

May 30, 2017

FMDQ/MRG/300517/MB-23

To: ALL DEALING MEMBER (BANKS) OF FMDQ OTC SECURITIES EXCHANGE
From: MARKET REGULATION GROUP

REVISED FMDQ E-BOND TRADING INFRACTIONS AND PENALTIES GUIDE

1. Following the approval of the Board Regulation and Risk Management Committee (“**BRRMC**”), FMDQ OTC Securities Exchange (“**FMDQ**”) hereby issues a Revised E-Bond Trading Infractions and Penalties Guide (the “**Revised Guide**”) to amend and supersede the Guide issued in December 2014.
2. The Revised Guide addresses the concerns raised by Dealing Member (Banks) with respect to the escalation structure for notifications of trading infractions, as such, makes the following amendments:
 - (a) For infractions 1-7, the number of escalation levels has been increased from two (2) to four (4) levels, with the introduction of notifications of infractions to the Dealer at level one (1) and the Chief Compliance Officer at level three (3), respectively.
 - (b) For infractions 8 and 9, a three-level escalation structure is introduced to include notifications of infractions to the Treasury Operations personnel at level one (1), the Head, Treasury Operations at level two (2) and the MD/CEO at level three (3).
3. The Revised Guide shall be read in conjunction with all other applicable FMDQ Rules and shall take effect **immediately**.

Click [here](#) to view Revised Guide (May 2017).

Please be guided accordingly.

Should you have any further clarification/information with respect to this Market Bulletin, please do not hesitate to contact the Market Regulation Group at mrq@fmdqotc.com.