18.01 Delivery shall not be made earlier than the business day following the contract.
18.02 Save where the contract otherwise provides, the seller shall be deemed to have contracted to deliver not later than 1.00 pm on the tenth business day after the day of sale. In each case such day is referred to in these Rules as the due date.
18.021 Prompt or immediate delivery shall mean delivery within 24 hours from the time of sale.
18.03 The seller shall be entitled to require settlement for cash or marked cheque or bank cheque or through a bank, upon delivery of documents on a business day, save that a seller is not so entitled unless he delivers in accordance with these Rules and before the time specified by these Rules or any regulations made hereunder.
18.031 Where the buyer carries on business at a distance from the seller the seller may draw on the buyer on sight with documents attached for presentation not earlier than the seller is entitled to deliver.
18.04 Where delivery has been tendered by the seller in accordance with these Rules and the buyer has not paid or tendered the price in settlement, the seller may give notice to the buyer demanding settlement immediately.
18.041 Any notice aforesaid delivered after 4.00 pm shall be deemed to be delivered upon the next business day.
18.042 In the event of the buyer failing to settle upon the day upon which such notice shall be given or deemed to be given, then upon the day next following upon which such notice is delivered or deemed to be delivered, the seller may at his option cancel the contract or without further notice to the buyer resell the subject matter thereof through the chairman of the seller's regional exchange.
18.043 Such last-mentioned chairman may thereafter resell and after deducting expenses shall pay to the seller the proceeds, and shall certify to any loss upon resale, whereupon the buyer shall pay to the seller the amount so certified.
18.05 Where the seller has not tendered delivery in accordance with these Rules, the buyer may at any time after 1.00 pm upon the due date give notice in writing to the seller demanding delivery immediately. A copy of such notice shall be lodged with the selling broker's regional exchange.
18.051 Any notice as aforesaid delivered after 4.00 pm shall be deemed to be delivered upon the next business day.
18.052 The selling member may forthwith upon receipt of such notice or earlier, tender in writing to the chairman of his regional exchange a statement of the reason for the non delivery and the chairman may at his discretion and with the consent of the buying member which shall not be unreasonably withheld, fix a later date for delivery. Such discretion shall not be exercised unless the non delivery is the result of some factor which occurs subsequent to the time of sale, or which, if existing at the time of sale, could not then have been ascertained by the selling broker using due diligence.
18.053 Where the selling member has part of the securities available, he may make a part delivery provided the part delivery,
(a) Is a marketable parcel; or
(b) Is such other quantity as the buying member agrees to accept; and
(c) Is accompanied by a delivery slip marked “Under Notice Part Delivery” and sets out full details of the contract, the quantity and amount of the part delivery and the balance of securities and the amount still outstanding; and
(d) Is made on or before the fifth business day after the giving of the notice.
18.054 The selling broker may give notice in succession in terms of the foregoing clauses of this Rule to any other broker whether or not a member of the same regional exchange either as to all or as to part of the securities in the original notice, and any broker receiving such a notice in succession shall have a similar right. A notice in succession shall state the name of the broker first giving notice and shall operate as direct notice from that broker to the selling broker named in each notice in succession to the extent that a further notice in succession is not given.
18.055 Every giver of a notice in succession shall forthwith send a copy of such notice to his regional exchange, to the regional exchange of the recipient and to the broker first giving notice.
18.06 Where any broker receives notice under Rule 18.05 and fails to give notice in succession within one business day after receipt of such notice to another broker as to all of the securities in the first notice then if delivery has not been made within four clear business days of the receipt of a copy of a demand for delivery, or notice in succession, whichever is applicable, the selling broker's regional exchange shall give notice of the demand in the exchange on the next Wednesday.
18.061 Upon the posting of the notice of overdue delivery the selling broker shall become liable to pay his regional exchange a fee of ten dollars.
18.062 If delivery has not been made on the Monday following the posting of the notice of overdue delivery, the chairman of the regional exchange shall buy in against the selling broker, the securities in respect of which such broker has not given notice in succession unless there are circumstances, such as undeliverable benefits, which in the chairman's view are exceptional.
18.063 At the trading session during which the buying in takes place the chairman, or his nominee, shall offer to purchase the securities concerned at the following margins above the current market price as established by the chairman of the regional exchange:
(i) For the first day the margin shall be 20%.
(ii) For each of the three days thereafter the margin shall increase by 10% per day:
Provided that the total margin shall not exceed $2,000.
18.064 The chairman or his nominee shall purchase for prompt delivery as defined in Rule 18.021 but may, in his discretion, stipulate a longer period.
18.065 The chairman may adopt any booking procedure to comply with his office system but shall issue a contract note to the original selling broker for the securities bought in which shall include brokerage at standard rates.
18.066 Delivery and settlements shall be completed through the regional exchange.
18.067 Where a Monday or Wednesday is a public holiday the next business day shall apply.
18.07 Where the seller makes delivery in part or in whole before the chairman has bought in in accordance with Rule 18.06 he shall advise the chairman accordingly and such advice shall be deemed to cancel the notice to the extent of the delivery made.
18.08 A member giving, under Rules 18.054 or 18.07 notice or advice which is false in any material particular shall be liable to a fine not exceeding $5,000.
18.09 When a chairman buys in in accordance with Rule 18.06 he shall advise the ultimate buyer of such fact and upon the further advice from the chairman that the documents concerned have been delivered, the ultimate buyer will forthwith tender to the chairman the consideration of the transaction from which the notice arose or such proportion