

## ***ASIC outlines expectations for maintaining equity market resilience; revokes direction to limit trades***

Source: [Australian Securities Investments Commission \(ASIC\)](#)

Date: 14 May 2020

### **Abstract:**

In a [letter](#) to equity market participants, the Australian Securities and Investments Commission (ASIC) has revoked its previous direction to limit the number of trades executed daily (see our [previous legal update](#)) and set out its expectations for steps to be taken to ensure equity market resilience is maintained.

On 16 March 2020, ASIC issued [directions](#) under the [ASIC Market Integrity Rules \(Securities Markets\) 2017](#) to nine equity market participants to require those firms to reduce their number of executed trades by up to 25% from the levels executed on 13 March 2020. ASIC has now revoked those directions in recognition of market participants' having taken steps to enhance their capability to manage large trade days.

ASIC expects that all equity market participants take reasonable steps to ensure that the number of trades matched from their orders:

- are capable of being handled by their internal processing and risk management systems, and if applicable, their clearing and settlement operations; and
- support the fair and orderly operation of Australian equity markets,

including through adjusting algorithms, intraday monitoring of trade counts, and taking any other action that reflects and supports their awareness of market-wide capacity constraints.

For more information, see ASIC's [letter](#) and [media release](#).