



MEDIA RELEASE

20 November 2012

ASX welcomes new Market Integrity Rules

ASX welcomes the new Market Integrity Rules approved by the Minister for Financial Services and Superannuation, Bill Shorten, today.

These are sensible measures, which will help preserve the quality of the Australian market.

ASX believes the requirement for 'meaningful price improvement' is a good first step to dealing with the risks of dark execution and market fragmentation.

ASX supports the introduction of kill switches, the new extreme trading rules and additional data reporting requirements. We will work with ASIC to implement these changes.

ASX Managing Director and CEO, Elmer Funke Kupper, said: "Minister Shorten and ASIC have been working hard on the issues of dark execution and high frequency trading. They know the issues and they are working to find solutions. The measures contained within today's announcement are a good start.

"ASX also welcomes the Minister's announcement about the ASIC dark liquidity and high frequency trading taskforces, including the consideration of increasing the minimum order threshold for dark trading above \$0. ASX has proposed a threshold of \$25,000; ASIC has previously raised the idea of a \$50,000 threshold. We would be happy with either, recognising that the number cannot be zero. All share trades under the minimum threshold would be directed to the public, 'lit' market to which all investors have equal access.

"ASX will also participate in the review of Australia's financial market licensing regime.

"Australia continues to be one of the best regulated markets in the world. Maintaining Australia's market integrity and quality is integral to Australia's aspirations to be a regional financial services hub in the Asian Century. The measures announced today, and the ones still under development, will ensure that investors can continue to have confidence in our financial markets."

Media inquiries:

Kristen Kaus
Media and Communications Executive
(BH) +61 2 9227 0410
(Mobile) 0421 380 773
Kristen.kaus@asx.com.au