

SFE CIRCULAR

No. 224/00

**DISCIPLINARY ACTION IMPOSED
BY THE MARKET PRACTICES COMMITTEE**

Participants are advised, pursuant to General By-Law G.11.65, of disciplinary action taken by Market Practices Committee (MPC):

PARTICIPANT 1

An enquiry found that a Full Participant failed to comply with:

- **General By-Law G.3.14(b)**
(Failure to Deal in a Proper and Efficient Manner on the basis that orders were entered without client instructions)
- **General By-Law G.3.15(a)**
(Failure to Act in Accordance With Client Instructions)

The enquiry identified that the Participant had entered duplicate orders on eight (8) occasions that did not reflect client instructions and rather appeared to be an attempt to achieve favourable queue positions in respect of three (3) standing orders. Further, the Participant entered client orders reflecting volumes that did not accord with the respective client's instructions.

In accordance with General By-Law G.11.36(b), the MPC imposed a fine of \$2,500 upon the Participant.

PARTICIPANT 2

An enquiry found that a Full Participant failed to comply with:

- **Trading Rule TR.10.2(ii)**
(Failure to take an Expression of Interest to market)
- **Point 6 of the Custom Market Trading Procedures (Schedule F of the Trading Rules)**
(Failure to make a Custom Market request)
- **Trading Rule TR.11.5(i)**
(Failure to enter a client identifier)
- **General By-Law G.3.16(n)(i)**
(Failure to correctly record order details)

The enquiry identified that the Participant had received an Expression of Interest and was required to have broadcast this to the market. In addition, the Participant failed to assign a client identifier to an order and failed to correctly record order details.

In accordance with General By-Law G.11.36(d) the MPC imposed a Reprimand upon the Participant.

BRONWYN HILL
MANAGER, SURVEILLANCE

14 DECEMBER 2000