respect of such uncompleted contract or balance thereof shall be determined accordingly.

22.033 The defaulter shall be liable to the other member for any such deficiency and such other members shall account to the defaulter for any surplus.

22.034 Every member involved with a defaulter on a rescinded contract shall forthwith inform the Exchange of the details.

22.04 The Board may declare any member a defaulter and may suspend such member from membership of the Exchange for such time as it shall think fit. The Board may alternatively require the regional exchange of which he is a member to declare such member a defaulter and may also require a regional exchange whereof a member is in default to deal with such member in accordance with these Rules or any of the regulations made hereunder.

22.05 In any case where it comes to the knowledge of a member that another member of the Exchange has failed to meet his obligations such member shall forthwith report the circumstances of the case to the chairman of his regional exchange who shall, if the member reported to have failed to meet his obligations be a member of another regional exchange, forthwith report the circumstances of the case to the chairman of that exchange. Failure to so report such circumstances shall be deemed to be a breach of these Rules.

22.06 The chairman of a regional exchange upon receiving a report that a member of his exchange has failed to meet his obligations, shall immediately cause an investigation of the matter to be made and shall simultaneously advise the chairman of each regional exchange and the Board that the affairs of such member are under investigation. He shall similarly advise the result of such investigation when completed.

22.07 Where any inquiries as to the credit or position of any member of the Exchange are being made by any regional exchange or by the Exchange every other regional exchange shall on request facilitate such inquiries and make all necessary inquiries into dealings of its members with the member whose position is being investigated aforesaid.

23.0 Members' Books of Account and Audit

23.01 Every member shall keep books of account and records containing complete and correct records and explanations of the affairs and transactions of his sharebroking business. The books, records and explanations to be kept shall be such as the Board shall from time to time determine or prescribe by the regulations. They must be sufficient to enable an auditor to supply the certificate of audit and report as required by Rule 23.02.

23.02 When notified by the committee of his regional exchange, a member shall, within the time specified in such notification, supply to the chairman a certificate of audit and report from a practising chartered accountant who, falling appointment by mutual consent between the member and the committee, may be appointed by the committee at the expense of the member. The certificate and report shall deal with such financial matters as the Board shall from time to time determine or prescribe by the regulations.

23.03 The committee of a regional exchange, in addition to the powers conferred by Rule 20.44 in respect of Rule 20.15 shall have full and absolute power at any time to call upon any member to produce forthwith, for inspection by themselves or their duly appointed representatives, all books, letters, telexes, telegrams or copies thereof, and other documents relating to his business as a sharebroker; and they may also require members and their clerks to appear before the committee or their duly appointed representatives at any time, and to give such information as may be required in connection with such business.

23.04 Each regional exchange will appoint an Inspector who shall be a chartered accountant in public practice, and not a member of the Exchange. The committee of a regional exchange may, at its sole discretion, appoint one alternate Inspector (who shall be a chartered accountant in public practice and not a member of the Exchange) if for any substantial reason it considers this necessary.

23.041 Each Inspector or alternate Inspector shall be directly responsible for work carried out by him under the provisions of these Rules or the regulations.

23.042 Neither the Inspector nor the alternate Inspector (if any) nor any member of their firm shall take any part in the accounting work involved with the day to day recording of sharebroking transactions for a member. Provided the principle of independence of the Inspector remains paramount, an Inspector may undertake for a member such accounting work as the preparation of annual accounts from a trial balance supplied by the member, preparing and lodging tax returns, or offering advice to the member on improving his accounting methods or his office procedures.

23.05 The Inspector is empowered to inspect the financial records and related documents of each member at any time he considers necessary and to require from any member an explanation of any item or state of affairs whatsoever in relation to the member's sharebroking business, which, in the opinion of the Inspector, appears to need an explanation or to be at variance with these Rules or the regulations or with recognised sharebroking practice.

23.051 The Inspector may require to be given access to information concerning the member's assets, either private or of another business when in the Inspector's opinion, it is advisable to demonstrate the member's overall solvency.

23.06 The responsibilities of the Inspector are to satisfy himself that the accounts and related subsidiary records of members are being maintained in a satisfactory and systematic manner and are being kept regularly up to date.

23.07 The Inspector shall be satisfied that reasonable internal systems and checks exist in sharebroking firms, both in respect of the activities of employees able to initiate and control share transactions and also in respect of partners, shareholders and directors.

23.08 Every member shall supply to the Inspector on a continuing basis such information as may be prescribed by the regulations.

23.09 The powers in Rule 8.24 (relating to the making of regulations) shall without in any way limiting the powers in that Rule, be deemed to extend to regulations relating to the operation of members and the supply by members of monthly returns of balances and other information to an inspector.

23A.0 Net Equity Requirements

23A.01 In order to ensure that members are at all times capable of meeting their financial obligations and subject as hereinafter provided:

23A.011 Every sharebroking firm shall at all times maintain its net equity at or above the prescribed level.

23A.012 Every sharebroking firm shall at all times maintain a positive liquidity position.

23A.02 A sharebroking firm may be temporarily excused from compliance with either or both of Rules 23A.011 and 23A.012 in respect of a particular transaction in accordance with Regulations made hereunder.

23A.03 For the purposes of this Rule 23A.0 and Regulations made hereunder:

23A.031 The terms "liquidity position", "net equity" and