

Disciplinary Notice

Case No. 2017-014: Settlement of Charges Against Yuan Ye

Exchange Rules

Rule 4.02(l)(1)(A) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . [enter] an order or market message, or cause an order or market message to be entered, with the intent to cancel the order before execution, or modify the order to avoid execution.

Rule 4.02(l)(1)(C) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . [enter] an order or market message, or cause an order or market message to be entered, with the intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants.

Rule 4.02(l)(2) - Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to . . . knowingly [enter] any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly [enter], or causing to be entered, bids or offers other than in good faith for the purpose of executing bona fide Transactions.

Rule 4.04 - Conduct Detrimental to the Exchange

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

Summary

A subcommittee of the Exchange's Business Conduct Committee ("BCC Subcommittee") found that during one day of activity, on December 30, 2016, Yuan Ye ("Ye") may have violated Exchange Rules 4.02(l)(1)(A), 4.02(l)(1)(C), 4.02(l)(2), and 4.04. The BCC Subcommittee found that, on that day, Ye placed and deleted large-quantity orders on one side of the orderbook while trading small-quantity orders on the opposite side. Instead of entering orders with the intent to trade, Ye appeared to have entered the large-quantity orders on one side of the orderbook to create false depth, put pressure on the market, and mislead market participants into trading against, or moving the market closer to, his opposing small-quantity orders.

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Product

Sugar No. 11 Futures

Penalty

In accordance with the terms of settlement, in which Ye neither admitted nor denied the alleged rule violations, Ye agreed to serve a two-month suspension from direct and indirect access to all ICE Futures U.S. electronic trading platforms, including ICE Block. The suspension shall run from April 16, 2020 through and including June 16, 2020.

Effective Date

April 16, 2020

For More Information

Jason Fusco

jason.fusco@theice.com

(212) 748-4021

-or-

Frances M. Mendieta

frances.mendieta@theice.com

(312) 836-6748

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Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key information Documents (KIDS)," commencing January 1, 2019.