



## Media Release

### **New Market Integrity Rules on High Frequency Trading and Dark Pools**

20 November 2012

The market integrity rules announced today by the Minister for Financial Services and Superannuation, Bill Shorten, are a significant set of measures in response to the technological evolution of the markets. ASIC has developed the market integrity rules taking account of the various views of market participants. Overall we think these rules will assist the efficient functioning of the market by curtailing risks like excessive price volatility; for example, from error trades.

This approach should contribute to investor confidence that market participants are being required to properly manage the risks associated with automation and that the welfare of retail investors is protected in dark pools.

We expect a relatively smooth adjustment by the industry to the new rules. Market participants generally have “kill switches” in place and market level filters via the extreme trading range rules will widely be considered a welcome initiative. It was widely expected that meaningful price improvement over the lit market would be required.

The Minister has requested the Australian Treasury to conduct a review of Australia's financial market licensing regime. AFMA looks forward to participating in the associated consultation process.

#### **Notes for Editors:**

Australian Financial Markets Association (AFMA):

The Australian Financial Markets Association is the industry association for Australia's wholesale banking and financial markets. These markets enable Australian financial institutions and companies to raise and manage their capital efficiently, control their financial risks and conduct financial transactions with counter-parties in Australia and overseas.

AFMA represents industry participants in the wholesale banking and financial markets, including Australian and foreign banks, securities companies, state government treasury corporations, fund managers, electricity and other specialised markets and industry service providers.

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