

# CIRCULAR



30 - 32 Grosvenor Street

Sydney NSW 2000

Australia

Telephone (02) 9256  
0555

Facsimile (02) 9256  
0666

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

**No:** 190/98

## **Disciplinary Action Imposed by the Market Practices Committee**

Members are advised that in accordance with Article 38.9.1(b) the Market Practices Committee (the Committee), acting under the said Article, resolved to impose a fine upon a Local Member.

From a routine inspection, it was identified that a Local Member had failed to comply with the following:

### **Article 4A.7A(1)(g) and Section TE.10.1 of the Trading Etiquette**

[Failure to maintain accurate internal records]

The Local Member failed to comply with the requirements of Article 4A.7A(1)(g) and Section TE.10.1 of the Trading Etiquette in respect to maintaining records and in particular the requirement to accurately record the time of execution on trading chits.

### **General By-Law G.8(c) and Article 4A.7A(1)(e) (by virtue of failure to comply with Section 1266(5) of the Law)**

[Failure to execute orders in the sequence in which they were received]

The Local Member failed to comply with the requirements of General By-Law G.8(c) and Article 4A.7A(1)(e) (by virtue of failure to comply with Section 1266(5) of the Law) in respect to the sequence of execution of orders received, in particular, the Local Member traded for its own account whilst holding client orders (ie Floor Member orders) at or near the market price.

### **Section TE.12.2 of the Trading Etiquette**

[Local Member cannot accept instructions to trade from a Floor Member where the Trader holds open positions in the same or similar commodity]

The Local Member failed to comply with the requirements of the Section TE.12.2 of the Trading Etiquette as the Local Member accepted instructions to trade from a Floor Member whilst holding open positions in the same commodity.

In accordance with Article 38.9.1(b), the Committee imposed a fine of \$5,000 upon the Local Member for the identified breaches.

**Deborah Horne**  
**GM - Compliance & Surveillance**

**25/06/98**

**SYDNEY FUTURES EXCHANGE LIMITED**  
**ACN 000 299 392**

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