

CIRCULAR



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

104/98

No:

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

Members are advised that in accordance with Article 38.9.1, the Business Conduct Committee (BCC) and the Market Practices Committee (MPC), acting under the said Article, resolved that two Members had failed to comply with the following:

1. **Articles 4.6(4)(h)(ii) and 4.6(4)(ha) and General-Law G.45(a)**
[Client Agreement Forms (CAFs)]

It was identified that a Member had failed to have any record of an executed CAF for five (5) of its clients. The Member advised that no CAFs had in fact been executed by these clients.

The BCC resolved that the Member had failed to comply with the requirements of Articles 4.6(4)(h)(ii) and 4.6(4)(ha) and General By-Law G.45(a).

In accordance with Article 38.9.1(d), the BCC issued a Reprimand in relation to the identified breaches.

2. **Article 3.6(1)(aa), SYCOM® 13.1(c)(ii), (v) & (vi)**

An enquiry identified that a Member had accepted orders to cross, withheld orders to cross and sought to avoid trading with other parties with the intent to cross. In addition, it was identified that the Member had failed to deal in futures contracts in a proper and efficient manner. It was noted that the Member's actions arose in attempting to reduce an error. Further, the Committee noted the Member had amended its procedures to ensure compliance in the future.

The MPC resolved that the Member had failed to comply with Article 3.6(1)(aa), SYCOM 13.1(c)(ii), (v) and (vi).

In accordance with Article 38.9.1(d), the MPC imposed a Reprimand upon the Member for the identified breaches.

**Deborah Horne
GM - Compliance & Surveillance**

20/04/98

**SYDNEY FUTURES EXCHANGE LIMITED
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