

**NEW DIRECTIVE
in relation to conduct of business**

DIRECTIVE ON CONDUCT OF BUSINESS	No. 601.2C-001
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Relevant to : Rule 601.2C
 Introduced with effect from : 1 September 2016
 Amended : N/A
 TP Circular No(s). : N/A
 Refer also to Directive No(s). : N/A

1. Rule 601.2C

- (1) Rule 601.2C provides that a Trading Participant and a Registered Person must, in the conduct of the Trading Participant's business:
- (i) adhere to just and equitable principles and act with due skill, care and diligence and with due regard for the integrity of the market; and
 - (ii) not through any act or omission, do anything which may result in or has the effect of the market not being orderly and fair.
- (2) In discharging the obligations under the said Rule, a Participant and Registered Person must, amongst others, comply with the requirements set out below.

1.1 False or Misleading Appearance of Active Trading or Market Manipulation

- (1) A Trading Participant and Registered Person must not engage in any act or practice that:
- (i) might lead to a false or misleading appearance of active trading in any Contracts on the Market or a false or misleading appearance with respect to the market for, or the price of, any such Contracts;
 - (ii) is directly or indirectly tantamount to manipulation of the Market, or of the Underlying Market; or
 - (iii) creates a corner, or attempts to create a corner, in any Instrument underlying the Contract,

and must not participate in any operation by others that might have the same result.

[End of Directive]