

## 新加坡交易所 禁止的交易行为

(以下规则取自新加坡交易所-ST Rules 第五章 交易行为及规则 5.12 禁止的交易行为)

(中文版本仅供参考，不同语言版本不一致，以英文版本为准)

### 1.交易禁止

5.12.1 交易会员或交易代表不得从事任何可能造成虚假或误导的行为：

- (a) 任何证券或期货合约的活跃交易；或
- (b) 关于任何证券或期货合约的市场或价格。

### 2.交易禁止的标准

5.12.2 新交所将客观地确定某一行为过程是否可能造成虚假或误导性的表象。新交所在做出决定时将考虑的因素包括但不限于以下因素：

- (a) 考虑到当时的市场情况，交易的执行是否与证券或期货合约中的近期交易活动不一致；
- (b) 交易的执行是否可能导致或促成证券或期货合约的价格或市场的重大变化，以及相关人士或与第一人合作的其他人员是否可能直接或间接受益于市场或价格的变化；
- (c) 交易的执行是否涉及以高于或低于市场价格的各种价格下多个买卖订单，或者下多个看起来数量增加的买卖订单；
- (d) 交易的执行是否可能与参考价格、结算价格和估值的计算相吻合或影响；
- (e) 交易各方是否相互关联；
- (f) 购买(或出售)证券或期货合约的一个或多个订单是否是在明知相同或不同方(不包括直接业务)已经或将要为相同或不同的方(不包含直接业务)签署或将要签署的一个或多个大小、时间和价格基本相同的证券或期货合约的一个订单的情况下订立的；
- (g) 交易的执行是否可能导致证券或期货合约的价格上涨或下跌，但随后价格可能立即恢复到之前的水平；
- (h) 出价(或报价)是否高于(或低于)先前的出价(或出价)，但被撤回或修改以避免执行；
- (i) 相对于当时市场的深度和流动性的合理预期，下单或交易的数量或规模是否过大；
- (j) 买入(或卖出)订单是否可能以下一价格水平的全部最佳报价(或出价)量和部分报价(或报价)进行交易；
- (k) 买入(或卖出)指令是否构成一系列指令的一部分，这些指令连续不断地提高(或降低)证券或期货合约的价格；和
- (l) 交易是否存在合法的商业原因。

### 3.禁止行为

5.12.3 交易会员或交易代表不得直接或间接地影响、加入、参与或执行任何买卖证券或期货合约的交易，即不涉及《证券与期货法》第 197(5)条<sup>1</sup>所定义的证券或期货合约实益拥有权的任何变化的交易。如交易会员或交易代表能够证明其买卖证券或期货合约的目的并非或不包括就证券或期货合约的市场或价格制造虚假或误导性外观的目的，即属抗辩。

5.12.4 交易会员或交易代表不得在未按照指令或衍生品合约买卖所在的有组织市场的商业规则和惯例诚实地进行期货合约买卖的情况下，故意执行或声称自己已执行期货合约买卖指令。

5.12.5 交易会员或交易代表不得以将或可能具有提高、降低、维持或稳定证券或期货合约或其标的(如适用)价格的方式处理证券或期货合约，意图诱使其他人认购、购买或沽出证券或期货合约。本规则 5.12.5 不适用于根据《2006 年证券及期货(市场行为)(豁免)规例》第 3A 或 3B 条进行的稳定行动。

5.12.6 在下列情况下，交易会员或交易代表不得散布虚假或具有误导性的信息：

- (a) 知道或合理地应当知道该等资料在某一重要事项上是虚假或具有误导性的；或
- (b) 不关心信息的真伪。

5.12.7 交易会员或交易代表不得参与任何被禁止的市场行为，包括根据规则或任何适用的法律或法规在证券或期货合约中进行任何内幕交易，或在知情的情况下协助他人进行此类行为。

5.12.8 如果交易会员或交易代表合理怀疑或知道任何企图操纵市场、内幕交易或任何其他禁止的交易行为，则必须立即通知新交所。

5.12.9 交易会员必须有审查订单和交易的程序，以便发现可疑的交易行为。

<sup>1</sup> 《证券与期货法》第 197(5)条：(5)就本节而言，如果以下任何人在买入或沽出后对资本市场产品拥有权益，则资本市场产品的买入或沽出不涉及实益所有权的变更：

