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**This submission is available for public release.**

## **ASIC Consultation Paper 222 – Reducing Red Tape: Proposed amendments to the market integrity rules**

We thank you for this opportunity to provide comment. Please find the following submission from the NSX Group (“NSX”), which includes both the SIM Venture Securities Exchange the National Stock Exchange of Australia – the holders of two Australian Market Licences (“AML”) to operate Securities Exchanges trading equity securities, debt securities and miscellaneous investment scheme securities.

### **Contents**

ASIC Consultation Paper 222 – Reducing Red Tape: Proposed amendments to the market integrity rules	1
Introduction	2
Summary of NSX Position	2
The three areas for consultation are:	2
Professional Indemnity Insurance	2
B1Q2: response	2
B1Q3: response	2
B1Q4: response	3
B1Q5: response	3
B1Q6: response	3
Further Information	3

## Introduction

CP 222<sup>1</sup> provides proposals to to reduce red tape by reviewing and modifying or repealing various Market integrity Rules. NSX two market licences are subject to market integrity rules approved in August 2010 and available from the ASIC website.

## Summary of NSX Position

The NSX supports any efforts that are aimed at reducing red tape and by implication costs of doing business in Australia's Capital Markets. NSX believes that the proposed rule amendments outlined by ASIC are sensible.

*In our submission we have commented on various aspects of the change in Market Integrity Rules that are applicable to either the National Stock Exchange of Australia or the SIM Venture Securities Exchange.*

## The three areas for consultation are:

1. requiring ASX, Chi-X, APX, SIM VSE and NSXA market participants to notify ASIC of the amount and period of their professional indemnity (PI) insurance cover;
2. requiring ASX, Chi-X and APX market participants to obtain consent from ASIC before sharing business connections; and
3. prohibiting ASX, Chi-X and APX market participants from performing certain transactions during takeovers, schemes of arrangement and buy-backs.

*This response will limit comment to Point 1.*

## Professional Indemnity Insurance

NSXA and SIMVSE agree with this amendment. This is because participant brokers are required by the annual compliance assessment to provide a copy of the currency of their Professional indemnity Insurance coverage in satisfaction of NSXA and SIMVSE rules.

## B1Q2: response

Yes. Agreed.

## B1Q3: response

Yes. Agreed.

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<sup>1</sup> Consultation Paper 222 – Reducing red tape: proposed amendments to the market integrity rules – August 2014

### **B1Q4: response**

Yes. But this is hard to quantify as the cost to the participants is the time taken to obtain the PI certificate and email the document to NSX Compliance. Normally the certificate can be provided as part of the annual compliance assessment.

### **B1Q5: response**

No. There is no benefit in retaining these rules.

### **B1Q6: response**

No. Repealing the rules is the best alternative.

### **Further Information**

If you require any further clarification on this submission, please contact Mr Scott Evans on  
or email at

Yours sincerely,

Scott Evans  
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