

# CIRCULAR



30 - 32 Grosvenor Street

Sydney NSW 2000

Australia

Telephone +61 (0)2 9256  
0555

Facsimile +61 (0)2 9256  
0666

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

**No: 240/98**

## **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 that Members had failed to comply with the following:

### **MEMBER 1**

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

#### **1. Article 3.6(1)(a)**

[A Floor Member shall at all times act in a manner consistent with the promotion and protection of the goodwill and public image of the Exchange, its markets and Members];

#### **2. Article 3.6(1)(aa)**

[A Floor Member shall at all times deal in futures or options contracts in a proper and efficient manner];

#### **3. Article 3.6(2)(g)**

[No Floor Member shall engage in manipulative or misleading acts or practices regarding the prices of a futures or options contract of trading in that contract or the price of a commodity or asset that is the subject of a futures contract]; and

#### **4. Article 3.6(1)(e) by virtue of an apparent failure to comply with Section 1260(1) of the Law**

[A person must not create a false or misleading appearance of active dealing in, or with respect to the market for, or the price for dealings in, futures contracts on a futures market].

An enquiry identified that the Member's employee had placed orders into SYCOM® which were intended to and had the result of affecting the settlement price. The Committee noted that although the identified incident occurred as a direct result of the Member's employee's

actions, the Member must accept responsibility for the conduct of its employees.

In accordance with Article 38.9.1(b), the Committee imposed a fine of \$2,000 upon the Member for the identified breaches. Further, in accordance with Article 38.9.1 (f), the Committee imposed a fine of \$1,000 upon the Member's employee.

.../cont.

## **MEMBER 2**

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

**1. Article 3.6(1)(e) by virtue of an apparent failure to comply with Section 1266(4) of the Law and TE.6.5.1 of the Trading Etiquette**

[Disclosure of information];

**2. Section TE.6.8.2(e) of the Trading Etiquette**

[Withholding an order in order to cross];

**3. Article 3.6(1)(e) by virtue of an apparent failure to comply with Section 1266(7) of the Law and Article 3.6.3(j)(ii)**

[Failure to accurately record order details]; and

**4. Section TE.6.4A.2 of the Trading Etiquette**

[Failure to make a market enquiry based on an expression of interest]

An enquiry identified that the Member had failed to make a market enquiry based on an expression of interest. Further, that the Member had disclosed information regarding an order that was not known to the rest of the market and withheld an order in order to cross. In addition, the enquiry identified that the Member had failed to accurately record order details in that it had completed only one order whereas two orders had been placed.

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

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

**27/08/98**

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

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