

Disciplinary Notice

Case No. 2019-027: Settlement of Charges Against Altura Markets S.V., S.A.

Exchange Rules

Rule 4.31(b) - Errors and Omissions in Handling Orders

In no case may a Customer receive a price which is worse than that which the Customer should have received had the error not occurred. If such price is to the advantage of the Customer, the Customer shall receive the benefit thereof, if not, the Customer shall receive such monetary adjustment as will afford the Customer the equivalent of the price at which such order should and could have been executed.

Rule 4.07(a)(ii)(A) - Block Trading

Privately negotiated Transactions may be entered into with respect to Commodity Contracts designated by the Exchange for such purpose (hereinafter referred to as "Block Trades"), provided that . . . [e]ach buy or sell order underlying a Block Trade must state explicitly that it is to be, or may be, executed by means of a Block Trade.

4.07(c) - Block Trading

The parties to a Block Trade shall cause the Transaction to be reported to the Exchange in accordance with such procedure as are determined by the Exchange from time to time.

Rule 4.04 - Conduct Detrimental to the Exchange

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

Rule 4.01(a) - Duty to Supervise

Every Person shall diligently supervise the Exchange-related activities of such Person's employees and agents. . . . Every Person shall also be responsible for the acts and omissions of such employees and agents.

Summary

A subcommittee of the Exchange's Business Conduct Committee ("BCC Subcommittee") determined that Altura Markets S.V., S.A. ("Altura"), through the actions of one of its employees, may have violated Exchange Rules 4.31(b), 4.07(a)(ii)(A), 4.07(c), and 4.04 when the employee attempted to resolve several error trades. Specifically, the employee, on behalf of two customers, inadvertently placed and

[View All Notices](#) / [Contact Us](#) / [Media Inquiries](#)

traded several spread orders in the central limit orderbook in the wrong direction. When liquidating the error positions and filling the customers in the correct direction, the employee allocated trades in a way that resulted in a reduced loss to Altura's error account to the detriment of the two customers. The employee also executed an unnecessary block trade between Altura and one of the customers in an attempt to liquidate the error positions, without the customer's knowledge or consent, and without generating any of the requisite documentation. Separately, the BCC Subcommittee determined that Altura may have violated Exchange Rule 4.01(a) by failing to follow up on the improper block trade and allocations of trades and by failing to properly instruct employees on applicable Exchange Rules.

During this investigation, Altura voluntarily provided restitution in the amount of \$11,030 to the affected clients. Staff, however, calculated the full restitution amount to be \$12,395. Following the completion of the investigation, Altura agreed to pay the remaining \$1,395 in restitution, which was declined by the applicable clients.

Product

MSCI Emerging Markets Index Future

Customer Harm

Yes

Penalty

In accordance with the terms of settlement, in which Altura neither admitted nor denied the alleged rules violations, Altura agreed to pay a monetary penalty of \$30,000.

Linked To

[2019-027 - Ignacio Aranguena](#)

Effective Date

June 23, 2020

For More Information

Jason Fusco

jason.fusco@theice.com

(212) 748-4021

-or-

Frances M. Mendieta

frances.mendieta@theice.com

(312) 836-6748

[View All Notices](#) / [Contact Us](#) / [Media Inquiries](#)