



CIRCULAR 151-22
November 29, 2022

**DISCIPLINARY DECISION — OFFER OF SETTLEMENT
HSBC SECURITIES (USA) INC.**

On July 28, 2021, following an investigation conducted by its Regulatory Division, Bourse de Montréal Inc. (the “Bourse”) filed a complaint against HSBC Securities (USA) Inc. (“HSBC”), a foreign approved participant of the Bourse.

This complaint stated the following:

1. During the period from July 24, 2015 to September 23, 2019, HSBC contravened article 6366 A) (article 3.4 from January 1, 2019) - “Access to Electronic Trading” and article 7403 (article 3.400 from January 1, 2019) - “Application for Approval as an Approved Person” of the Rules of the Bourse (the “Rules”), by providing access to eight (8) of its employees, for various periods varying between 215 days and 1,515 days, to the electronic trading system of the Bourse without having obtained the prior approval of the Bourse; and
2. During the period from July 24, 2015 to June 30, 2020, HSBC contravened article 3011 (article 3.100 from January 1, 2019) - “Surveillance and Compliance” as it did not establish and maintain a system to supervise the activities of each employee that is reasonably designed to achieve compliance with the Rules and Policies of the Bourse, more specifically as it did not establish policies and procedures to ensure that only its designated personnel approved by the Bourse, and who has received the required training, had access to the electronic trading system of the Bourse.

Following a hearing held on September 26, 2022, the Disciplinary Committee of the Bourse accepted the offer of settlement negotiated between the staff of the Regulatory Division of the Bourse and HSBC, which includes the imposition of an \$80,000 fine, as well as the payment of an additional amount of \$5,622 to reimburse related costs.

To access the full text version of the Disciplinary Committee’s decision, please refer to the following link:
https://www.m-x.ca/f_publications_en/disciplinary_decision_HSBC_20221110_en.pdf.

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