

Code of Conduct on Derivatives Trading

In order to provide a code of conduct for the orderly and impartial performance of members and authorized traders with respect to the trading of derivatives contracts in TFEX, and to supervise and ascertain that the trading of derivatives contracts complies with the purposes of TFEX Regulation 410.02 (1), the acts in the manners described below will be deemed as the inappropriate trading of derivatives contracts, and no member may undertake such acts, whether as an agent, or in its name.

1. Entering orders without intent to trade: the submission of a large number of trading orders of any derivatives contract during the pre-open period, without the intention to buy or sell such derivatives contracts, or the submission of trading orders at the best bid price or ask price and amending or cancelling such orders immediately when such orders will be matched, whereby such price or number of trading orders may affect the calculation of the opening price and the normal trading conditions of the market
2. False or misleading appearance: the submission of trading orders, or the trading, of any derivatives contract which is likely to, or will, mislead the general public with respect to the price, or the quantity, in relation to the trading of such derivatives contract
3. Price manipulation: the submission of trading orders, or the trading, of any derivatives contract which is likely to, or will, set the price, or cause the price of such derivatives contract to deviate, or not deviate, from the normal market conditions
4. Wash trades: the submission of trading orders, or the trading, of any derivatives contract which may involve matching orders belonging to the same person or related persons, or matching orders involving derivatives accounts with the same beneficiary
5. Marking the close: the submission of trading orders, or the trading, of any derivatives contract, before the close of trading hours which affect the daily settlement price, in order to acquire benefits from holding positions in such derivatives contract, or to avoid additional margin calls in the case where the margin placed is lower than the relevant criteria due to the changed price of the derivatives contract
6. Inter-market manipulation: the trading of any derivatives contract concurrently with the trading of an underlying, or any trading which may affect, or which affects, the index. In this respect, the results from the change, or non-change, to the price of the underlying or the index will be beneficial to the holding of positions in such derivatives contract

The foregoing code of conduct includes Pool, which is the submission of trading orders or the trading of any derivatives contract, whether by itself or in concert with other persons, for the joint or several benefits from the change, or non-change, to the price of such derivatives contract, or the price of the underlying or the index.