



MEDIA RELEASE

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Oxera global cost benchmarking of ASX's post-trade equity services

ASX has today released the Oxera *Global cost benchmarking of cash equity clearing and settlement services* report.

ASX Clear and ASX Settlement commissioned Oxera, a leading independent European economics consultancy, to benchmark the costs of using ASX's cash equity post-trading (clearing and settlement) services against the costs of using the services provided by financial market infrastructure providers (FMI) in other financial centres. The annual costs to the Australian economy of cash equities clearing is \$42 million and for settlement \$40 million, based on ASX's FY13 financials.

The global cost benchmarking is part of ASX's commitment under its Code of Practice. The Code commenced in August 2013 following a Government announcement in February last year to defer a decision on any licence application from a central counterparty seeking to offer cash equities clearing services in Australia for a period of two years.

ASX's other commitments under the Code of Practice include providing transparent and non-discriminatory access to and pricing of its cash equities clearing and settlement services, and the creation of an advisory Forum comprising senior customer and industry stakeholders. All commitments have been put in place.

The Oxera report concludes that "the costs of post-trading services in Australia are in line with the costs of similar services provided in financial centres of comparable size."

Oxera's comprehensive cost benchmarking confirms the analysis by the Council of Financial Regulators that "ASX's fees are broadly comparable to those of other markets of a similar scale", which was published in its December 2012 report *Competition in Clearing Australian Cash Equities: Conclusions*.

The Oxera report acknowledges that there is a high level of transparency around the pricing, financial performance and international benchmarking of ASX's cash equity market post-trade services. This transparency has been provided by ASX under the Code of Practice framework.

ASX is grateful for the input and cooperation from members of the industry advisory Forum and its related Business Committee who were consulted on the scope and methodology of the Oxera review. We also thank ASX's customers and FMI in other jurisdictions who contributed to the report, providing Oxera with access to accurate information to produce a robust and meaningful analysis.

The report is available here: <http://www.asx.com.au/cs/international-cost-comparisons.htm>

About Oxera

Oxera advises companies, policymakers, regulators and lawyers on any economic issue connected with competition, finance or regulation. With a history spanning more than three decades, Oxera has a reputation for credibility and integrity. It has offices in Oxford, Berlin, Brussels and London, and is able to advise its international clients in a highly flexible way. For further information: <http://www.oxera.com/Home.aspx>

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