- (a) 在买入或沽出之前对资本市场产品有利害关系的人；
- (b) 与(a)段所述人员有关联的人员。

规则链接：<https://sso.agc.gov.sg/act/sfa2001?Provids=P112-#pr197->

(以下规则取自新加坡交易所-Futures Trading Rules 第3章 会员/认可交易员/注册代表行为准则-3.4 会员/认可交易员/注册代表的交易行为及规则。)

(中文版本仅供参考，不同语言版本不一致，以英文版本为准)

### 3.4 会员、认可交易员和注册代表的交易行为和规则

市场操纵、市场操纵以及其他在法案中规定的交易不当行为扭曲了公平、有序和透明的市场运作，是严重违法行为。会员、认可交易员或注册代表应始终遵守法案和本规则中规定的交易行为和规则。

#### 3.4.1 市场操纵

会员、认可交易员或注册代表不得操纵或试图操纵合约或任何基础资产的价格，或垄断或试图垄断任何基础资产。

#### 3.4.2 频繁交易

禁止会员、认可交易员或注册代表通过在客户账户中频繁交易或制造过多交易来以产生佣金。

#### 3.4.3 虚假交易、欺诈、欺诈性交易诱导和使用欺诈手段

会员、认可交易员或注册代表不得：

- (a) 从事或明知与任何其他他人从事任何会或可能造成任何合约中活跃交易的虚假或误导外观的行为，或有关任何合约价格的虚假或误导行为；；
- (b) 明知而执行或保留已执行买卖合约的订单，而未按照本规则真正买卖合约；；
- (c) 通过以下方式引诱或试图引诱他人交易某合约：
  - (i) 作出或发表其知道或应当合理地知道是虚假、误导性或欺骗性的任何陈述、承诺或预测；
  - (ii) 不诚实的隐瞒重要事实的；
  - (iii) 不计后果地作出或发布任何虚假、误导性或欺骗性的声明、承诺或预测；
  - (iv) 在任何机械、电子或其他设备故意记录或存储虚假或具有重大误导性的信息；
- (d) 直接或间接地与任何合约交易有关：
  - (i) 使用任何手段、计划或手段；
  - (ii) 从事任何作为欺诈或欺骗的行为，或相当可能作为欺骗任何人的欺诈、做法或业务；
  - (iii) 对重大事实作出任何虚假陈述；或
  - (iv) 遗漏陈述必要的重要事实，以便根据作出陈述的情况，使任何陈述不具有误导性。

#### 3.4.3A 监控交易不当行为的义务

会员必须制定流程来审查订单和交易，以发现可疑的交易行为。请参阅操作说明 3.4.3A。

#### 3.4.4 通知交易所禁止交易行为的义务

会员、认可交易员或注册代表如合理怀疑或知悉任何实施或企图实施规则 3.4.1、3.4.2 和 3.4.3 所禁止的行为，应立即通知交易所。

#### 3.4.5 传播虚假或误导性信息

会员、认可交易员或注册代表不得传播有关可能影响任何合约价格的市场信息或条件的虚假或误导性报告，如果会员、认可交易员或注册代表：

- (a) 知道或理应知道该信息是虚假或误导性的；或
- (b) 对信息的真实性漠不关心。这一禁令包括以任何方式传播或协助传播对任何合约或基础合约的完整性产生怀疑的谣言。

#### 3.4.6 职业不端行为

会员、认可交易员或注册代表不得：

- (a) 允许另一名会员、认可交易员或注册代表或非会员以损害交易所尊严或降低交易所良好声誉的方式使用该会员的设施或会员特权，或造成对交易所不利的市场或其他情况，或进行操纵或围堵或试图进行上述任何一种行为，或自行进行上述任何行为；
- (b) 从事任何损害或倾向于损害交易所尊严或良好声誉的行为；
- (c) 实施严重损害交易所利益的行为；
- (d) 拒绝遵守交易所、纪律委员会或上诉委员会的命令；
- (e) 拒绝遵守最终仲裁裁决；
- (f) 未能及时、详细地回答客户的投诉；
- (g) 实施任何欺诈或不诚实行为或任何恶意行为；
- (h) 以不名誉或非商业的方式行事；
- (i) 向交易所、纪律委员会或上诉委员会作出重大错误陈述，或在向交易所或其高级职员提供的任何信息中作出重大错误声明；
- (j) 在与股东的业务、事务、交易、条件、资产或账户有关的任何账簿、记录、报告、单据、文件或报表中作出或导致作出虚假或误导性的记录；
- (k) 无论出于何种原因，在与股东的业务、事务、交易、条件、资产或账户有关的任何账簿、记录、报告、单据、文件或报表中省略重要条目；
- (l) 无正当理由更改或销毁与股东的业务、事务、交易、条件、资产或账户有关的任何账簿、记录、报告、单据、文件或报表；
- (m) 使用或披露因参与任何调查程序或听证会而获得的任何机密信息；
- (n) 拒绝出席交易所、纪律委员会或上诉委员会正式召开的听证会或与任何调查有关的听证会；或

