



## MEDIA RELEASE

### ASIC HFT and Dark Liquidity Taskforces' Report

18 March 2013

ASIC has today released the findings of its taskforces that looked into High Frequency Trading and Dark Liquidity.

AFMA welcomes ASIC's evidence-driven approach to its review of these areas of market activity. The report highlights that the benefits from market innovation are real and illustrates the importance of regulation that promotes development, while preserving a market that is orderly and fair to its users.

ASIC's empirical work on HFT, in particular, will help to re-assure investors and brings a much needed data-based perspective to the public debate.

In relation to dark liquidity, we welcome the extensive empirical work and the framework that underpins the paper. It is important to target regulation to areas where there is a material risk to the price formation process. The detailed proposals in relation to a minimum size threshold are an aspect that we will explore further with our members.

The Report and associated Consultation Paper are both substantial and important pieces of work. They build on existing regulation, including new measures for price improvement in dark pools and controls on electronic trading that are scheduled to come in to place. AFMA will be consulting with its members on the specific proposals contained in the Paper and will make a submission to the consultation process.

#### 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.

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.

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