

Disciplinary Notice

Case No. 2018-037: Settlement of Charges Against Credit Suisse International & Credit Suisse Securities Europe Limited

Exchange Rules

Rule 4.02(c) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to execute a wash sale, accommodation Trade, fictitious sale or prearranged Trade.

ICE Futures U.S. Wash Trade – FAQ #2 – A wash trade is a transaction or a series of transactions executed in the same Commodity Contract and delivery month or Option series at the same, or a similar, price or premium for accounts of the same Principal. . . . The term “same Principal” as used herein shall mean accounts that are owned by the same person, entity, or a parent and its 100% wholly owned subsidiaries, or subsidiaries that are wholly owned by the same parent and shall also include accounts that have common ownership that is less than 100%.

ICE Futures U.S. Block Trade – FAQ #21 – The Exchange permits block trades in all futures and options contracts between accounts of affiliated parties provided that each block trade meets all of the following requirements: (i) the block trade price must be executed at a fair and reasonable market price; (ii) each party must have a separate and independent legal bona fide business purpose for engaging in the trades; and (iii) each party's decision to enter into the block trade must be made by a separate and independent decision-maker.

If the block trade(s) does not meet all of the requirements set forth above, the transaction may constitute an illegal Wash trade prohibited by ICE U.S. Rule 4.02(c).

Rule 4.07(c) - Trade Practice Violations

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.

ICE Futures U.S. Block Trade – FAQ #9 – Block trades in [MSCI Futures] must be reported no later than 15 minutes of execution.

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

ICE Futures U.S. Block Trade – FAQ #23 – A Block trade at Index Close (BIC) is a type of off-exchange block trade where the price is determined as a basis to a prospective closing level of the index underlying the futures contract on a specified date.

Summary

A subcommittee of the Exchange’s Business Conduct Committee (“BCC Subcommittee”) determined that Credit Suisse International (“CSI”) and Credit Suisse Securities Europe Limited (“CSSEL”), affiliates under common ownership, may have violated Exchange Rule 4.02(c) by executing a block trade between each other for the purpose of moving a position between each other’s accounts (and hence, without a bona fide business purpose for engaging in the trade), and Exchange Rule 4.07(c) by reporting such block trade a day late. The BCC Subcommittee further determined that CSSEL may have engaged in an additional violation of Rule 4.07(c) by reporting the block trade to the Exchange as a “Block at Index Close” (“BIC”) when the block trade did not meet the definition of a BIC trade.

Product

MSCI Emerging Markets Index Future

Penalty

In accordance with the terms of settlement, in which CSI and CSSEL neither admitted nor denied the alleged rule violations, CSI and CSSEL collectively agreed to pay a monetary penalty of \$40,000.

Effective Date

February 27, 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](#)

© 2020 Intercontinental Exchange, Inc. The following are trademarks of Intercontinental Exchange, Inc. and/or its affiliated companies: Intercontinental Exchange, ICE, New York Stock Exchange and NYSE. For more information regarding trademarks owned by Intercontinental Exchange, Inc. and/or its affiliated companies see: intercontinentalexchange.com/terms-of-use

Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading “Key information Documents (KIDS),” commencing January 1, 2019.