(o) 拒绝全面回答所有问题或出示与任何审计、听证会或调查有关的所有账簿和记录

#### 3.4.7 禁止披露订单

会员、认可交易员或注册代表不得向任何人披露订单，除非出于官方目的向以下人员披露：

- (a) 交易所的一名官员；
- (b) 成员的雇员或代理人，以执行命令；
- (c) 为清算订单，该会员的发起清算会员；或
- (d) 法律要求的其他人员。

#### 3.4.8 真实的买入及卖出报价

会员或经认可交易员除非出于真实交易目的，否则不得故意输入或促使他人输入买入或卖出交易指令交易系统，。

请参阅 Note 3.4.8。

#### 3.4.9 所有权未发生转移的虚假交易

禁止创建不涉及所有权变更的虚构交易或订单，及禁止会员、认可交易员或注册代表在知道其性质的情况下执行此类订单。会员、认可交易员或注册代表不得在同一期货合约的同一合约月同时接受客户的买入和卖出订单，如果是期权合约，则不得接受具有相同类别期权、相同执行价格和到期月份的看跌或看涨期权合约。如果订单是在以下情况下输入的，则本规则不适用：

- (a) 订单来自基金经理，其指示旨在出于合法的商业原因将合约从一个子账户切换到另一个子账户；
- (b) 订单最终将被预订给不同的受益所有人；或
- (c) 如果会员或认可交易员向交易所证明，其订单的目的不是创建虚假市场。 请参阅 Note 3.4.9。

#### 3.4.10 会员、认可交易员或客户的过度交易

以下规定适用于过度交易：

(a) 会员不得执行超出其发起清算会员、交易所、清算所或 MAS 规定的任何限额的任何交易。会员应确保其客户的交易不超过任何限额。如果会员或其批准的交易员进行的任何交易超出其发起清算会员、交易所或新加坡金融管理局不时规定的任何限额，则该会员应被视为过度交易。如果会员被指控违反本规则：

(i) 交易所可自行决定暂停该会员的交易，直至纪律委员会或上诉委员会完成对该会员的指控的听证会；

(ii) 其发起清算会员应在收到交易所或清算所（视情况而定）的通知后，扣留导致过度交易的交易中应付给该会员的任何利润，或交易所或清算所在交易所指示的应付给该成员的款项，并且在纪律委员会或上诉委员会完成对该会员的指控的听证会之前，不得释放任何此类利润或款项；和

(iii) 在不损害前述规定的情况下，交易所可在任何过度交易的情况下指示清算所扣留导致过度交易的交易中应付或欠任何清算会员的任何利润，或扣留应付或欠该会员的款项，直至纪律委员会或上诉委员会完成对该会员的指控的听证会；

(b) 超出发起清算会员、交易所、清算所或 MAS 规定的任何限额的每笔交易应被视为明显违反本规则，并应受到相应惩罚。若会员因过度交易被交易所指控，交易所无需证明该会员意图过度交易。根据本规则，过度交易行为足以构成犯罪。

#### 3.4.11 禁止故意利用错误

会员、认可交易员或注册代表不得故意利用以下情况：

- (a) 任何交换系统发生故障或失灵；或
- (b) 交易所在交易系统中输入的错误条目。

#### 3.4.12 视为违反规则

如果会员、认可交易员或注册代表在任何法院被判犯有与欺诈、任何恶意行为、不诚实行为、不光彩行为或非商业行为有关的任何罪行，则应被视为违反本规则。

#### 3.4.13 非法预先交易——优先于客户订单

如该会员、认可交易员或注册代理人持有客户订单（包括自由裁量权订单），则该会员、认可交易员或注册代表不得以现行市场价格或相同价格为自营账户或与该会员、核准交易员或注册代表关联或相关的账户进行交易。在以下情况下，本规则不适用：

