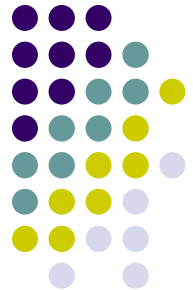


Industry Initiatives: Market Structure, Regulation and Technology

September 19, 2012

Edward Mangles, Regional Director, Asia Pacific, FPL, and
Director, FIXGlobalTrading

FIXPROTOCOL
INDUSTRY-DRIVEN MESSAGING STANDARD™





Regional Leadership

Co-Chair FPL Asia Pacific Regional Committee



Emma Quinn
Vice President,
Head of Asia Pacific Trading
AllianceBernstein



Zoltan Feledy
Director
Daiwa Capital Markets



Asia Pacific Education and Marketing Subcommittee

Newly Elected Co-Chair



Michael Drake
Executive Director, Equities, Electronic Trading
Goldman Sachs



What has FPL done for me lately?



Regional representation.

- Hong Kong
- Singapore
- Australia
- India
- China
- Japan*



Regional representation.

- Hong Kong
- Singapore
- Australia
- India
- China
- Japan*

Who's Who in electronic trading in Asia?

- Buyside
- Sellside
- Technology Solution Providers
- Regulators
- Exchanges



Regulatory engagement.

Globally, FPL is working and engaged with regulatory bodies around surveillance, reporting and risk management regulatory requirements.

- IOSCO
- IROCC
- FINRA
- CFTC
- FIA
- SEC
- CESR
- FSA



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FPL Americas Risk Management Working Group: Risk Control Guidelines, June 2012

- Benefits of Risk Controls
- Algorithmic and DMA Order Definitions
- The Client/Broker Relationship
- The Broker/Exchange Relationship
- Exchange Mandated Risk Checks
- Typical Electronic Order Workflow
- Order Pausing: Interaction Between Broker and Client OMS
- Implementation of Risk Controls
- Assessing Current Risk Management Practices
- Risk Management Process and Procedures
- Risk Control Matrix



Regulatory engagement – Asia.

Regionally, FPL has ongoing dialogue and liaison with regulators, on use of standards, market surveillance and regulatory reporting:

- **ASIC***
 - Regulatory Reporting of Short Selling
 - Market Surveillance across trading venues
 - Regulatory briefings and Q&A
- **SFC**
 - License Consistency (Best Practice guidelines)
 - Transparency of off-exchange trades
 - Short Position reporting
 - Consultation on regulation of electronic trading
- **HKMA**
 - OTC Derivatives regime in Hong Kong consultation
 - Engaged over reporting mechanism
 - Lowering cost of implementation
- **SEBI**
 - Risk Control Guidelines
 - Common market standard



Market structure and technical – Asia.

Regionally, FPL Asia Pacific committee members engage with exchanges on market structure, standards, soft consultations and technical briefings.

- SGX
- HKEx
- SSE
- HKMEx
- NSE
- BSE



Education & Marketing.

Educational conferences, forums and training, driven by industry professionals.

- Hong Kong
- Singapore
- Australia
- India
- Japan*
- China*
- Korea*
- Indonesia*



The Future...