

- In each case within such time as the Disciplinary Committee shall specify.
- 20.28 If any member fails to carry out an order of the Disciplinary Committee made under Rule 20.27, the Disciplinary Committee may suspend him until the order is complied with.
- 20.29 Except as provided in Rule 20.11 hereof, a committee may hear any charge made against any of the members of its regional exchange and referred to it in writing by the Disciplinary Committee, the Council, the Executive, the chairman of a regional exchange, or the investigating committee established under Rule 20.34 or by any other person.
- 20.30 A committee may decline to hear a charge and instead refer the same to the Disciplinary Committee.
- 20.31 Before hearing any charge referred to it by the Disciplinary Committee, the Council or the Executive, a committee may obtain, and in all other cases referred to it, shall obtain, a report from the investigating committee established under Rule 20.34.
- 20.32 Where it is asked to consider any complaint made by a non-member, the investigating committee shall take into account whether the complaint arose out of the employment of the member concerned by the complainant.
- 20.33 If after hearing any charge the committee is of the opinion that the member has been guilty of misconduct or of any breach of any rule or any regulation or any bylaw of his regional exchange, or of any act, matter or thing detrimental to the well-being or proper conduct of the Exchange or of regional exchanges generally, it may, if it thinks fit, do one or more of the following things:
- 20.331 Suspend such member for a stated period;
- 20.332 Order him to pay to his regional exchange a sum by way of penalty not exceeding \$5,000; or
- 20.333 Censure him.
- 20.34 Each regional exchange shall appoint an investigating committee comprising two members (not being members of its committee or the Disciplinary Committee) to investigate any alleged offence referred to it by its committee.
- 20.35 Every allegation of an offence referred to an investigating committee shall be in writing and as received by the committee. The committee of its own volition may refer matters to the investigating committee.
- 20.36 The committee may delegate to its investigating committee any power it may have relating to the inspection of members' records. Such delegation shall be in writing.
- 20.37 The investigating committee shall report to the committee within the time set by the committee whether or not there is a prima facie charge to be made.
- 20.38 If the investigating committee reports that a charge should be made against a member, it shall include in its report a formulation of the charge under the appropriate Rule. For this purpose the committee may authorise the investigating committee to employ legal assistance.
- 20.39 If the investigating committee reports there is no case to answer, the committee shall so inform the complainant and the lay member of the Disciplinary Committee shall be given a copy of the report.
- 20.40 A committee shall make the services of its investigating committee available to the Disciplinary Committee on its request in writing.
- 20.41 In any case where a charge is heard by a committee the member charged shall be entitled to appeal to the Disciplinary Committee against the decision of his committee.
- 20.42 In any case where a committee refuses an application for revocation of an interim suspension order the member concerned shall similarly be entitled to appeal to the Disciplinary Committee.
- 20.43 Every appeal shall be in writing and shall be lodged with the Executive Director not later than 10 days after the member charged has been given written notice of the decision of the committee.
- 20.44 The following Rules relating to the Disciplinary Committee, shall mutatis mutandis and with the exceptions hereinstated, apply to charges dealt with by committees as if references therein to the Disciplinary Committee were references to committees:
- Rule 20.07 as to members concerned or implicated;
- Rule 20.10 as to publication of name;
- Rules 20.12, 20.13 and 20.14 as to procedure provided representation by counsel at that committee level shall be allowed only with the consent of all the parties including the regional exchange;
- Rules 20.15 and 20.16 as to evidence;
- Rule 20.18 as to failure to attend and give evidence;
- Rules 20.19–20.22 as to interim suspension and revocation of suspension except that where the order for interim suspension or suspension was made by the Disciplinary Committee only the Disciplinary Committee shall have the power to revoke such order and except that reference to the Exchange in Rule 20.22 shall be construed as reference to the regional exchange concerned;
- Rule 20.23 as to costs;
- Rule 20.24 as to enforcement;
- Rule 20.25 as to report;
- Rule 20.26 as to witnesses and expenses;
- Rules 20.27 and 20.28 as to partners and employees of members.
- 20.45 Without the prior consent in writing of his committee, no member shall knowingly practise in partnership with or employ any person who—
- 20.451 Has been expelled or is currently suspended from membership; or
- 20.452 Has been convicted of any crime or offence referred to in Rule 20.11 hereof; or
- 20.453 As a partner or an employee has been the subject of a proved charge under Rule 20.27 hereof.
- 20.46 The Executive shall cause to be prepared a statement of the circumstances preliminary to and the findings of the Disciplinary Committee or a committee on every charge and the penalty (if any) imposed. Such statement shall contain identification of the regional exchange or member only if so stated in the findings in terms of Rule 20.10 and shall be circulated as required by the findings.
- 20.47 On the recommendation of a committee the Executive may cause to be circulated as widely as it considers appropriate a statement of the circumstances preliminary to the disposal of a complaint under terms of Rule 20.39 by an investigating committee but such statement shall not contain any reference which would tend to identify any exchange or any member.
- 21.0 Disputes**
- 21.01 All disputes between members of the same regional exchange shall be referred to its committee for determination.
- 21.02 Disputes between members of different regional exchanges shall be referred to the arbitration of either the committee of another regional exchange or the Executive. The appointment of an arbitrator shall be agreed upon by the regional exchanges concerned in the dispute; failing such agreement, the arbitrator shall be nominated by the President.
- 21.03 A dispute between any two regional exchanges or between one regional exchange and a member of another regional exchange shall be referred to the Council.
- 21.04 No right of appeal shall lie against a determination in respect of any dispute.
- 21.05 The provisions of Rule 20.07 shall mutatis mutandis apply to hearings of disputes as if references therein to the Disciplinary Committee were references to the Council, the Executive, or committee, as the case may be.
- 21.06 The Council, the Executive or committee, as the case may be, may prepare and circulate to members or to such members as it thinks fit, a statement of its findings on any dispute.
- 21.07 The Council, the Executive or committee, as the case may be, may make such order as it considers fit regarding the payment of costs of the hearing of any dispute.
- 21.08 It shall be a condition precedent to the commencement of any action, by a member against any other member upon any matter arising out of any transaction of stockbroking or out of any transaction to which any Rule, regulation or bylaw applies, that the dispute shall be first determined in the manner provided by these Rules and thereafter action shall be commenced only for the enforcement of the decision given under these Rules and then only after the member sued shall have, after 14 days' notice in writing, refused or neglected to carry out such decision. In any action as aforesaid no member shall dispute the correctness of such decision or award, or the fact that it was given in accordance with these Rules.
- 22.0 Defaulting Members**
- 22.01 A member shall be deemed to be a defaulter in each of the following cases:
- 22.011 where he is so declared by the chairman of his regional exchange after he has failed to pay forthwith the money demanded of him pursuant to any Rule relating to delivery and settlement.
- 22.012 where his regional exchange committee resolves that in its opinion he is in difficulties and has failed or is likely to fail to meet his liabilities.
- 22.013 where he has committed an act of bankruptcy or has become bankrupt or is insolvent or has called a meeting of his creditors or has made a composition with his creditors or assigned his