

**January 13, 2020**

## **CFTC Orders South Korean Company to Pay \$700,000 for Spoofing**

**Washington, DC** – The Commodity Futures Trading Commission today issued an order simultaneously filing and settling charges against **Mirae Asset Daewoo Co., Ltd.** for spoofing in the Chicago Mercantile Exchange (CME) E-mini S&P 500 futures market. The order finds that **Daewoo Securities Co. Ltd.**—a company Mirae acquired following the spoofing conduct at issue—engaged in the spoofing through a trader located in Daewoo’s Seoul office. The order requires Mirae to pay a \$700,000 civil monetary penalty and to cease and desist from violating the Commodity Exchange Act’s prohibition on spoofing.

“This enforcement action demonstrates, once again, that the Commission will hold overseas entities that spoof in our markets accountable,” said CFTC Director of Enforcement James McDonald.

The order finds that from December 2014 to April 2016, the Daewoo Securities trader placed numerous orders for the E-mini contract with the intent to cancel those orders before execution. One strategy the trader employed involved three steps. First, the trader entered one or more disproportionately large orders—which he intended to cancel—on one side of the market (the spoof orders). The trader placed the spoof orders with the intention of giving a misleading impression of market depth and inducing other market participants to trade opposite the orders. Second, capitalizing on the increased buying or selling interest that the spoof orders created, the trader placed a small order—which he intended to execute—on the opposite side of the market (the genuine order). Third, within seconds of the genuine order being filled, the trader cancelled the spoof order before it was executed.

The order recognizes Mirae’s cooperation, which expedited the resolution of this matter, in the form of a reduced civil monetary penalty.

The CFTC thanks and acknowledges the assistance of the CME Group Inc. in this matter. The CFTC also thanks and acknowledges the assistance of the Financial Services Commission of the Republic of Korea and the United Kingdom Financial Conduct Authority.

The Division of Enforcement staff members responsible for this case are Jonah E. McCarthy, Jennifer L. Blakley, Dmitriy Vilenskiy, A. Daniel Ullman II, Christine Ryall, and Paul G. Hayeck.

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