



MEDIA RELEASE

AFMA Welcomes Competition Milestone

29 April 2011

The Australian Financial Markets Association (AFMA) welcomes the release by ASIC today of a package of regulatory materials to provide the framework for the introduction of competition in equity exchange markets.

AFMA represents all of the leading stockbrokers and investment banks that operate in the Australian market.

AFMA believes that with the right regulatory arrangements to promote market integrity and efficiency, competition will be good for the Australian market. Today's release is another milestone met on this journey.

AFMA is pleased with ASIC's detailed consultative approach during this process, and notes that a number of significant requests from industry have been accepted by ASIC including:

- recognising the different needs of wholesale and retail clients;
- committing to more detailed consultation and a later commencement date for significant market structural issues;
- continuing consultation to determine appropriate market circuit breakers;
- requiring pre- and post-trade information to be made available on non-discriminatory and reasonable commercial terms;
- specifying coordination between market operators with regard to trading halts; and
- going some way to addressing the issue of multiplication of penalties.

There are still a number of areas of concern, including proposals for implementation of short sale tagging and suspicious activity reporting requirements in 2011, which AFMA intends to again take up with ASIC.

The right regulatory framework is an important step but there is still much work to do. As ASIC has recognised, the technical challenges involved are far from trivial and so the industry is placing a high priority on creating the conditions necessary to enable a smooth transition to a multi-market environment.

The industry has worked with ASIC to put together a good consultative framework to address IT and business process issues. AFMA looks forward to continuing working closely with ASIC to create a more competitive market place.

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Notes for Editors:

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.