# Surveillance Rule

## Spoofing

### Version 1

## Definition.

Orders placed with intention to feign interest in a security through developing either an aura of pessimism by placing and cancelling orders or through false optimism driven by insincere orders for a trading position.

## Red Deer Rule Implementation.

Required data.

Orders from the corporate trading system.

Price data from the exchange.

Rule parameters.

Time threshold between cancelled orders in one direction and executed trades in other direction in seconds.

Rule.

If cancelled orders precede executed orders in a different direction within the time frame then evaluate the rule.

If cancelled orders precede executed orders in a different direction within the time frame and there was a price change favourable to the executed order then evaluate the rule with high confidence.

If spoofing alerts have been raised in the last 15 days evaluate rule with high confidence.

## Future editions.