

PART II

DISCIPLINARY PROCEDURES

2. Standard Penalty Procedures

2.1 The Enforcement Section or the Disciplinary Section, as the case may be, shall conduct an investigation into any alleged offence to be dealt with under the Standard Penalty Procedures.

2.2.1 [Repealed]

2.2.2 Upon being satisfied that an offence to be dealt with under the Standard Penalty Procedures referred to in Clause 1.1.6 of Part II has been committed, the Disciplinary Section or the Enforcement Section, as the case may be, shall issue a letter to the Exchange Participant, advising that the penalty as prescribed for that particular offence or offences in the Schedule of Penalties has been imposed and shall be paid within the period stipulated in the letter. In the letter, it shall be clearly stated that the Exchange Participant, if it so wishes, may request the matter be dealt with by a hearing before the Disciplinary Committee within the time limit stipulated in the letter.

2.2.3 [Repealed]

2.2.4 Upon being satisfied that an offence to be dealt with under the Standard Penalty Procedures referred to in Clauses 1.1.7 and 1.1.8 of Part II has been committed, the Disciplinary Section or the Enforcement Section, as the case may be, shall issue a letter to the Participant, advising that the penalty as prescribed for that particular offence in the Schedule of Penalties would be imposed at the date stipulated in the letter. In the letter, it shall be clearly stated that the Participant, if it so wishes, may request the matter be dealt with by a hearing before the Disciplinary Committee within the time limit stipulated in the letter.

- 2.2.5 Upon being satisfied that an offence to be dealt with under the Standard Penalty Procedures referred to in Clauses 1.1.9 and 1.1.10 of Part II has been committed, the Disciplinary Section or the Enforcement Section, as the case may be, (i) shall issue a Warning Letter to the Exchange Participant for the first offence, warning that in case of any repeated offence, the penalty as prescribed for that particular offence in the Schedule of Penalties would be imposed; or (ii) shall issue a letter to the Exchange Participant for any repeated offence, advising that the penalty as prescribed for that particular offence in the Schedule of Penalties has been imposed and shall be paid within the period stipulated in the letter. In the letter or Warning Letter, it shall be clearly stated that the Exchange Participant, if it so wishes, may request the matter be dealt with by a hearing before the Disciplinary Committee within the time limit stipulated in the letter or Warning Letter.
- 2.3.1 If in response to a letter or Warning Letter, as the case may be, issued by the Enforcement Section or the Disciplinary Section under Clause 2.2.2, 2.2.4 or 2.2.5 of Part II, the Participant requests that the matter be referred to the Disciplinary Committee, the Enforcement Section shall handle the case in accordance with the Procedures for Offences To Be Dealt With By Hearings thereafter leading to a hearing before the Disciplinary Committee.
- 2.3.2 [Repealed]
- 2.3.3 [Repealed]
- 2.4 The Disciplinary Committee may after hearing the matter referred to it in accordance with Clause 2.3.1 of Part II, in addition to any penalty which it may impose, order the Participant charged to pay the standard penalty prescribed in the Schedule of Penalties.
- 2.5 A Participant may at any time after having requested the matter to be referred to the Disciplinary Committee admit the offence to be dealt with under the Standard Penalty Procedures and pay the penalty prescribed in the Schedule of Penalties for the offence or offences with which it had been charged.