Circular 26/033
Disciplinary Notice: Settlement of Disciplinary Proceedings against Logista Fund LP

Category
Disciplinary

Attachments
None

ICE Futures Europe (the “Exchange”) has proceeded with and settled disciplinary measures against Logista Fund LP (“Logista”) following an investigation in which the Exchange suspected a trader at Logista of engaging in disorderly trading activity in the ICE Brent Crude Futures, ICE WTI Crude Futures and the ICE Brent / WTI Crude Spread markets.

Background

In its investigation, the Exchange observed that between January 2020 and April 2020, one of Logista’s traders entered large orders on one side of the orderbook, followed by, or shortly preceded by, them entering smaller orders on the opposite side which subsequently traded in the market. The trader would frequently cancel (or modify and then cancel) the large orders after trading the smaller orders.

Allegations

The Exchange considered that Logista, through the trader’s activity described above, breached the following Exchange Rules during the relevant period:

E.2.2 (a) Conduct in relation to trading (Pre - 21 October 2020 version)
No Member (or other Person Subject to the Regulations) shall in relation to Contracts or Corresponding Contracts entered into, or orders placed, on the Market or otherwise in accordance with the Regulations:

> *(vi) manipulate or attempt to manipulate the Market, nor create or attempt to create a disorderly Market, nor assist its clients, or any other person to do so;*
> *(xi) mislead other market participants;*

Accordingly, the Exchange commenced disciplinary proceedings pursuant to Exchange Rule E.4.

In accordance with Exchange Rule E.4.3A, Logista was given the opportunity to settle disciplinary proceedings at any stage with the Exchange. An agreement was reached and, as per the same Exchange Rule, any terms of settlement agreed between the Compliance Officer and Logista required ratification by the Chair of the Authorisation, Rules and Conduct Committee. Following such ratification these terms shall now take effect.

Details of Settlement

The parties agreed to a settlement in which Logista will pay a financial penalty of £225,000.

The Exchange takes seriously any activity which undermines the integrity of its market.

Please ensure that the appropriate members of staff within your organisation are advised of the content of this Disciplinary Notice.

For more information, please contact:

ICE Futures Europe Market Regulation | +44 207 065 7797 | **marketregulation-europe@ice.com**