

# **Guidelines for Registered Traders**

July 2017

## Registered Trader – Definition

A **Registered Trader** is an employee of a member firm who executes trades on the ISE's markets on behalf of clients of the firm or on the firm's own account. The Rules in relation to Registered Traders are outlined in Chapter 3 of the Member Firm Rules.

## General Information

- Only individuals who undertake the role of a Registered Trader (as defined above) in a member firm of the ISE can be registered as a Registered Trader<sup>1</sup>.
- All applicants must complete a **Registered Trader Application Form**. Applicants who are transferring from another member firm should use the same form but are only required to complete pages 1, 4 and 5.
- Applications are assessed by the Regulation Department and will generally be processed within 5 business days. In any case, please note that for technical reasons any proposed commencement date for access to ISE T7/ISE Xetra must be at least 2 days after submitting the form to the Regulation Department and that the proposed trader ID must be set-up on the firm's systems prior to submission.
- A nominated individual or email group of a member firm are notified by email of the ISE's decision in relation to an application. As outlined in the Member Firm Rules, a member firm can appeal the decision of the Regulation Department in relation to an applicant Registered Trader by appealing to the Admissions Committee.
- Member firms must notify the ISE if an individual ceases to undertake a registered trader role, ceases to be employed by a member firm or the firm no longer utilises the other user ID (using the **Registered Trader Cessation Form**).
- Relevant documentation should be sent to [marketregulation@ise.ie](mailto:marketregulation@ise.ie) in PDF form.

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**1** **Important** – Misleading, or attempting to mislead, the ISE on any information provided to gain registration as a Registered Trader may be considered an act of misconduct and may result in a refusal to grant Registered Trader status to the individual concerned, or if already registered, render the individual liable to disciplinary proceedings.

## Completing the Forms – General

1. Please use the correct and most up to date form (available directly from the ISE)<sup>1</sup>. If in doubt please contact the firm's Compliance Officer or [marketregulation@ise.ie](mailto:marketregulation@ise.ie).
2. If handwritten, the form should be completed in block capitals in blue or black ink.
3. Applications for registration will only be considered provided they are completed in full and accompanied by an original signature from the individual concerned. Failure to include the required attachments may delay the processing of an application.
4. Applications must be supported by an appropriate staff member of the applicant's member firm. The following are considered appropriate staff to support a Registered Trader application:
  - A Partner or Director of the member firm, or
  - A senior member of the Compliance team, or
  - The Head of Trading/Equities/Bonds as appropriate to the applicant.

## Trader Details Section

### NOTE RE EMAIL ADDRESS

Each applicant's work email address will be included on the ISE's relevant dealers' email distribution groups – one for equity member firms and one for primary dealers. These are in addition to the ISE Notices and ISE Primary Dealers Notices email groups.

These email groups are used for distributing information to dealers which is specifically relevant to trading on the ISE, for example:

- Notifications of the admission, suspension and cancellation of securities listed and traded on the ISE;
- Notifications of corporate actions and any price changes as a result of corporate actions, and
- To notify traders of any system issues and of updates as relevant.

### NOTE RE T7/XETRA USER ID

- The proposed trader ID is determined by the firm (please see the ISE Xetra Security Administrator's Guide and the ISE T7 Participant & User Manual, both available on [www.ise.ie](http://www.ise.ie)).
- For firms who are also members of T7 and/or Xetra Frankfurt, please ensure that the member firm code used on the form is the firm's ISE T7/ISE Xetra code and **not** that used by the firm on T7/Xetra Frankfurt unless the member is using the same member ID on both markets.

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<sup>1</sup> Forms were updated on 10<sup>th</sup> July 2017 for the migration of order book trading to ISE T7.

## Suitability Section

The Member Firm Rules state that the responsibility for ensuring the suitability of a registered trader lies with the member firm. Suitability is based on a number of factors namely; qualifications, exams and experience. Please refer to section A for registered traders requiring access to the ISE T7/Xetra system and section B for registered traders of primary dealers.

### A) QUALIFICATIONS AND EXPERIENCE FOR ISE T7/ISE XETRA ACCESS ONLY

For applicants who are applying for registration as a registered trader accessing the ISE T7/ISE Xetra system they must meet one of the four requirements as set out below:

1. Registered Stockbroker registration that is currently active (database managed by the Institute of Bankers in Ireland) and either one of the following; ISE T7 Exam (formally ISE Xetra Exam), Deutsche Börse Xetra Exam or other exams in recognised exchanges or other trading venues, **or**;
2. Self-certification by the Member Firm of competency as outlined in the Registered Trader application form and one of the exams as highlighted in 1 above, **or**;
3. Registration as a trader with another recognised exchange or other trading venue; **or**
4. Suitable experience in a similar relevant registered trader role with a minimum of three years' experience within the last five years.

**OR,**

### B) QUALIFICATIONS AND EXPERIENCE FOR PRIMARY DEALERS ONLY

For applicants who are applying for registration as a registered trader in a Primary Dealer they must meet one of the four requirements set out below:

1. Registered Stockbroker registration that is currently active (database managed by the Institute of Bankers in Ireland), **or**;
2. Self-certification by the Member Firm of competency as outlined in the Registered Trader application form **or**;
3. Registration as a trader with another recognised exchange or other trading venue; **or**;
4. Suitable experience in a relevant registered trader role with a minimum of three years' experience within the last five years.

## Declaration Sections

- A competence in relation to the Member Firm's systems which access the ISE's markets;
- B the person's fitness and probity; and
- C knowledge of the Member Firm Rules.

### A) **COMPETENCE IN RELATION TO THE MEMBER FIRM'S SYSTEMS WHICH ACCESS THE ISE'S MARKETS**

By signing the declaration in relation to competence:

- the applicant is undertaking that he/she has been sufficiently trained and has adequate knowledge of the systems used by the member firm to access the ISE's markets.
- the member firm is undertaking that it also considers that the individual has received adequate training and has demonstrated competence in relation to accessing the ISE's markets.

### B) **FITNESS AND PROBITY**

When assessing fitness and probity, member firms and individuals should consider an applicant's:

- Honesty, integrity and reputation,
- Competence and capability, and
- Financial soundness.

Factors which would demonstrate that an applicant does not meet the fitness and probity criteria include, where an applicant has been:

- convicted or been the subject of an investigation in relation to a financial crime such as fraud, theft, false accounting, serious tax offences or other dishonesty, or
- the subject of disciplinary procedures or an investigation into allegations of misconduct or malpractice by a body responsible for the regulation of a financial activity or other relevant body, or
- adjudged bankrupt or been the subject of bankruptcy proceedings, or
- found guilty of or been investigated for carrying out unauthorised financial activities.

### C) **KNOWLEDGE OF THE MEMBER FIRM RULES**

An individual who has successfully completed the Certificate in Stockbroking and/or is registered on the database of the Institute of Bankers in Ireland as a Registered Stockbroker and for equity traders, completed the ISE T7/ ISE Xetra exam, is deemed to have sufficient knowledge of the Rules.

In the absence of such an examination the applying member firm is expected to have provided sufficient training to the applicant in relation to the Member Firm Rules and the associated Market Parameters document, particularly in relation to Chapters 4 and 5 for equity traders and Chapters 4 and 6 for bond traders.