



29 August 2022

By email: au.compliance@cboe.com

Asika Wickramasinghe
Senior Legal Counsel
Cboe Australia Pty Limited
Level 23, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Dear Mr Wickramasinghe

CBOE BIDS AUSTRALIA

The Stockbrokers and Investment Advisers Association (SIAA) is the professional body for the stockbroking and investment advice industry. Our members are Market Participants and Advisory firms that provide securities and investment advice, execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses. Practitioner Members are suitably qualified professionals who are employed in the securities and derivatives industry.

SIAA welcomes the opportunity to provide feedback on the establishment of Cboe BIDS Australia. We are providing general feedback rather than responding specifically to each question.

We note that Cboe BIDS Australia will use conditional messages that are considered indications of interest for regulatory purposes. We note that ASIC has concerns about the use of indications of interest that are summarised in its Regulatory Guide 265. Our members have highlighted that they would want ASIC's regulatory concerns to be addressed in order to have the confidence to use the service.

Our members have also raised concerns about the potential for a negative impact on other dark price improvement venues and lit venues that small retail orders use, as Cboe BIDS does not provide pre-trade transparency.

Our members have no preferred model for the form of the Conditional Compliance Mechanism that will ensure that the use of Conditional Messages is consistent with a fair, orderly and transparent market.

Our members have raised the following issues concerning the scorecard model (Model 2):

- Will the rating system be capable of being misused or gamed?
- Will the ratings be made public?

Conclusion

If you require additional information or wish to discuss this matter in greater detail, please do not hesitate to contact SIAA's policy manager, Michelle Huckel, at michelle.huckel@stockbrokers.org.au.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J Fox', with a long horizontal stroke extending to the right from the top of the 'F'.

Judith Fox
Chief Executive Officer