



## MEDIA RELEASE

### **ASX Consultation on the Introduction of T+2 Settlement for Cash Equities**

**25 February 2014**

The Australian Financial Markets Association (AFMA) welcomes the release today by the Australian Securities Exchange (ASX) of its Consultation Paper on the Introduction of T+2 Settlement for cash equities.

A shorter settlement period would reduce counterparty and systemic risk in the settlement process and reflect the improvement in technology that has occurred over time.

The market would benefit from more efficient use of capital and lower margin costs, which would help contain transaction costs and support trading volumes for cash equities.

The Consultation Paper identifies a number of practical matters that require consideration in the lead up to implementing T+2, such as the sequencing of Australian reforms with relevant overseas markets.

AFMA will consult with its member firms, which includes all of the leading stockbrokers, on the practical matters raised by the Consultation Paper.

Contact details for further information:

David Lynch  
Chief Executive Officer  
+61 2 9776 7991  
dlynch@afma.com.au

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

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.