

## **PART I**

### **RESPONSIBILITIES, POWERS AND FUNCTIONS OF COMMITTEES, DIVISIONS, DEPARTMENTS, SECTIONS, UNITS AND SECH CONCERNING DISCIPLINARY MATTERS**

#### **2. Enforcement Section**

The responsibilities and functions of the Enforcement Section include the following:-

- 2.1 to investigate alleged offences to be dealt with under the Standard Penalty Procedures, to be followed, if thought fit, by the issue of a Warning Letter to the Participant concerned;
- 2.2 to investigate alleged offences to be dealt with by hearings by the Participant concerned and to notify the Commission of the commencement of any such investigation and the result of such investigation if no disciplinary proceedings are commenced;
- 2.3 following an investigation of an alleged offence to be dealt with by hearings, if it is satisfied that a prima facie case has been established, to institute disciplinary proceedings before the Disciplinary Committee by providing a statement of case including details of the charges to the Secretary to the Disciplinary Committee for service on the Participant charged or if thought fit, to issue a warning letter to the Participant concerned;
- 2.4 to carry out the duties specified in the Standard Penalty Procedures, including notifying the Participant concerned of its right to have the matter referred to the Disciplinary Committee and to do so if required by the Participant concerned;
- 2.5 to provide a statement of case including details of the charges to the Secretary to the Disciplinary Committee for service on the Participant charged in matters where an alleged offence to be dealt with under the Standard Penalty Procedures is being referred to the Disciplinary Committee;
- 2.6 to present the case before the Disciplinary Committee and, if applicable, the Disciplinary Appeals Committee, and produce witnesses and evidence in support of the charges made;

- 2.7 to refer the decision on penalty of the Disciplinary Committee to the Disciplinary Appeals Committee in accordance with Clause 4.14.2 of Part II; and
- 2.8 in cases where the Enforcement Section is not satisfied with the verdict of not guilty reached by the Disciplinary Committee, to refer that decision to the Disciplinary Appeals Committee for an opinion and/or guidelines on points of principles for future reference in accordance with Clause 4.14.3 of Part II, if in the view of the Enforcement Section:-
- 2.8.1 the Disciplinary Committee has misdirected itself; or
- 2.8.2 the Disciplinary Committee's decision is:-
- (i) one which no reasonable committee could have reached;
  - (ii) unsupported by the evidence presented at the hearing;
  - (iii) based on an error of law; or
  - (iv) based on a misinterpretation or misapplication of the Rules of the Exchange or of established market practice.

For the avoidance of doubt, the Enforcement Section shall have no right to seek to reverse the not guilty verdict made by the Disciplinary Committee and the hearing by the Disciplinary Appeals Committee of the matter referred under this clause shall not affect the hearing in relation to which the referral is made or any not guilty verdict.