

### § 8.03

### 17 CFR Ch. I (4–1–10 Edition)

regulations: §§ 8.10, 8.16 and 8.19 of subpart B and § 8.27 of subpart C. Each rule so adopted and not previously submitted to the Commission shall be submitted to the Commission for its approval and shall not be put into effect prior to Commission approval.

#### § 8.03 Definitions.

For purposes of this part:

(a) *Board of appeals* means that body provided for in § 8.19.

(b) *Charge* or *charges* means any charge or charges contained in the notice of charges.

(c) *Disciplinary committee* means that body or bodies provided for in § 8.08.

(d) *Disciplinary procedure* means the rules of an exchange governing the investigation and adjudication of possible rule violations and the imposition of appropriate penalties under subpart B of this part.

(e) *Enforcement staff* means that body provided for in § 8.05.

(f) *Exchange* means any board of trade which has been designated as a contract market for one or more commodities pursuant to section 5 of the Act or to trade commodity options pursuant to part 33 of this chapter.

(g) *Investigation report* means the report required by § 8.07.

(h) *Notice of charges* means the notice required by § 8.11.

(i) *Penalty* means any restriction, limitation, censure, fine, expulsion, suspension, revocation, reprimand, cease and desist order, sanction or any other disciplinary action for any amount or of any definite or indefinite period imposed upon any person within the disciplinary jurisdiction of an exchange upon a finding by the disciplinary committee that a violation has been committed or pursuant to the terms of a settlement agreement.

(j) *Person(s) within the jurisdiction of an exchange* means any exchange employee, staff member or official, any member or person with membership privileges or any person employed by or affiliated with a member or person with membership privileges, including any agent or associated person, and any other person under the supervision or control of the exchange or of any member.

(k) *Record of the proceeding* means all testimony, exhibits, papers and records produced at or filed in a disciplinary or summary proceeding or served on a respondent or an exchange.

(l) *Respondent* means any person named in a notice of charges who has been served with such notice or who is the subject of a summary action.

(m) *Rule(s) of an exchange* means any constitutional provision, article of incorporation, bylaw, rule, regulation, resolution, interpretation, stated policy or instrument corresponding thereto.

(n) *Violation* means any violation within the disciplinary jurisdiction of the exchange.

[43 FR 41950, Sept. 19, 1978, as amended at 46 FR 54525, Nov. 3, 1981]

### Subpart B—Disciplinary Procedure

#### § 8.05 Enforcement staff.

(a) Each exchange shall establish an adequate enforcement staff which shall be authorized by the exchange to initiate and conduct investigations, to prepare reports incident to such investigations and to prosecute possible rule violations within the disciplinary jurisdiction of the exchange. The enforcement staff shall consist of employees of the exchange and/or persons hired on a contract basis. It may not include either members of the exchange or persons whose interests conflict with enforcement duties. When carrying out any responsibility under this part 8 or any rule adopted pursuant thereto, a member of the enforcement staff may not operate under the direction or control of any person or persons with trading privileges.

(b) Each exchange is responsible for assuring the effective and diligent enforcement of all rules within its disciplinary jurisdiction, regardless of whether its enforcement staff consists of employees or persons hired on a contract basis.

#### § 8.06 Investigations.

(a) Each exchange shall establish and maintain a disciplinary procedure which requires the enforcement staff of the exchange to conduct investigations of possible rule violations within the