



23 June 2022

Ms Danielle Press  
ASIC Commissioner  
Australian Securities and Investments Commission  
Level 5, 100 Market Street  
NSW 2000

By Email: [Danielle.press@asic.gov.au](mailto:Danielle.press@asic.gov.au)

Dear Commissioner Press

**Re: ASIC Report 708**

AFMA represents the collective interests of over 120 members in the Australian financial markets including many of those that are required to respond to Report 708.

AFMA has worked consistently over many years in the service of improved outcomes during market outages. Notably we made a number of responses to ASX consultations following the 2016 outage where we made the case for improved practices, many of which remain relevant today. AFMA also worked with ASIC to implement the industry's security status server solution following the 2016 outage which removed a key single point of reliance for both exchanges that prevented trading moving to a secondary exchange during that outage.

AFMA and its members also have an ongoing work program to better understand the expectations of buy-side market participants and investors, and we are following international developments with interest as the same problems are considered in other markets, notably in Europe.

While we remain committed to working to improve market resilience and remove barriers to trading continuing during a single market outage, AFMA continues to hold significant concerns around Report 708 and the requirements that flow from it. As we have previously outlined to ASIC in the attached letter these include concerns relating to:

- The need for a full understanding of the complexities and technical difficulties faced by market intermediaries during outages, and the 708 related requirements;
- The need for a proper consultation process before making substantive policy changes;
- The need for ASIC to maintain its commitment not to make policy but rather focus on enforcing Government policy;

- The need for policy requirements to be properly ground in law, and to avoid making substantive policy changes through instruments (such as expectations) that are incorrectly calibrated to the nature of the change; and
- The lack of economic efficiency in the 708 requirements.

While ASIC staff have been responsive in assisting with making sensible changes relating to timing of plan submissions, scope of functionality required for secondary markets and other matters, we believe it is appropriate that ASIC take the opportunity for a more fundamental reworking of the project.

In support of this we would like to offer you a meeting with the AFMA Secretariat and AFMA members who are leading market participant firms in the Equity markets. While we have had helpful discussion at the Commissioner level previously, a direct dialogue on this significant matter at this time we believe could be of assistance to all parties.

If this is of interest your staff are welcome to contact the Secretariat manager at [secretariat@afma.com.au](mailto:secretariat@afma.com.au) and we would be pleased to assist with finding workable times.

Yours sincerely

A handwritten signature in cursive script that reads "Damian Jeffree".

Damian Jeffree

**Senior Director of Policy**