

Reference	Proposal	Comments
B1Q2	Do you agree with our proposal to require a trading participant to: have appropriate controls and governance arrangements for the development, approval, deployment, testing and monitoring of trading algorithms; and test trading algorithms; and have controls that enable immediate suspension or limitation of the operation of trading algorithms? If not, please give reasons why. Should these requirements extend to client algorithms?	We are not in favor of the requirements extending to client algorithms - it would entail the need for a framework to enforce client algorithm registration, their submission of test results, etc. and consideration over disclosure of client information around their trading algorithms (e.g. requirements over written procedures on development, testing, deployment and subsequent record retention).
B1Q6	Do you agree with our proposal to require trading participants to maintain records of the matters referred to in Rule 5.6.3B(1) and (2) for a period of seven years. If not, please give reasons why.	ditto
B3Q1	Should testing proposed in Part 5.6	Our internal Quality Assurance team provide a separate validation of testing. To avoid ambiguity, it

	be independently validated? If so, should independent validation of testing be conducted internally or by a suitably qualified third party?	would be helpful to define what 'independence' means in this context. Furthermore, requiring the use of a 'qualified third party' for independent validation is impractical due to several factors, such as time required for prior training, confidentiality concerns arising from necessary knowledge transfer and the significant cost of implementing such a process.
B5Q1	Do you agree with our proposal to insert proposed Rule 5.6.3A? If you are a trading participant, do you already have in place monitoring systems that would satisfy the proposed rule?	Detection in real-time if 'a trading message or series of trading messages' may interfere with the efficiency and integrity of a market/ trading platform is extremely complicated : instead of relying solely on 'real-time', we recommend a hybrid approach that combines real-time monitoring with post trade analysis. This would reduce the strain on computing resources, minimize false positives and lower operational overhead. On top of that, quantifiable criteria would help. This also applies to the pre-trade control requirement of not placing an order on 'reasonable suspicion of an intention of creating a false or misleading appearance of active trading'.
B7Q1	Do you agree with our proposal? Please give reasons for your answer.	ditto

Could ASIC clarify of terms (e.g. 'Material change' (5.6.3B), '[...] ought reasonably suspect [...] ' (5.7.1), '(l) any other relevant matter (5.7.2)). Use of deterministic language will help participants effectively assess and implement requirements.