

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 119

Topic: Short Selling Regulations

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Senator Bushby asked:

Senator BUSHBY—Presumably the legislation passed last year gives the government power to pass regulations that would include an uptick rule.

Mr D'Aloisio—It would be through the ASX. We can get you the technical and legal, but between the ASX and us we would be able to achieve that.

Senator BUSHBY—So it is not likely to be considered or addressed by the regulations then?

Mr D'Aloisio—I will take that on notice and check it. I do not think it would be.

Answer:

These observations are provided for the assistance of the Committee and do not constitute legal advice.

The regulations may provide that Part 7.9 of the Corporations Act applies as if specified short selling provisions were modified or varied to include an uptick rule: s1020G(1)(c).

ASIC has power to make a declaration having the effect of imposing an uptick rule on any form of short selling of financial products: s1020F(1)(c) (read together with s1020F(8)).