



SECURITIES &
DERIVATIVES
INDUSTRY
ASSOCIATION

sdia

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SDIA TO BRING TOGETHER HIGH LEVEL ADVISORY BODY TO ASSIST FINANCIAL SUPERVISORY TRANSITION

The Securities and Derivatives Industry Association said today it would assemble a high level committee to assist the Government in its decision to bring together the supervision and enforcement of conduct on licensed markets within the one entity, the Australian Securities & Investments Commission.

“During the exposure and consultation process it will be vital that the Government is in step with the industry. We have worked closely with the Government through many of the reforms it has introduced recently and the new committee will assist the regulators and the Government in the transition”, Mr Horsfield, CEO and MD of the SDIA said.

“The Government is to be congratulated on the simplification of the regulatory structure and for creating the opportunity for alternative market execution platforms. The transfer of the supervisory role of the ASX to ASIC promises to deliver a more streamlined system and will allow swift and appropriate enforcement but there is much detail to work through. A smooth transition of responsibilities will be vital.

“One issue will be how any new rules or codes of conduct dealing with market behaviour - to replace the existing ASX Rules - will be framed. There is also the question of whether licensed markets will retain the power to levy fines on top of the powers that ASIC will have.

“A key focus will on ensuring that any changes do not impose any additional regulatory load on business”, Mr Horsfield said.

“As the peak industry body representing wholesale and retail stockbrokers and investment banks the SDIA is well placed to assist the transition.

The Australian Securities Exchange (ASX) has for many years contributed to the reputation and high standing of Australia’s securities market through its vigilance in supervising trading and conduct on the ASX and through the decisions of the ASX Disciplinary Tribunal.

However, bringing the two functions together within ASIC is a logical step at this stage, having the potential to further enhance the reputation of Australia’s financial markets, and at the same time facilitate further innovation and competition in our market. This could include the development of new products and potentially, additional licensed markets.

“Markets move swiftly, and it is essential that any market issues or events are examined and dealt with as quickly and efficiently as possible. Under the current system the ASX is responsible for detecting suspected breaches of market rules, but then has to refer them to ASIC for full investigation and decisions on whether to prosecute. Combining supervision and enforcement into the one entity should combine available resources and streamline the process”, Mr Horsfield said.

For further information:

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