

**20 December 2018**

## **NZX Regulation Thematic Review on algorithmic trading**

NZX Regulation today released its second Thematic Review, which reports on algorithmic trading on NZX's markets.

Publication of the Thematic Review was one of the key deliverables highlighted in the 2018 Regulatory and Policy Agenda. The review reflects the continued focus by NZX Regulation on the monitoring of market and compliance trends, and setting best practice expectations in relation to trading conduct.

NZX Head of Market Supervision Joost van Amelsfort commented: "This review highlights the increasing role that algorithmic trading has on the markets operated by NZX – both vanilla execution algorithms and high frequency trading."

"We observed a range of practices by participants, both in terms of their level of understanding of the algorithmic trading they were enabling and the sophistication of their risk controls and oversight arrangements."

The review sets out various best practice statements on matters that have been subject to enhanced international regulatory focus. NZX Regulation intends to continue collaborating with the Financial Markets Authority in 2019 on initiatives relating to the oversight of algorithmic trading, with a particular focus on high frequency trading.

NZX's Thematic Review can be accessed at the below web link, and a PDF copy is attached to this announcement:

[NZX Thematic Review 2018 - Algorithmic Trading](#)

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