Disciplinary Notice

Case No. 2023-011: Settlement of Charges Against Marex Financial

Exchange Rules

4.15(b) - Required Identifications
Orders entered on the ETS must include the unique identification assigned to the Registered Operator. A Registered Operator is prohibited from allowing any other Person or automated trading system to use such unique identification to enter orders on the ETS. A Registered Operator may not enter orders on the ETS using a unique identification that has not been assigned to the Registered Operator.

4.07(c) - Block Trading
The parties to a Block Trade shall cause the Transaction to be reported to the Exchange in accordance with such procedure as are determined by the Exchange from time to time.

4.07(b) - Block Trading
Block Trades may be executed in Exchange Futures and Options Contracts as determined by the Board and must meet the applicable minimum thresholds for such contracts as determined by the Board from time to time.

4.01(a) - Duty to Supervise
Every Person shall diligently supervise the Exchange-related activities of such Person's employees and agents. For purposes of this Rule, the term “agent” includes any Exchange-related activities associated with automated trading systems that generate, submit and/or cancel messages without human intervention. Every Person shall also be responsible for the acts and omissions of such employees and agents.

4.01(b) - Duty to Supervise
Each Firm shall establish, administer and enforce supervisory systems, policies and procedures, based on the nature and size of its Exchange-related activities, which are reasonably designed to achieve compliance with Exchange Rules.

Summary

On April 17, 2024, a subcommittee of the Exchange’s Business Conduct Committee (“BCC”) determined that from July 2022 through May 2023 (the “Relevant Period”), Marex Financial may have violated Exchange Rule 4.15(b) in multiple instances by failing to assign a particular customer with its own unique identifications and instead allowing employees to improperly use and share Marex Financial’s identifications with such customer for certain block trades reported to the Exchange. The BCC also determined that, during the Relevant Period, Marex Financial may have violated Exchange Rule 4.07(c) in several instances by misreporting execution times for block trades and submitting block trades with incorrect market participant identifications. The BCC additionally determined that during the Relevant Period, Marex Financial may have violated Exchange Rule 4.07(b) by failing to execute a block trade for at least the applicable minimum quantity requirement. Lastly, the BCC determined that, during the Relevant Period, Marex

Financial may have violated Exchange Rule 4.01(a) by failing to diligently supervise the block trade activities of its employees and Exchange Rule 4.01(b) by failing to establish, administer, and enforce supervisory systems, policies and procedures, which are reasonably designed to achieve compliance with Exchange Rules.

Products
Various Energy Contracts

Customer Harm
No

Penalty
In accordance with the terms of settlement, in which Marex Financial neither admitted nor denied the alleged rule violations, Marex Financial agreed to pay a monetary penalty of $25,000.

Effective Date
April 17, 2024

Linked To
2023-011 - Marex Capital Markets, Inc.
2023-011 - Marex Spectron International Limited

For more information:
Frances M. Mendieta
frances.mendieta@ice.com
(312) 836-6748