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KEY

TO THE

RULES OF THE STOCK EXCHANGE

EMBODYING A FULL EXPOSITION OF THE THEORY
AND PRACTICE OF BUSINESS IN THE "HOUSE"

BY

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ADDENDUM.

*While the work was at press two alterations were made
in the Rules.*

Rule 76 now reads :—

All optional bargains for the Consols Account shall be declared at a quarter before Three o'clock two days before the Account Day.

Optional bargains made for a Foreign Settlement shall be declared at a quarter before Three o'clock on the day before the first Making-up day, or at a quarter before One o'clock should that day fall on a Saturday.

Options for any other day must be declared at a quarter before Three o'clock, or on Saturdays at a quarter before One o'clock.

Rule 94, clause 3, now reads :—

A Member receiving a Ticket from the issuer after Twelve o'clock on the Ticket Day, or for securities dealt in in the Mining Markets after Two o'clock on the preceding day, shall note the fact on the back of the Ticket; and a Member receiving a Ticket after Three o'clock on the Ticket Day, or for securities dealt in in the Mining Markets after Six o'clock on the day before the Ticket Day, or at any time on any subsequent day, shall mark the exact time at which such Ticket is received.

It is also required that the holder of a Ticket at

1 o'clock,

1.30 "

2 "

and 2.30 "

on the Ticket Day, or for securities dealt in in the Mining Markets at Two o'clock, and at every half-hour up to 5.30 o'clock on the day before the Ticket Day, shall endorse such times on the back of the Ticket.

KEY TO THE RULES OF THE STOCK EXCHANGE.

INTRODUCTORY.

"The Stock Exchange does not recognise in its dealings any other parties than its own Members"; (Rule 53), but it cannot be said that the Public reciprocates the indifference implied in this announcement. The Rule goes on to declare that "every bargain, therefore, whether for account of the Member effecting it, or for account of a principal, must be fulfilled according to the Rules, Regulations, and usages of The Stock Exchange." In view of the latter clause, nothing could be better calculated to arouse a public interest in the methods of The Stock Exchange than the doctrine of the first clause, ignoring—as it apparently does—the status of the public in dealings effected on the public behalf. The law of the land may override Rule 53, but for peace of mind the private operator will desire to examine the Rules, Regulations, and Usages, which, in the eyes of The Stock Exchange, constitute a term of any contract into which he may enter through the medium of that institution.

If he be not professionally connected with the "House," a perusal of the printed Rules will not only afford him considerable information, but will serve to sharpen his curiosity. Indeed, the same result is likely to ensue even in the case of one who follows The Stock Exchange as a profession, unless he happen to have made already a scrupulous study of the book or to have experienced in the course of a chequered career more than the ordinary vicissitudes of the calling.

For the Rules of The Stock Exchange are of a highly

technical character, and in certain instances are only intelligible to a reader who has correlative knowledge of the usages. The aim of the present work is to bring the Rules within the apprehension of all, and to add to the veneration which they already command the crowning grace of popularity.

But not only is a commentary called for on the grounds of technicality: there are, besides, certain anomalies and irregularities which demand the commentator's asterisk. It would indeed be small wonder if in a code of some two hundred rules—many of them regulating difficult operations down to the minutest details—there were not to be found, mixed with much that is excellent, a few imperfections. In the Rules of The Stock Exchange we have the faultless and the faulty. Every student of them will be struck with the vast experience, the penetration, the foresight, and the fairness, which, as a whole, they exhibit. He will pronounce them a monument of patience and common sense. But he will perceive that they are not the work of one mind or of one period; he will recognise in them a joint production, and rather the fruit of a gradual evolution than the instant offspring of the lawgiver's invention. He will thus account for their inequality, and while describing the general tenor of the Code as excellent, he will feel that its constituent members are in cases open to discussion. For here and there may be found instances of inaccuracy, of obscurity, of ambiguity, of inconsistency, of redundancy, and of omission, but above all, of divergence from prevailing custom. And out of this last circumstance arises the important question—In what shall the Rules of The Stock Exchange govern, in what be subject to, its customs?

The conflict between the two forces has frequently given rise to dispute, and it is obvious that the more nearly the official regulations are made to harmonise with the unchallenged usages of the House, the greater will be their utility.

Traditions and customs again are more difficult to acquire