

CHAPTER 5 – TRADING

Trading System

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| 1. | Only Trading Agents are allowed to deal in financial instruments through the trading system of the Exchange. | Trading Agents |
| 2. | Further, all Trading Agents shall only execute transactions on the market using the trading system as prescribed by the Exchange from time to time. | Trading System |
| 3. | A Trading Agent shall only be authorized to use the trading facilities of the Exchange if it complies with the following: | Access |
| | (a) it shall at its own cost install the necessary system and/or equipment to access the trading system prescribed by the Exchange from time to time. | |
| | (b) the system and/or equipment installed by it pursuant to paragraph (a) above conforms to the requirements of the Exchange; and | |
| | (c) it shall conform to all requirements of these Rules. | |
| 4. | Save and except in circumstances beyond the control of the Exchange, the Exchange shall ensure that: | Principle of Equality |
| | (a) all Trading Agents have equal and identical access to the trading system of the Exchange; and | |
| | (b) the information disseminated by the trading system of the Exchange is made available simultaneously to all Trading Agents. | |
| 5. | The Exchange will supply such information as it shall at its absolute discretion deem relevant to the Trading Agents. | Information |
| 6. | All data entered into the trading system of the Exchange shall belong to the Exchange and the Exchange shall be entitled to use and publish such data as it deems fit. | |
| 7. | The Exchange shall not be liable for any loss or damage suffered by the Trading Agents resulting from: | Liability |
| | (a) any erroneous, inaccurate or incomplete processing or dissemination of data; or | |
| | (b) any other failure or disturbance of the trading system, or any other problem due to events beyond the control of the Exchange. | |
| 8. | A Trading Agent shall be responsible for any data entered into the trading system of the Exchange by the Trading Agent or its authorised employees. | |

9. Quotations, orders or any indications of interest can only be entered into the trading system of the Exchange by the Trading Agents and any investor or issuer who wishes to trade may only do so through a Trading Agent.

Trading Procedures

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| 10. | The Exchange is open for trading for 24 hours on every business day but confirmed trade will only be entered into the trading system by the Exchange during such hours as may be prescribed by the Exchange from time to time. | Trading Hours |
| 11. | The Exchange may call a temporary trading halt if it deems that a disorderly market has developed or there is a serious failure of the trading system. Such temporary suspension will be communicated immediately to the Trading Agents. | Temporary Trading Halt |
| 12. | The Exchange, may at its absolute discretion, withdraw orders and quotations in a financial instrument if it is of the opinion that a disorderly market has developed in that financial instrument. | Withdrawal of orders and quotations |
| 13. | Each order, quotation or indication of interest entered into the Exchange's trading system must contain the following: <ul style="list-style-type: none"> (a) name of the Trading Agent or a unique symbol identifying it; (b) name or ticker symbol of the financial instrument; (c) price; (d) quantity offered or sought; (e) date and time (in hours and minutes) the quotation is posted; and (f) any other information that the Exchange may require from time to time. | Contents of quotation |
| 14. | Quotations shall be posted or accepted in the currency in which the financial instrument is denominated. | Currency |
| 15. | Once a quotation is posted, it will remain posted on the trading system of the Exchange until such quotation is: <ul style="list-style-type: none"> (a) accepted; or (b) withdrawn by the Trading Agent; or (c) removed by the Exchange. | Duration of posting |
| 16. | Matching of the quotations may be done in the following manner: <ul style="list-style-type: none"> (a) by direct communication, telephonic or otherwise, between Trading Agents; or (b) in such other manner as may be prescribed by the Exchange from time to time. | Acceptance of quotations |

17. A Trading Agent shall, in respect of every confirmed trade:-
- Trade
Confirmation Note
- (a) make out a trade confirmation note containing such information as may be prescribed by the Exchange from time to time; and
 - (b) submit the trade confirmation note to the Exchange within such time as may be prescribed by the Exchange from time to time.
18. The Exchange shall only recognize a confirmed trade which is supported by two (2) matched trade confirmation notes.
19. The Exchange shall have the sole right to publish by such means as shall be determined by the Exchange:
- Trade Publication
- (a) all confirmed trades executed on the Exchange; or
 - (b) such other information that it may deem relevant for the purpose of trading,
- Provided Always that the Exchange shall have the absolute discretion to delete any published information as and when it deems necessary.
20. The clearance and settlement of confirmed transactions executed on the Exchange will be in accordance with such mechanism as may be prescribed by the Exchange from time to time.
- Clearance and
Settlement

Transaction Levy

21. The Exchange may at any time by notice to the Trading Agents, impose transaction levies on any transactions of financial instruments listed on the Exchange. Transaction Levy
22. In imposing the transaction levies referred to in Rule 21 of this Chapter, the Exchange may impose different rates of levies depending on the nature and type of the financial instruments or the issuers or other distinguishing factors that the Exchange in its absolute discretion considers relevant.

