

# DISCIPLINARY NOTICE

MAY 29, 2018

## CASE NO. 2017-062: SETTLEMENT OF CHARGES AGAINST INTL FCSTONE LTD

### EXCHANGE RULE

#### Rule 21.04 - Power to Compel Testimony and Production of Documents

Compliance staff [. . .] engaged in any investigation of, examination into, or hearing or appeal involving any matter pursuant to the Rules shall have the power to summon any Member, any employee of any Member and any non-member market participant to appear before him or it, to give testimony under oath or in any other manner required by him or it and to produce any documents, books or records. [. . .]. If any Member, any employee of any Member, or non-member market participant fails [. . .] to produce any such documents, books or records, such failure shall constitute a violation of this Rule and shall be reported to the Business Conduct Committee for appropriate action.

#### 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.

### SUMMARY

A subcommittee of the Exchange's Business Conduct Committee determined that INTL FCStone Ltd ("FCStone") may have violated Exchange Rule 21.04 by failing to timely produce documents, books, or records requested by Compliance staff engaged in an investigation of a matter pursuant to Disciplinary Rules; and Exchange Rule 4.04 when one of its employees brokered two raw sugar/refined sugar futures spread trades between the same clients, in which the Exchange legs immediately offset, resulting in unnecessary brokerage charges to such clients.

### PRODUCT

Sugar No. 11

### PENALTY

In accordance with the terms of settlement, in which FCStone neither admitted nor denied the rule violations, FCStone paid a fine in the amount of \$25,000.00, which includes disgorgement of profits and restitution to customers in the amount of \$3,000.00, and agreed to cease and desist from future violations

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of Rule 21.04.

**EFFECTIVE DATE**

May 29, 2018

**LINKED TO**

2017-062 - [George Barker](#)

**FOR MORE INFORMATION**

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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, 2018.