

MEDIA RELEASE

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STOCKBROKERS CONCERN AT COST RECOVERY FOR MARKET SUPERVISION

Stockbrokers have expressed concern at the Government's new proposals to recoup ASICs market supervision fees from market participants directly.

Chief Executive of Stockbrokers Association of Australia, David Horsfield, said brokers were concerned about added operating costs on top of increased IT and compliance costs with the introduction of the new market operator.

"We are concerned that this will drive up the cost of doing business and ultimately lead to higher costs to clients who are increasingly seeking to invest in listed equities."

He also said the stockbroking industry was largely supportive of market competition being established in the right framework but continue to be concerned about local market competitiveness in what is becoming a highly competitive global market.

"We generally support competition but believe this could be a significant disincentive for new market participants and may act as a barrier to entry, potentially driving the trend for the growth in non-market participants."

The Stockbrokers Association was responding to proposals within Treasury's consultation paper released today that would see ASIC increase its market supervision role in preparation for the arrival of CHI-X operations in Australia later this year.

The consultation paper estimates that ASIC could charge market participants a figure of \$22 million over an 18 month period from 1 January 2012 to end of financial year 2013.

The industry has been invited to respond by submitting a proposed cost recovery fee structure for the supervision of markets, and have until 23 September.

"We will be consulting widely within the industry in regards to this proposal, and will be responding to the Government to outline the concerns of our members," Mr Horsfield said.

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