

DOWNLOAD PDF AUSTRALIAN SECURITIES MARKETS AND THEIR REGULATION

Chapter 1 : Regulatory authorities in Australia - ASX

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History[edit] In the Australian Government established the Financial System Inquiry following a period of financial deregulation that started in the early s. The Australian Securities Exchange has also played a role in regulating market conduct. ASIC has responsibility for market integrity and consumer protection and the regulation of investment banks and finance companies. Thus, Banking regulators have a significant private and self-regulatory element. Investment banks which do not otherwise operate as ADIs are neither licensed nor regulated under the Banking Act and are not subject to the prudential supervision of APRA. The Reserve Bank of Australia RBA retains its central banking functions including responsibility for most payment systems and setting of monetary policy. All of these regulators are independent statutory authorities without direct oversight by a government department. The directors and commissioners have security of tenure, and senior personnel face regular scrutiny by parliamentary committees and are bound by statute to act properly.

Australian financial services licence[edit] The Corporations Act sets up a uniform approach to the regulation of financial services through a uniform licensing and disclosure regime. The general regulatory position is that a person whether an individual or corporate entity carrying on a financial services business in Australia must, unless exempted, hold an Australian financial services licence AFSL issued by ASIC. A financial services business, for which an Australian financial service licence is required, includes: Central to the regulation is the concept of a "financial product". Under Australian law, the term is defined very broadly to cover facilities through which a person making a financial investment, manages financial risk or makes non-cash payments. There are also a number of financial products that are currently not regulated as "financial products" such as many credit facilities. The licensing provisions in the Corporations Act are expressed to have extraterritorial effect, so as to capture regulated financial services activities conducted outside Australia, which are intended to or likely to have the effect of including persons in Australia to use those services. The Corporations Act draws a clear distinction between the provision of products and services to retail clients and wholesale clients. There are extensive disclosure requirements when financial services are provided to retail clients. Financial markets[edit] The operation of financial markets such as exchanges, liquidity pools, crossing systems and other trading platforms and clearing and settlement facilities in Australia including clearing houses and other central clearing counterparties , or targeted at Australian users, is subject to a separate licensing regime through the Australian Securities Exchange ASX. The RBA has delegated its control to authorised money market dealers and foreign exchange dealers. Foreign investment[edit] Foreign investment in the Australian banking sector is subject to review by the Foreign Investment Review Board , and needs to be consistent with the Banking Act, the Financial Sector Shareholdings Act and banking policy, including prudential requirements. Any proposed foreign takeover or acquisition of an Australian bank will be considered by FIRB on a case-by-case basis and judged on its merits. Anti-money laundering[edit] Financial service providers and others are required by the Anti-Money Laundering and Counter-Terrorism Financing Act [10] to identify and monitor customers using a risk-based approach, develop and maintain a compliance program, report suspicious matters and certain cash transactions and file annual compliance reports.

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Chapter 2 : ASIC Proposes Changes to Securities and Futures Markets Regulation | Finance Magnates

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA AUSTRALIAN SECURITIES MARKETS AND THEIR REGULATION PART I Report from the Senate Select Committee on Securities and.

Products[edit] Products and services available for trading on ASX include shares, futures, exchange traded options, warrants, contracts for difference, exchange-traded funds, unlisted managed funds mFund , exchange traded managed fund ETMF , real estate investment trusts, listed investment companies and interest rate securities. Both are commonly quoted together. In November , the first interstate conference was held to coincide with the Melbourne Cup. The exchanges then met on an informal basis until when the Australian Associated Stock Exchanges AASE was established, with representatives from each exchange. Over time, the AASE established uniform listing rules, broker rules, and commission rates. Trading was conducted by a call system, where an exchange employee called the names of each company and brokers bid or offered on each. In the s, this changed to a post system. Exchange employees called "chalkies" wrote bids and offers in chalk on blackboards continuously, and recorded transactions made. After demutualisation, the ASX was the first exchange in the world to have its shares quoted on its own market. The ASX was listed on 14 October