Code of Conduct for the Trading Agent

23. When conducting its business of trading on the Exchange, a Trading Agent shall at all times observe high standards of integrity and fair dealing, and in particular shall:
- (a) act with due skill, care and diligence;
 - (b) avoid any conflict of interest with its client and, where such a conflict unavoidably arises, to ensure fair treatment to its clients by complete disclosure or by declining to act;
 - (c) arrange proper protection for its clients by segregation and identification of those client assets for which the Trading Agent is responsible;
 - (d) maintain adequate financial resources to meet its business commitments and to withstand the risks which its business is subject to;
 - (e) execute orders promptly, and if acting as an agent, at the best available price;
 - (f) not do anything that will adversely affect the reputation or public image of the Exchange;
 - (g) not trade in a security that has been suspended or trade with another Trading Agent whose trading rights have been suspended;
 - (h) take reasonable steps to ensure that it does not make any recommendation to a client, or effect or arrange a discretionary transaction with or for a client, unless the recommendation or transaction is suitable for him having regard to the facts about the client of which it is, or should reasonably be, aware;
 - (i) report all disputes between itself and other Trading Agents to the Exchange;
 - (j) where mistakes were made by it on the trading system, report such mistakes and promptly post all corrective actions on the trading system;
 - (k) keep and maintain such transaction and accounting records as may be prescribed from time to time by its regulatory body. The Trading Agent must ensure that all records kept by it is adequate to enable the Exchange to establish and audit trail from the receipt of a client's order, execution or withdrawal of that order, clearing and settlement;
 - (l) satisfy itself on reasonable grounds and on a continuing basis, that its employees and agents are fit and proper to act for it;

For the purposes of this paragraph, “**fit and proper**” means a person who:

- (i) is of good reputation and character and has the ability to perform his duties efficiently, honestly and fairly;

- (ii) has adequate knowledge, skill and experience of and in the securities industry;
- (iii) is not a bankrupt or of unsound mind; and
- (iv) has not been convicted or charged for any offence(s) under any law of any country; and
- (m) deal with the Exchange in an open and co-operative manner and keep the Exchange promptly informed of anything concerning itself that might reasonably be expected to be disclosed to the Exchange.

24. Before dealing with or for any client, a Trading Agent shall ensure that it enters into a client agreement with them. A client agreement shall in all cases contain, inter alia, a statement that in respect of transactions duly concluded on the Exchange, the rules and regulations of the Exchange shall apply to every transaction and shall be binding on both the Trading Agent and the client.

Client Agreement

Forbidden Market Practices

25. A Trading Agent shall not:
- (a) create false or misleading appearance of active trading in any financial instruments listed or traded on the Exchange;
 - (b) create a false market in respect of any financial instruments listed or traded on the Exchange;
 - (c) circulate or disseminate any statement or information that would likely cause the price of any financial instruments to rise or fall;
 - (d) directly or indirectly employ any device or scheme or artifice to defraud any client or other Trading Agents;
 - (e) directly or indirectly, for the purpose of inducing the sale of financial instruments of any issuer, make or knowingly assist any other person to make any statement which is false or misleading; or
 - (f) participate or knowingly assist any other person to participate in any insider dealing in relation to any financial instrument listed on the Exchange.

For the purposes of this Rule,

- (i) **“insider”** means
 - (aa) any director, general partners, officer, employee or staff member of any Trading Agent; and
 - (bb) any other person whom by relationship with the Trading Agent means that he is in possession of or has access to unpublished price sensitive information;
- (ii) **“unpublished price sensitive information”** means any information in relation to the financial instruments which is not generally known to persons who are accustomed or would be likely to trade or deal in those financial instruments but which, if known, would be likely to have a material effect on the price or other trading aspects of such financial instrument; and
- (iii) **“insider dealing”** means dealing in financial instruments by an insider while in possession of unpublished price sensitive information with the intention of making a profit or avoiding a loss and includes providing such information to another person for the same purpose.