



## MEDIA RELEASE

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### ASIC Market Assessment Report of ASX

ASX Group (ASX) welcomes the release today by the Australian Securities and Investments Commission (ASIC) of its annual assessment of ASX's compliance with its statutory obligations. The assessment covers the activities of all six ASX group licensees for calendar year 2009.

For the eighth consecutive year since the introduction of these assessments, ASIC has concluded that ASX complied with its obligations as they existed at the time of the assessment by having:

- adequate arrangements, including adequate resources, to supervise its markets and its clearing and settlement facilities; and
- adequate arrangements to manage conflicts between its commercial interests and the need to ensure fair, orderly and transparent markets, and fair and effective clearing and settlement facilities.

ASIC concluded that ASX Group continuously monitored and improved the performance of its supervisory activities.

The assessment report contains eight areas of agreed actions, many of which ASX has already initiated as part of its own program of ongoing improvement. These actions were in areas such as issuer listing and quotation, website information for retail investors, and joint work with ASIC on algorithmic trading. ASX will report to ASIC on the effectiveness of its activities over the coming months.

ASIC notes that ASX has complied with the nine agreed actions and four recommendations from last year's assessment report.

Following the transfer of certain supervisory functions from ASX to ASIC on 1 August 2010, including responsibility for supervising real-time trading, ASX's obligations as a market operator have changed. Its market licensees are now required to have adequate arrangements to operate their markets including the requirement to monitor and enforce compliance with operating rules. The obligations on its clearing and settlement licensees are unchanged.

ASIC's assessment follows the **Reserve Bank of Australia's** (RBA) annual assessment of ASX's licensed clearing and settlement facilities, published on 29 October. RBA found that all four clearing and settlement facilities operated by ASX complied with the relevant *Financial Stability Standards* and did all other things necessary to reduce systemic risk in the 2009-10 financial year.

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