

## **RULE 3300**

### **FAIR PRICING OF OVER-THE-COUNTER SECURITIES**

- 3300.1 For purposes of this rule, “over-the-counter securities” includes contracts for difference and foreign exchange contracts, but does not include:
- (a) primary market transactions in securities; and
  - (b) over-the-counter derivatives with non-standardized contract terms that are customized to the needs of a particular client and for which there is no secondary market.
- 3300.2 Every Dealer Member, when executing a transaction in over-the-counter securities for or on behalf of a customer as agent, shall make a reasonable effort to obtain a price for the customer that is fair and reasonable in relation to prevailing market conditions.
- 3300.3 A Dealer Member must not:
- (a) purchase over-the-counter securities for its own account from a customer or sell over-the-counter securities for its own account to a customer except at an aggregate price (including any mark-up or mark-down) that is fair and reasonable, taking into consideration all relevant factors, including the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in connection with the transaction, the expense involved in effecting the transaction, the fact that the Dealer Member is entitled to a profit, and the total dollar amount of the transaction; and
  - (b) purchase or sell over-the-counter securities as agent for a customer for a commission or service charge in excess of a fair and reasonable amount, taking into consideration all relevant factors, including the availability of the securities involved in the transaction, the expense of executing or filling the customer's order, the value of the services rendered by the Dealer Member, and the amount of any other compensation received or to be received by the Dealer Member in connection with the transaction.

