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\$100 fine for overdue settlements

STOCK exchange members who make late settlements now face a \$100 penalty for each late settlement complaint lodged by other members of the exchange.

The penalty will be imposed on every late settlement transaction, regardless of the amounts involved.

It is one of the measures recently implemented to accelerate the settlement period amongst the members before setting up the central clearing system.

Critics, however, have slammed it for being too lenient.

A spokesman for the exchange said yesterday members were informed of the \$100 penalty two weeks ago and the exchange had the power to enforce fines after receiving complaints from other members.

The exchange's disciplinary committee last week "issued a number of punishment letters" to the members asking them to pay the penalty, the spokesman added.

But he refused to say how many members had been fined, claiming that no statistics were available at present.

According to the rules of the exchange, all transactions should be settled within 24 hours after the deal has been made. However, few brokers have been able to meet this requirement.

The spokesman said it was up to members on how long they were willing to wait, and could issue complaints when the settlements were overdue.