



## **NZX pleased with clean bill of health from Securities Commission**

**Thursday 28 April, 2011** - NZX is pleased with the clean bill of health it has received following the Securities Commission's fifth oversight review of NZX, released today.

The Commission has stated that it is "satisfied that the allocation of human, technological and financial resources to the regulatory function of NZX has been sufficient... to enable that function to meet its obligations" under NZX's Conduct Rules.

The Commission also notes, as it has in previous years, that any "possible or perceived" conflicts of interest have been managed appropriately, and that it has "no concerns" regarding the dual delegations structure for management and Board reporting.

The Commission has noted that changes introduced by NZX to Participant supervision as a consequence of the GFC mean that Participants are now providing daily capital and client fund information to NZX. NZX is confident that, with the growing complexity of the capital environment, this process continues to reduce risk in the market.

NZX also notes the implementation of the Clearing House which has changed the manner in which risk is managed in the NZX markets. NZX is very pleased overall with the health of the market, the health of the financial markets, and the management of risk across all markets operated by NZX.

"We share the Commission's view, stated in their report, that the relationship between our co-regulatory organisations has strengthened. We very much look forward to working with the new Financial Markets Authority toward our mutual goal of liquid, transparent, well regulated markets in New Zealand," said NZX CEO Mark Weldon.

**ENDS**