



MEDIA RELEASE

AFMA welcomes ASIC Reports 486, 487

9 August 2016

The Australian Financial Markets Association (AFMA) represents the principal participants in the equities market, who provide financial services including research and corporate advisory services in the Australian capital markets.

AFMA welcomes the release today of Reports 486 and 487 by ASIC in relation to sell-side research and corporate advisory confidential information and conflicts, and a review of the cleanliness of the Australian equity market, respectively.

ASIC's Report 487 provides valuable context, finding that the Australian equities market exhibits a high level of market cleanliness and fares well by international comparison. The outcome recorded in the Report reflects the ongoing commitment of resources by market participants to a fair and efficient market and a thorough approach by ASIC to market surveillance and enforcement.

Management of conflicts of interest and handling confidential information is an integral part of a licensee's compliance obligations, and is critical to ensure that corporate advisory interests of the licensee do not influence client facing activities such as research and advice.

Report 486 describes some areas where market participants need to consider if their practices can be improved. These are important issues which should be addressed by industry where needed to improve standards across the board. This approach will ensure that the industry can further build on statistically significant improvement in market cleanliness reported by ASIC.

AFMA members take their obligations very seriously and continually review their arrangements to ensure they meet regulator and client expectations. As part of our ongoing engagement, AFMA will be discussing the findings of the report with members and ASIC.

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.

Contact details for further information:

Kristin Westlake

Principal

The Continuum Partners

kwestlake@thecontinuumpartners.com

0416 219 358