- (a) 该会员、认可交易员或注册代表无权访问客户的订单流信息；
- (b) 客户已规定在特定条件下执行订单，但由于这些条件，订单无法执行；或
- (c) 交易是在 MAS 规定的情况下进行的。

#### 3.4.14 禁止与客户订单的反向交易

会员、认可交易员或注册代表不得故意，向客户买入或卖出以下任何合约：

(a) 会员、认可交易员或注册代表拥有权益的账户；或

(b) 与会员、认可交易员或注册代表有关联的任何人的账户。如果会员、认可交易员或注册代表首先将客户的订单输入交易系统，并在输入相反订单前至少等待 10 秒，或者会员、核准交易员或注册代表已获得客户的事先书面同意，则本规则不适用。

本规则 3.4.14 中使用的“客户”不包括会员的认可交易商、注册代表或与会员、认可交易商或注册代表有关联的人。

#### 3.4.15 禁止行为

会员、注册代表或认可交易员不得参与任何禁止的市场行为或任何内幕交易，也不得故意协助他人进行此类行为。

## SGX Prohibited Trading Behaviors

(The following rules are taken from SGX Rulebooks-SGX-ST Rules-Chapter 5 Trading Practices And Conduct-5.12 Prohibited Trading Conduct)

### 1. Prohibited Trading Conduct

5.12.1 A Trading Member or a Trading Representative must not engage in any course of conduct that is likely to create a false or misleading appearance:

- (a) of active trading in any security or futures contract; or
- (b) with respect to the market for, or the price of, any security or futures contract.

### 2. Standards for Prohibited Transactions

5.12.2 SGX-ST's determination of whether a course of conduct is likely to create a false or misleading appearance will be made on an objective basis. The factors that SGX-ST will take into account when making that determination include but are not limited to the following:

- (a) whether the execution of the transaction is inconsistent with the recent trading activity in the security or futures contract, taking into account prevailing market conditions;
- (b) whether the execution of the transaction is likely to cause or contribute to a material change in the price of, or the market for, the security or futures contract, and whether the person involved or another person with whom the first person is collaborating may directly or indirectly benefit from alterations in the market or price;
- (c) whether the execution of the transaction involves the placing of multiple buy and sell orders at various prices higher or lower than the market price, or the placing of buy and sell orders that give the appearance of increased volume;
- (d) whether the execution of transaction is likely to coincide with or influence the calculation of reference prices, settlement prices and valuations;
- (e) whether parties involved in the transaction are connected or associated with each other;
- (f) whether the order or orders for the purchase (or sale) of a security or futures contract is or are entered with the knowledge that an order or orders of substantially the same size, at substantially the same time and at substantially the same price, for the sale (or purchase) of the security or futures contract has been or will be entered by or for the same or different parties (excluding Direct Business);
- (g) whether the execution of the transaction is likely to cause the price of the security or futures contract to increase or decrease, but following which the price is likely to immediately return to about its previous level;
- (h) whether the bid (or offer) is higher (or lower) than the previous bid (or offer) but is withdrawn or amended to avoid execution;
- (i) whether the volume or size of the order or transaction is excessive relative to reasonable expectations of the depth and liquidity of the market at the time;
- (j) whether the buy (or sell) order is likely to trade with the entire best offer (or bid) volume and part of the offer (or bid) at the next price level;
- (k) whether the buy (or sell) order forms part of a series of orders that successively and consistently increase (or decrease) the price of the security or futures contract; and
- (l) whether there appears to be a legitimate commercial reason for the transaction.

### 3. Prohibitive Behavior

5.12.3 A Trading Member or a Trading Representative must not effect, take part in, be concerned in, or carry out, directly or indirectly, any transaction to purchase or sell a security or futures contract, being a transaction that does not involve any change in the beneficial ownership of the security or futures contract as defined in Section 197(5) of the Securities and Futures Act<sup>1</sup>. It is a defence if the Trading Member or Trading Representative can show that the purpose or purposes for which it or he purchased or sold the security or futures contract was not, or did not include, the purposes of creating a false or misleading appearance with respect to the market for, or the price of, the security or futures contract.

