

To: All members

Ref: 17/099

Classification: Disciplinary

Date: 24 March 2017

Subject: **DISCIPLINARY ACTION: Societe Generale International Limited (formerly Societe Generale Newedge UK Limited)**

Summary

1. This notice records a settlement between the Exchange and Category 1 Member Societe Generale International Limited (formerly Societe Generale Newedge UK Limited) ("SNC").

Background

2. Following an investigation by the Exchange, the Exchange and SNC have reached a settlement pursuant to Part 2 "Membership, Enforcement and Discipline" of the LME Rulebook. The settlement has been reached on the terms outlined below. The Enforcement Committee of the Exchange has approved the settlement.
3. The alleged acts of misconduct against SNC relate to the following rules "the Relevant Rules"):
 - (a) Regulations 9.1 of Part 2 "Membership, Enforcement and Discipline" of the LME Rulebook and paragraphs 2 and 17 of Notice 09/231 : R004 dated 26 May 2009;
 - (b) Paragraphs 11 and 12 of Notice 16/031 : A031 dated 28 January 2016; and
 - (c) Regulations 9.6(b) and 9.6(c) of Part 2 "Membership, Enforcement and Discipline" of the LME Rulebook.
4. SNC failed to report its daily position reporting files in an accurate and timely manner as required by the Relevant Rules on 5 separate days in



August 2016:

- (a) On 1 August 2016 SNC's reported expired contracts in the large positions file (the "LP file").
 - (b) On 9, 10, 11 and 12 August 2016 SNC reported 'invalid prompt dates' in either the LP file or the open interest file (the "01 File").
 - (c) SNC also had errors in the LP file on 10 and 11 August 2016.
5. Additionally SNC failed to report its daily position reporting files in an accurate and timely manner as required by the Relevant Rules on 5 separate days in January 2017:
- (a) On 3 January 2017 SNC's reported expired contracts in the LP file.
 - (b) On 18 and 25 January 2017 SNC made an error with their TOM reporting in the LP file.
 - (c) On 24 and 26 January 2017 SNC had breaks in their 01 file.
 - (d) SNC also had errors in the LP file on 24 January 2017.

Settlement

6. The Exchange and SNC agreed a settlement in which SNC will pay the LME a financial penalty of £5000.

Adherence to LME Rules

7. The Exchange reminds Members that their reporting of LMEdprs files must be error-free. Warrant and position reports are an important component of the Exchange's market surveillance. Accordingly the Exchange takes failures by Members to report timely and accurately very seriously. Significant or persistent breaches of the reporting requirements will be considered to be a disciplinary offence and Members who are found to be in violation of the relevant LME rules may be subject to the Exchange's disciplinary process.



Jeffrey Thurgood

Market Surveillance Manager

cc. Board Directors
Enforcement Committee