

## MARKET NOTICE

**Number:** 469/2018

**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

**DATE** 13 December 2018

**SUBJECT:** PRINSLOO VAN DER LINDE - 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 Limited in terms of its Derivatives Rules against Prinsloo van der Linde (“van der Linde”) who was registered as an officer (dealer) of Robinson Mulder De Waal Financial Services (Pty) Ltd (“RMD”), a member of the Commodity Derivatives market of the JSE.
2. The transgressions for which van der Linde was charged occurred between October 2012 and July 2016, and involved –
  - 2.1 concluding and/or allocating irregular, unauthorised and unlawful transactions on various non-discretionary client accounts contrary to the provisions of the client agreements and the Rules, and to the financial prejudice of RMD; and
  - 2.2 using a non-discretionary client account in the name of another person as his personal trading account, and using this account to conceal personal losses as well as losses incurred on various client accounts through his irregular and unlawful trading.
3. Rule 3.285 deals with improper conduct, and Rules 3.285.1, 3.285.2, 3.285.3 and 3.285.5 record specific examples of improper conduct as –
  - 3.1 committing or attempting to commit any act which is dishonest or fraudulent;
  - 3.2 being a party to, or facilitating or conducting a transaction which is fictitious and/or has a dishonest or unlawful motive;
  - 3.3 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; and
  - 3.4 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 records the standards of integrity and general conduct towards clients. The rule 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. Rules 16.10.2.1, 16.10.2.2, 16.10.1.4, 16.10.1.5 and 16.10.1.6 specifically state that such entities and persons must -
  - 4.1 act honestly and fairly;
  - 4.2 act with due skill, care and due diligence, and in the interests of clients;
  - 4.3 not be a party to or facilitate or enter into a trade which is fictitious or which has a dishonest or unlawful motive;
  - 4.4 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
  - 4.5 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. The JSE charged van der Linde with seventeen counts of contraventions of the JSE's Rules as contained in JSE Derivative Rules 3.285.1, 3.285.2, 3.285.3, 3.285.5, 16.10.2.1, 16.10.2.2, 16.10.1.4, 16.10.1.5 and 16.10.1.6.
6. In terms of Rule 3.290.3.2, the Director: Market Regulation made provision for an admission of guilt. Van der Linde has admitted guilt to all the charges as set out in the charge sheet and summarised in this Market Notice.
7. The JSE has considered all the facts and information at its disposal, including, but not limited, to the nature of the transgressions and van der Linde's admission of guilt, and has decided to impose a fine of R 1 500 000.00 as a result of these transgressions.
8. 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:
  - 8.1 the amount of prejudice suffered by clients and the firm as a direct consequence of these breaches;
  - 8.2 the extent to which the breaches were deliberate;
  - 8.3 the co-operation of van der Linde and his previous disciplinary record; and
  - 8.4 the importance placed by the JSE on the code of conduct and the standards of integrity and general conduct by members, its officers and employees towards clients, 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](mailto:johnathanc@jse.co.za).

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