5.12.4 A Trading Member or a Trading Representative must not knowingly execute, or hold himself out as having executed, an order for the purchase or sale of futures contracts without having effected in good faith a purchase or sale of that futures contract in accordance with the order or with the business rules and practices of an organised market on which the derivatives contract is to be purchased or sold.

5.12.5 A Trading Member or a Trading Representative must not deal in a security or futures contract in a manner that will or may have the effect of raising, lowering, maintaining or stabilising the price of the security or futures contract or its underlying (where applicable), with intent to induce other persons to subscribe for, purchase or sell the security or futures contract. This Rule 5.12.5 does not apply to stabilising action carried out in accordance with Regulations 3A or 3B of the Securities and Futures (Market Conduct) (Exemptions) Regulations 2006.

5.12.6 A Trading Member or a Trading Representative must not disseminate information that is false or misleading if the Trading Member or Trading Representative:

- (a) knows or ought reasonably to have known that the information was false or misleading in a material particular; or
- (b) does not care whether the information is true or false.

5.12.7 A Trading Member or a Trading Representative must not participate in any prohibited market conduct, including any insider trading, in securities or futures contracts under the Rules or any applicable law or regulations, or knowingly assist a person in such conduct.

5.12.8 A Trading Member or a Trading Representative must immediately inform SGX-ST if it or he reasonably suspects, or knows of, any attempted market manipulation, insider trading, or any other prohibited trading conduct.

5.12.9 A Trading Member must have in place processes to review orders and trades for the purpose of detecting suspicious trading behaviour.

<sup>1</sup> (5) For the purposes of this section, a purchase or sale of capital markets products does not involve a change in the beneficial ownership if any of the following persons has an interest in the capital markets products after the purchase or sale:

- (a) a person who had an interest in the capital markets products before the purchase or sale;
- (b) a person associated with the person mentioned in paragraph (a).

*(The following rules are taken from SGX Rulebooks-Futures Trading Rules-Chapter 3. Conduct of Members, Approved Traders and Registered Representatives-3.4 Trading Practices and Conduct Rules of Members, Approved Traders and Registered Representatives.)*

### **3.4 Trading Practices and Conduct Rules of Members, Approved Traders and Registered Representatives**

Market manipulation, market rigging and other forms of trading misconduct set forth in the Act distort the operation of a fair, orderly and transparent market and are serious offences. A Member, Approved Trader or Registered Representative shall at all times observe the trading practices and conduct rules set forth in the Act and this Rules.

#### **3.4.1 Market Manipulation**

A Member, Approved Trader or Registered Representative shall not manipulate or attempt to manipulate the price of a contract or of any underlying, or corner, or attempt to corner, any underlying.

#### **3.4.2 Churning**

A Member, Approved Trader or Registered Representative is prohibited from churning or generating commissions through creating excessive transactions in a Customer's Account.

#### **3.4.3 False Trading, Bucketing, Fraudulent Inducement to Trade and Employment of Fraudulent Device**

A Member, Approved Trader or Registered Representative shall not:

- (a) engage in, or knowingly act with any other Person in, any act or practice that will or is likely to create a false or misleading appearance of active trading in any contract or a false or misleading appearance with respect to the price of any contract;
- (b) knowingly execute, or hold out as having executed, an order for the purchase or sale of a contract, without having effected a bona fide purchase or sale of the contract in accordance with this Rules;
- (c) induce or attempt to induce another person to trade in a contract:
  - (i) by making or publishing any statement, promise or forecast that it knows or ought reasonably to know to be false, misleading or deceptive;
  - (ii) by any dishonest concealment of material facts;
  - (iii) by the reckless making or publishing of any statement, promise or forecast that is false, misleading or deceptive; or
  - (iv) by recording or storing in any mechanical, electronic or other device information that is knowingly false or materially misleading; or
- (d) directly or indirectly in connection with any trading in a contract:
  - (i) employ any device, scheme or artifice to defraud;
  - (ii) engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception upon any Person;
  - (iii) make any false statement of a material fact; or
  - (iv) omit to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

#### **3.4.3A Duty to Monitor for Trading Misconduct**

A Member must have in place processes to review orders and trades for the purpose of detecting suspicious trading behaviour. Refer to Practice Note 3.4.3A.

