



SECURITIES &
DERIVATIVES
INDUSTRY
ASSOCIATION

sdia

Media Release

11 March 2009

COUNTER ILLICIT MARKET PRACTICES WITH ENFORCEMENT - NOT FURTHER REGULATION - SAYS SDIA

The Securities and Derivatives Industry Association (SDIA) believes that the key to dealing with the practices of rumourtrage, market manipulation and insider trading lies in proper enforcement by authorities, not in adding further layers of regulation.

“Australia already has a robust scheme of criminal laws against these practices with penalties of up to 5 years jail for individuals, while the ASX also has its own regime, supported by fines against broking firms of up to \$1m”, said David Horsfield, Managing Director and CEO of the Securities and Derivatives Industry Association.

“The key is consistent enforcement by the authorities, not in constructing new laws”, Mr Horsfield said.

The SDIA’s recommendation forms part of a submission to the Corporations and Markets Advisory Committee (CAMAC) issues paper, *Aspects of Market Integrity*.

The CAMAC paper responds to a request from the Minister for Superannuation and Corporate Law, the Hon Senator Nick Sherry, for CAMAC to provide advice by 30 June 2009 in relation to the effect of various market practices on the integrity of the Australian financial market.

The SDIA made the following comments on specific issues.

Rumourtrage:

“Telephone taping by brokers and investment banks is not justified, in terms of the significant cost and inconvenience, and the fact that manipulators use many other means of communications.

Analyst Briefings:

“While listed companies have the duty of continuous disclosure, research analysts play a crucial role in the markets.

“Standards have increased considerably in the last decade, enhanced by ASIC requirements and best practice guidance by SDIA and other industry bodies.

“One-on-one briefings ought not to be prohibited, provided companies meet their continuous disclosure obligations”, Mr Horsfield said.

For further information:

David Horsfield, Managing Director & CEO, SDIA (02) 8080 3200
Michael Meagher, CPR Communications, 0410 482 367

Media Release 1 of 1

Securities & Derivatives Industry Association

ACN 089 767 706

Level 6, 56 Pitt Street, Sydney 2000

Telephone: (02) 8080 3200 Facsimile: (02) 8080 3299 www.sdia.org.au

sdia

Securities & Derivatives Industry Association

ACN 089 767 706

Level 6, 56 Pitt Street, Sydney 2000

Telephone: (02) 8080 3200 Facsimile: (02) 8080 3299 www.sdia.org.au