

7 April 2014

Attention: Ms Diane Lewis – Senior Manager, Regulatory & Public Policy
Regulatory & Public Policy
ASX Limited
20 Bridge Street
Sydney NSW 2000
Australia

E-mail: regulatorypolicy@asx.com.au

Dear Ms Lewis,

Consultation Paper - Shortening the Settlement Cycle for Cash Equities in Australia

I attach the submission prepared by the Securities Industry Association (SIA) in New Zealand in respect of the Consultation Paper - Shortening the Settlement Cycle for Cash Equities in Australia released in February 2014.

No part of the submission is required to be kept confidential.

Contact information:

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Alternatively, contact Rob Dowler who provides Secretariat services to the SIA

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Yours faithfully



Frank Aldridge
Chairman
SECURITIES INDUSTRY ASSOCIATION

Submission

From the Securities Industry Association In New Zealand

Consultation Paper - Shortening the Settlement Cycle for Cash Equities in Australia

7 April 2014

The Securities Industry Association is an unincorporated body established to represent the New Zealand Sharebroking Industry and provides a forum for discussing important industry issues and developments, managing industry change, and to represent the broking industry in respect of legislative management, operational and regulatory issues that impact the industry as a whole.

The Securities Industry Association members employ about 400 Authorised Financial Advisers and deal with a combined 200,000 New Zealand retail investors with total investment assets exceeding \$40 billion. They also deal with virtually all global institutions with the ability to invest in New Zealand.

SUBMISSION

Thank you for the opportunity provided to complete a submission on the Consultation Paper - Shortening the Settlement Cycle for Cash Equities in Australia, released in February 2014

Submission content

Noting the intention of member states of the European Union to transition to a standardized T+2 settlement cycle from 1 January 2015, we are broadly in agreement with the proposal to transition to T+2 in Australia and New Zealand.

Given the number of dual listed securities between Australia and New Zealand we believe it should be a priority for the ASX and the NZX to move to a T+2 settlement cycle at the same time.

The New Zealand time zone in relation to Australia and countries further offshore poses unique challenges for the New Zealand market which will need to be discussed in detail by all New Zealand market participants.

We commend the ASX for seeking to engage with the NZX on this matter and ask that the ASX consider taking this opportunity to align the ex-record dates for corporate actions on dual listed securities across both markets. We also request consideration be made to automation of all shunting between Australian and New Zealand registers as a means to achieve more efficient settlement of dual listed stock. This will further assist with risk reduction to market participants, including under a T+2 settlement regime.