#### **3.4.4 Duty to Inform Exchange of Prohibited Trading Practices**

A Member, Approved Trader or Registered Representative shall immediately inform the Exchange if it reasonably suspects, or knows of, any commission or attempted commission of the acts prohibited under Rules 3.4.1, 3.4.2 and 3.4.3.

#### **3.4.5 Dissemination of False or Misleading Information**

A Member, Approved Trader or Registered Representative shall not disseminate false or misleading reports concerning market information or conditions that may affect the price of any contract, if the Member, Approved Trader or Registered Representative:

- (a) knows or ought reasonably to know that the information is false or misleading; or
- (b) is reckless about the truth of the information. This prohibition includes circulation or aiding in the circulation in any manner of rumours which cast doubt on the integrity of any contract or underlying.

#### **3.4.6 Professional Misconduct**

A Member, Approved Trader or Registered Representative shall not:

- (a) permit the use of the Member's facilities or Membership privileges by another Member, Approved Trader or Registered Representative or non-Member in a manner that impairs the dignity or degrades the good name of the Exchange, or creates a market or other situation detrimental to the Exchange, or effectuates manipulations or cornerings or attempts at either, or to itself do any of the foregoing;
- (b) engage in any conduct which impairs or tends to impair the dignity or the good name of the Exchange;
- (c) commit an act which is substantially detrimental to the interest of the Exchange;
- (d) refuse to comply with an order of the Exchange, the Disciplinary Committee or the Appeals Committee;

- (e) refuse to comply with a final arbitration award;
- (f) fail to answer Customers' complaints promptly and in appropriate detail;
- (g) commit any fraudulent or dishonest act or any act of bad faith;
- (h) act in a dishonourable or uncommercial manner;
- (i) make a material mis-statement to the Exchange, the Disciplinary Committee or the Appeals Committee, or in any information supplied to the Exchange or its officers;
- (j) make, or cause to be made, a false or misleading entry in any books, records, reports, slips, documents or statements relating to the business, affairs, transactions, conditions, assets or accounts of the Member;
- (k) omit from making, for whatever reason, a material entry in any books, records, reports, slips, documents or statements relating to the business, affairs, transactions, conditions, assets or accounts of the Member;
- (l) alter or destroy any books, records, reports, slips, documents or statements relating to the business, affairs, transactions, conditions, assets or accounts of the Member without a valid reason;
- (m) make use of or reveal any confidential information obtained by reason of participating in any investigative proceeding or hearing;
- (n) refuse to appear before the Exchange, the Disciplinary Committee or the Appeals Committee at a duly convened hearing or in connection with any investigation; or
- (o) refuse to fully answer all questions or produce all books and records in relation to any audit, hearing or investigation.

#### **3.4.7 Disclosing Orders Prohibited**

A Member, Approved Trader or Registered Representative shall not disclose an order to any Person, except to the following for official purposes:

- (a) an officer of the Exchange;
- (b) an employee or agent of the Member for the purpose of executing the order;
- (c) the Member's sponsoring Clearing Member for the purpose of clearing the order; or
- (d) such other Persons as required by law.

#### **3.4.8 Good Faith Bids and Offers.**

A Member or an Approved Trader shall not knowingly enter, or cause to be entered, bids or offers into the Trading System other than in good faith for the purpose of executing bona fide transactions. Refer to Practice Note 3.4.8.

#### **3.4.9 Fictitious Transactions Without Change In Ownership**

The creation of fictitious transactions or the placing of orders which do not involve any change in ownership, or the execution of such an order with knowledge of its character by a Member, Approved Trader or Registered Representative is prohibited. A Member, Approved Trader or Registered Representative shall not accept buying and selling orders at the same time and price from a Customer for the same contract month of the same futures contract or in the case of option contracts, a put or call option contract with the same class of options, the same strike price and expiration month. This Rule does not apply if orders are entered in the following circumstances:

- (a) the orders are from a fund manager whose instructions are intended to switch the contract from one (1) sub-account to another for legitimate commercial reasons;
- (b) the orders will be booked out finally to different beneficial owners; or
- (c) if the Member or the Approved Trader establishes to the Exchange that it was not a purpose of the orders to create a false market.

