

## **Violation of the General Conditions of the SWX Swiss Exchange**

### **Decision:**

The Sanction Commission has established that X has violated section 1.7 lit. c and section 1.14 para 2 of the General Conditions (GC) of SWX Swiss Exchange by allowing on several days a non registered individual to make entries into the exchange system of the SWX. A reprimand is issued to X. The costs of the procedure of CHF 7'000 are charged to X.

### **Reasons for decision:**

1. Under section 1.7 lit. c and d GC and Directive 14, participants must register with SWX all persons who have access to the Exchange System and all order systems that are used in trading on the SWX. Participants are required to ensure that the identification numbers of the registered traders and the registered order systems are not misused (section 1.14 para 2 and 1.15 para 4 GC). The Surveillance and Enforcement Office of SWX (SVE) submitted to the Commission an application for warning against X for violation of these rules. It has been established that an unregistered trader made entries in the Exchange System of SWX on 24 and 30 November 2006 and on 11 and 12 December 2006. X agreed with the findings and stated that it has no comments to add.
2. A failure to comply with regulations regarding registration of traders would make it impossible for SWX to ensure its legal obligations in market supervision. It is to be noted that X cooperated fully with the investigative proceedings and took sufficient steps to prevent further misuses of trader IDs.
3. If a participant violates the rules and regulations, the SWX sets a sanction taking into account the gravity of the offence and the degree of fault (section 1.26 GC). X cooperated fully with SVE and we assume that it will henceforth ensure compliance with the rules and regulations. As the violation as such was not severe and according to the application for warning submitted by SVE, the Commission shall issue the most lenient of the disciplinary measures, a reprimand. There is no need to disclose this sanction to the public. Nevertheless, in order to give guidance to the participants, SWX may publish sanctions in a completely anonymous form on the SWX website.
4. According to the Rules of procedures of the SWX, the costs of the procedure of CHF 7'000 (CHF 5'000 for SVE, CHF 2'000 for the Commission) are imposed to X.

20.09.2007