aa)**
[Failure to deal in futures or options contracts in a proper and efficient manner]

The enquiry identified that the Member arranged a trade to the exclusion of other market participants.

In accordance with Article 38.9.1(d) the MPC imposed a Reprimand on the Member for the identified breach.

MEMBER 5

It was identified that a Floor Member had failed to comply with:

- **Article 3.6(3)(b)(i)**
[Floor Members to lodge financial returns within one calendar month of the last trading date of each preceding month]

On 29 October 1999, the Member lodged the September 1999 Quarterly Return with one of the signatures on the Directors' Statement being signed on behalf of an authorised signatory. This became apparent on Monday, 1 November 1999, and Compliance staff contacted the Member and requested it resubmit the Return with two authorised signatures.

The Return was lodged with the correct signatories on 2 November 1999.

The Committee noted that this incident was a repeat offence. On this basis, in accordance with Article 38.9.1(d), the BCC imposed a Reprimand upon the Member for the identified breach.

MEMBER 6

It was identified that an Associate Member had failed to comply with:

- **Article 4.6(4)(c)(i)**
[Associate Members to lodge financial returns within one calendar month of the last trading date of each preceding month]

The Member lodged the September Quarterly Return on 1 November 1999, which was after the due date for lodgement. The Member did not request an extension of time to lodge the Return.

The Committee noted that this incident was a repeat offence. On this basis, in accordance with Article 38.9.1(d), the BCC imposed a Reprimand upon the Member for the identified breach.

MEMBER 7

It was identified that an Associate Member had failed to comply with:

- **Article 4.6(4)(c)(i)**
[Associate Members to lodge financial returns within one calendar month of the last trading date of each preceding month]

The Member lodged the September Quarterly Return on 1 November 1999, which was after the due date for lodgement. The Member did not request an extension of time to lodge the Return.

The Committee noted that this incident was a repeat offence. On this basis, in accordance with Article 38.9.1(d), the BCC imposed a Reprimand upon the Member for the identified breach.

MEMBER 8

It was identified that an Associate Member had failed to comply with:

- **Article 4.6(4)(c)(i)**
[Associate Members to lodge financial returns within one calendar month of the last trading date of each preceding month]

The Exchange received the Member's September Quarterly Return on 29 October 1999, however the Directors' Statement was signed by only one Director. Compliance staff contacted the Member and requested it resubmit the Return with two authorised signatures. The Return was lodged with the correct signatories on 3 November 1999.

The Committee noted that this incident was a repeat offence. On this basis, in accordance with Article 38.9.1(d), the BCC imposed a Reprimand upon the Member for the identified breach.

MEMBER 9

It was identified that an Associate Member had failed to comply with:

- **Article 4.6(4)(c)(i)**
[Associate Members to lodge financial returns within one calendar month of the last trading date of each preceding month]

On 29 October 1999, the Member requested an extension of time to lodge the September Quarterly Return by no later than 1 November 1999. The Return was received by the Exchange on 2 November 1999.

The Committee noted that this incident was a repeat offence. On this basis, in accordance with Article 38.9.1(d), the BCC imposed a Reprimand upon the Member for the identified breach.

MEMBER 10

It was identified that an Associate Member had failed to comply with:

- **Article 4.6(4)(c)(i)**

[Associate Members to lodge financial returns within one calendar month of the last trading date of each preceding month]

On 1 November 1999, the Member requested an extension of time to lodge the September Quarterly Return by no later than 8 November 1999. This request was made after the due date for lodgement.

The Committee noted that this incident was a repeat offence. On this basis, in accordance with Article 38.9.1(d), the BCC imposed a Reprimand upon the Member for the identified breach.

Deborah Horne
GM; Compliance & Surveillance

08/12/99

SYDNEY FUTURES EXCHANGE LIMITED
ACN 000 299 392

Address all correspondence to PO Box N680 Grosvenor Place Sydney NSW 2000 Australia