Timeline of significant events[edit] Thirty years after it lit the first gas street light in Sydney, AGL took its place in history again, becoming the second company to list on the Sydney Stock Exchange. Since the state stock exchanges had met on an informal basis, but in Sydney took the lead in formalising the association. Initially, this involved the exchanges in Adelaide, Brisbane, Hobart and Sydney. Melbourne and Perth joined soon after. Through the AASE the exchanges gradually brought in common listing requirements for companies and uniform brokerage and other rules for stockbroking firms. They also set the ground rules for commissions and the flotation of government and semi-government loan raisings. Publication of the first share price index. Its original goal was to provide Australian wool traders with hedging facilities in their own country. SGWFE offered a single contract of greasy wool that by the end of the year had traded 19, lots. The Australian Options Market was established, trading call options. The separate Melbourne and Sydney stock exchange indices were replaced by Australian Stock Exchange indices. Commissions have gradually fallen ever since, with rates today as low as 0. Sydney Stock Exchange closed due to heavy rain and flooding on Friday 9 November with 70 millimetres of rain falling in one half-hour. All trading on the floor of the Sydney Exchange was suspended throughout Friday. Stockbrokers who had taken advantage of joint access were able to trade on the Melbourne Stock Exchange. And, with the Sydney trading floor closed by floodwaters, the Melbourne Exchange enjoyed its busiest trading day for the year. After that episode a back-up site was established outside the Sydney CBD. It was a far cry from the original system which dated back over years. During that time there had been three different forms of trading on the Australian stock exchanges. The earliest was the auction-based call system, which saw a stock exchange employee the caller call the name of each listed security in turn while members bid, offered, sold or bought the stock at each call. This system proved inadequate to handle the increased volume of trading during the mining booms. This system stayed in place until A warrants market was established. Fixed-interest securities were added see Interest rate market below. However, the court held they were options and so LEPOs were introduced in Stamp duty on share transactions was halved from 0. The ASX had agreed with the Queensland State Government to locate staff in Brisbane in exchange for the stamp duty reduction there, and the other states followed suit so as not to lose brokerage business to Queensland. In stamp duty was abolished in all states as part of the introduction of the GST. The exchange members brokers etc. Electronic trading commences as the option market moves from floor to screen. ASX demutualised to become a listed company. It was the first exchange in the world to demutualise and list on its own market, a trend that has been imitated by several other exchanges over the years. The Australian Mutual Provident Society began in as an organisation offering life insurance. Stamp duty on marketable securities abolished. It also allows for true hour trading, and simultaneously maintains two

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active trading days which enables products to be opened for trading in the new trading day in one time zone while products are still trading under the previous day. ASX does not trade on national public holidays: On each trading day there is a pre-market session from 7: The market opens alphabetically in single-price auctions , phased over the first ten minutes, with a small random time built in to prevent exact prediction of the first trades. There is also a single-price auction between 4: Settlement[edit] Security holders hold shares in one of two forms, both of which operate as uncertificated holdings, rather than through the issue of physical share certificates: The security holder is given a "holder identification number" HIN and monthly statements are sent to the security holder from the CHESS system when there is a movement in their holding that month. Holdings may be moved from issuer-sponsored to CHESS or between different brokers by electronic message initiated by the controlling participant. Short finance Short selling of shares is permitted on the ASX, but only among designated stocks and with certain conditions: The report will aggregate the gross short sales as reported by each trading participant at an individual stock level. LEPOs can serve as an equivalent, while contracts for difference CFDs offered by third-party providers are another alternative. In September , ASIC suspended nearly all forms of short selling due to concerns about market stability in the ongoing global financial crisis. Liquidity is provided by market makers who are required to provide quotes. Each market maker is assigned two or more stocks. A stock can have more than one market maker, and they compete with one another. A market maker may choose one or both of: Make a market continuously, on a set of 18 options. Make a market in response to a quote request, in any option up to 9 months out. In both cases there is a minimum quantity 5 or 10 contracts depending on the shares and a maximum spread permitted. Clients may both take i. For written positions, the client must put up margin. Interest rate market[edit] The ASX interest rate market is the set of corporate bonds , floating rate notes , and bond-like preference shares listed on the exchange. These securities are traded and settled in the same way as ordinary shares, but the ASX provides information such as their maturity, effective interest rate, etc. Options over grain futures are also traded. ASX sharemarket game[edit] ASX sharemarket games give members of the public and secondary school students the chance to learn about investing in the sharemarket using real market prices. ASX is targeting the system to be reliably available

Chapter 3 : Australian Securities Exchange - Wikipedia

Selected articles on Federal securities law [of the] Section of Corporation, Banking and Business law / Edited by Herbert S. Wander and Warren F. Grienberger. KF A2 W3 Compilation of releases dealing with matters frequently arising under the Securities act of

Chapter 4 : Financial regulation in Australia - Wikipedia

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Chapter 5 : The APRA â€“ ASIC Relationship | ASIC - Australian Securities and Investments Commission

P. E. Rae is the author of Australian Securities Markets And Their Regulation (avg rating, 0 ratings, 0 reviews) P. E. Rae is the author of Australian.

Chapter 6 : Our role | ASIC - Australian Securities and Investments Commission

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Chapter 7 : Australian securities markets and their regulation (eBook,) [racedaydvl.com]

Financial regulation in Australia is split mainly between the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA). The Australian Securities Exchange has also played a role in regulating market conduct.

Chapter 8 : P. E. Rae (Author of Australian Securities Markets And Their Regulation)

The securities laws which were enacted to regulate the Australian financial markets in the early s were different to the current insider trading framework.

Chapter 9 : Australian securities markets and their regulation (Book,) [racedaydvl.com]

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