Refer to Practice Note 3.4.9.

#### **3.4.10 Overtrading by a Member, Approved Trader or Customer**

The following provisions apply in relation to overtrading:

(a) a Member shall not execute any trade beyond any limits imposed by that Member's sponsoring Clearing Member, the Exchange, the Clearing House or MAS. A Member shall ensure that its Customers do not trade beyond any limits. A Member shall be guilty of overtrading if such Member or its Approved Trader enters into any trade or trades beyond any limits imposed from time to time by its sponsoring Clearing Member, the Exchange or MAS. If a Member is charged with violating this Rule:

- (i) the Exchange may at its discretion suspend that Member from trading until such time as the Disciplinary Committee or the Appeals Committee has completed the hearing in respect of such charge against such Member;
- (ii) its sponsoring Clearing Member shall, upon being notified by the Exchange or the Clearing House as the case may be, withhold any profits due or owing to such Member from the transaction that resulted in overtrading, or such monies due or owing to such Member as directed by the Exchange or the Clearing House, and shall not release any such profits or monies until the Disciplinary Committee or the Appeals Committee has completed the hearing in respect of the charge against the Member; and
- (iii) without prejudice to the foregoing, the Exchange may, in any case of overtrading, direct the Clearing House to withhold any profits due or owing to any Clearing Member from the transaction that resulted in overtrading, or such monies due or owing to such Member, until the Disciplinary Committee or the Appeals Committee has completed the hearing in respect of the charge against the Member; and

(b) each trade entered into beyond any limits imposed by a sponsoring Clearing Member, the Exchange, the Clearing House or MAS shall be deemed to be a distinct and separate violation of this Rule and shall be punishable as such. If a Member is charged by the Exchange for overtrading, it is not necessary for the Exchange to show that the Member intended to overtrade. The act of overtrading is sufficient to constitute an offence under this Rules.

#### **3.4.11 Knowingly Taking Advantage of an Error Prohibited**

A Member, Approved Trader or Registered Representative shall not knowingly take advantage of a situation arising from:

- (a) a breakdown or malfunction in any Exchange Systems; or
- (b) error entries made by the Exchange on the Trading System.

#### **3.4.12 Deemed Rule Violations**

A Member, Approved Trader or Registered Representative shall be deemed to be in violation of this Rules if it is convicted of any offence relating to fraud, any act of bad faith, dishonest conduct, dishonorable conduct or uncommercial conduct before any court of law.

#### **3.4.13 Front Running — Priority of Customers' Orders**

A Member, Approved Trader or Registered Representative shall not trade in contracts for its own accounts or for an account associated with or connected to that Member, Approved Trader or Registered Representative, if that Member, Approved Trader or Registered Representative also has in hand Customers' orders (including discretion orders) to do the same at the prevailing market price or at the same price. This Rule does not apply if:

- (a) that Member, Approved Trader or Registered Representative has no access to the Customer's order flow information;
- (b) the Customer has prescribed that the order be executed under specified conditions and the order cannot be executed by reason of those conditions; or
- (c) the transaction is entered into in circumstances prescribed by MAS.

"Customer" as used in this Rule 3.4.13 does not include the Member's Approved Traders, Registered Representatives or Persons associated with or connected to the Member, Approved Trader or Registered Representative.

#### **3.4.14 Trading Against Customers' Orders Prohibited**

A Member, Approved Trader or Registered Representative shall not knowingly effect a transaction to buy from or sell to a Customer any contract for:

- (a) an account in which the Member, Approved Trader or Registered Representative has an interest; or

(b) the account of any Person associated with or connected to the Member, Approved Trader or Registered Representative. This Rule does not apply if the Member, Approved Trader or Registered Representative has first entered the Customer's order into the Trading System and waited at least 10 seconds before entering an opposite order, or if the Member, Approved Trader or Registered Representative has obtained the Customer's prior written consent. "Customer" as used in this Rule 3.4.14 does not include the Member's Approved Traders, Registered Representatives or Persons associated with or connected to the Member, Approved Trader or Registered Representative.

#### **3.4.15 Prohibited Conduct**

A Member, a Registered Representative or an Approved Trader shall not participate in any prohibited market conduct or in any insider trading, or knowingly assist a person in such conduct.