



MARKET NOTICE

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Number: 389/2019
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 20 December 2019

SUBJECT: MARYNA VORSTER - ENFORCEMENT ACTION BY THE JSE

Name and Surname: Shaun Davies
Designation: Director - Market Regulation

1. The JSE has proffered charges to a disciplinary committee of the JSE in terms of its Derivatives Rules against Maryna Vorster ("Vorster"), a previous trader of Grocapital Broking Services (Pty) Ltd.
2. The transgressions which resulted in the charges occurred between 02 January 2014 and 30 September 2014, and involved allocating a multitude of transactions on a client account on her own volition and in the absence of any instruction from the client authorising these transactions. In addition to this unlawful and impermissible conduct Vorster did not execute transactions for the client on a designated client suspense account and instead devised a scheme to conclude transactions on the member's main trading account and then allocated these transactions to the client account using her own discretion. This *modus operandi* enabled Vorster to allocate profitable transactions to certain client accounts and loss making transactions to another client account. This impermissible and unlawful practice is called "cherry picking" in the market parlance.
3. Rule 3.285 deals with improper conduct and records specific examples of improper conduct:
 - a. Rule 3.285.1 - committing or attempting to commit any act which is dishonest or fraudulent;
 - b. Rule 3.285.2 - being a party to, or facilitating or conducting a transaction which is fictitious and/or has a dishonest or unlawful motive;
 - c. Rule 3.285.3 - contravening, attempting to contravene, or failure to comply with any one or more of any provision of the FMA, a derivatives rule or a directive;
 - d. Rule 3.285.5 - committing or attempting to commit any act which is detrimental to any one or more of the interest, good name or welfare of the JSE or its members.
4. Rule 16.10 deals with the code of conduct and rule 16.10.1 records the standards of integrity and stipulates that a member (and therefore its officers and employees) shall in the conduct of its business observe high standards of integrity and fair dealing and that such entities and persons must:

- a. Rule 16.10.1.1 - not provide, or accept material inducements of a non-business nature to, or from any person to obtain business;
 - b. Rule 16.10.1.4 - not be a party to or facilitate or enter into a trade which is fictitious or which has a dishonest or unlawful motive;
 - c. Rule 16.10.1.5 - conduct its activities in a manner that is compatible with the objects of the FMA and with full respect for the dignity of the JSE; and
 - d. Rule 16.10.1.6 - not participate in any dealings with other members, clients, the media or other persons, which may be of such a nature as to discredit the JSE.
5. Rule 16.10.2 deals with the general conduct of members in their dealings with clients and stipulates that a member shall:
- a. Rule 16.10.2.1 - act honestly and fairly; and
 - b. Rule 16.10.2.2 - act with due skill, care and diligence and in the interests of clients.
6. The JSE charged Vorster with ten (10) counts of contraventions of the JSE's requirements as contained in JSE Derivative Rules 3.285.1, 3.285.2, 3.285.3, 3.285.5, 16.10.1.1, 16.10.1.4, 16.10.1.5, 16.10.1.6, 16.10.2.1 and 16.10.2.2.
7. In terms of Rule 3.290.3.2, the Director: Market Regulation made provision for an admission of guilt. Vorster has admitted guilt to the charges as set out in the charge sheet and summarised in this Market Notice.
8. The JSE has considered all the facts and information at its disposal, including, but not limited to, the nature of the transgressions and Vorster's admission of guilt, and has decided to impose a fine of R 300 000.00 as a result of these transgressions.
9. In addition to the nature of the transgressions and the admission of guilt, the JSE also specifically considered the following factors in determining an appropriate fine:
- a. the financial benefit earned by Vorster as a direct consequence of these breaches;
 - b. the financial impact of the fine on Vorster, taking into account her financial resources;
 - c. the extent to which the breaches were accidental or deliberate and / or reckless;
 - d. the full and unfettered co-operation of Vorster, and her disciplinary record; and
 - e. the importance placed by the JSE on the conduct of members in their dealings with clients and the need to ensure that all members are aware of the importance thereof, and the consequences of a breach of these requirements.

Should you have any queries regarding this notice, please contact Johnathan Cawood in the JSE Market Regulation Division at johnathanc@jse.co.za.

This Market Notice will be available on the JSE website at <https://www.jse.co.za/redirects/market-notice-and-circulars>