

MEDIA RELEASE

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STOCKBROKERS WELCOME ASIC MARKET STRUCTURE CONSULTATION PAPER

The Stockbrokers Association has today welcomed the Market Structure Consultation Paper released this morning by ASIC as a “long awaited step forward in multi-market regulatory reform.”

“The consultation paper includes a number of options for the introduction of greater transparency in the market’s operation, which is a positive step,” said David Horsfield, CEO of the Stockbrokers Association.

“The Association will be working through the detail of these proposals, as we will want to assure our members that they will not be adversely affected by anything contained within the document, and that includes any onerous requirements,” he said.

“We hope to see a seamless regulatory move, much the same as the transition of market supervision from ASX to ASIC, and we’ll be holding members information sessions shortly once we conclude our analysis, and seeking their views.”

Mr Horsfield said that the proposed best execution rule is noteworthy because it would be the first time a specific rule has been introduced to the market as it has thus far been common law governing this aspect of trading.

The rule states that a market participant must take ‘reasonable steps to obtain the best total consideration for its clients’, which at this stage means ‘best price’, but that may change. Importantly, the rule doesn’t just apply to retail investors, but professional investors and investors in more than \$500,000 parcels may nominate other objectives.

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