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## Media Release

15 September, 2009

### SDIA COMMENDS ASIC ON SEEKING SOLUTIONS FOR THE RESPONSIBLE HANDLING OF RUMOURS

The Securities & Derivatives Industry Association (SDIA) today commended ASIC's tackling of the difficult area of market rumours through the release of its Consultation Paper, *Responsible Handling of Rumours*, pointing out that training would be critical in providing solutions to the subject.

"Practical industry guidelines can only assist in maintaining the reputation and integrity of Australia's markets", David Horsfield MD & CEO of the SDIA said.

"We welcome ASIC taking on the difficult area of market rumours, in view of the volatile events of the last 12 months and the allegations that persons have engaged in "rumourrage" to manipulate the price of stocks", Mr Horsfield said.

"Despite the perceptions of misuse of rumours, there has not been any significant enforcement action brought by regulators, and this would be an area where it would be very difficult to establish precisely what has occurred.

"While the SDIA will examine the proposals in detail and provide feedback on behalf of the stockbroking industry, we believe that ASIC's proposal that there be formal training in relation to the handling of rumours goes to the heart of the matter. Better training will amount to the most valuable contribution to raising awareness of these issues in the minds of market operatives in the context of their day-to-day trading and advisory activities.

"It is essential however that ASIC's guidelines be practical and fit in with the way markets customarily operate. At first glance, it could be difficult in practice for someone to be in a position to establish whether a rumour is "in wide circulation" or not, and how one would go about doing this."

The SDIA is the peak industry body representing wholesale and retail stockbrokers and investment banks.

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