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## **CFTC Finds that Proprietary Trading Firm Arab Global Commodities DMCC Engaged in Spoofing of Copper Futures Contracts**

**Washington, DC** – The Commodity Futures Trading Commission (CFTC) today issued an Order filing and settling charges against **Arab Global Commodities DMCC (AGC)**, a proprietary trading firm headquartered in Dubai, with several trading offices in India, for engaging in the disruptive trading practice of “spoofing” in the copper futures contract traded on the Commodity Exchange, Inc. (COMEX) between March and August 2016.

The CFTC Order finds that AGC engaged in this activity through one of its employees (Trader A), who generally spoofed after business hours, when Trader A traded from home. The Order requires AGC to pay a \$300,000 civil monetary penalty and to cease and desist from violating the Commodity Exchange Act’s prohibition against spoofing.

The Order finds that over the course of several months, Trader A repeatedly traded using the same spoofing pattern: Trader A placed one or more large orders (typically more than 100 contracts) on one side of the book, while he had a small resting order (typically fewer than 10 contracts) on the opposite side of the book, and he immediately cancelled the large order(s) when his small order got filled. The Order concludes that Trader A thus engaged in spoofing in violation of Section 4c(a)(5)(C) of the Commodity Exchange Act because he entered into multiple bids or offers on a registered entity with the intent to cancel the bids or offers before execution.

On some occasions, the Order finds that Trader A used another AGC trader’s account to hide his spoofing. Once aware of Trader A’s misconduct, AGC promptly terminated the trader’s employment, according to the Order.

James McDonald, the CFTC’s Director of Enforcement, stated: “This case demonstrates our continued commitment to rooting out disruptive trade practices like spoofing in our markets. We will continue to work together with our regulatory and law enforcement partners in pursuit of that goal.”

The Order recognizes AGC’s cooperation and notes that AGC promptly accepted responsibility for the misconduct and proactively implemented remedial measures and processes to deter similar misconduct in the future.

The CFTC appreciates the cooperation and assistance of the CME Group.

The CFTC Division of Enforcement staff members responsible for this action are Neel Chopra, Joseph Patrick, Robert Howell, Scott Williamson, and Rosemary Hollinger.

### **Media Contact**

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