

CIRCULAR TO: **FULL MEMBERS**
 ASSOCIATE MEMBERS
 LOCAL MEMBERS

No. 161/2000

DISCIPLINARY ACTION IMPOSED
BY THE MARKET PRACTICES COMMITTEE

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

MEMBER 1

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

- **Article 3.6(1)(aa)**
(Failure to deal in a proper and efficient manner on the basis of attempting to affect settlement prices)
- **Article 3.6(1)(aa)**
(Failure to deal in a proper and efficient manner on the basis of entering orders without being in possession of supporting client instructions)
- **Trading Rule TR.11.5(i)**
(Failure to enter a client identifier)

The enquiry identified that the Member had entered orders in a manner intended to affect settlement prices and also entered orders without client instructions. The Member also failed to enter a client identifier.

In accordance with Article 38.9.1(b), the Committee imposed a fine of \$2,500 upon the Member, and in accordance with Article 38.9.1(f), imposed a fine of \$1,000 upon the Member's employee for the identified breaches.

MEMBER 2

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

- **Trading Rule TR.17.1(c)(v)**
(Withholding an order to cross)
- **Trading Rule TR.18**
(Disclosure of information)

The enquiry identified that the Member received a large order from a client and subsequently disclosed information not known to the rest of the market and withheld the large order in

order to cross. The Member believed that under the Market Facilitation Rules for Large Orders it was not obliged to advise the market of its large order on the basis that another Member had previously advised the market of that same large order.

The Committee was of the view that this assumption was incorrect, and that the Member should have broadcast its large order to the market, therefore in accordance with Article 38.9.1(d), the Committee imposed a Reprimand upon the Member.

BRONWYN HILL
MANAGER, SURVEILLANCE

17 AUGUST 2000