MARKET DEVELOPMENT ADVISORY GROUP

31 July 2018

Colin Magee
Head of Conduct
Financial Markets Authority

Dear Colin

Market Development Advisory Group (MDAG) 26 June meeting

I am writing to thank you on behalf of the MDAG for attending our 26 June meeting to discuss the experience of the Financial Markets Authority (FMA) regulating trading conduct in the financial sector.

The group appreciated the opportunity to hear your views on trading conduct – members found them illuminating and of great assistance in considering fresh perspectives on the topic. In particular, following your discussion with the group, members noted the:

- approach to regulating trading behaviour in financial markets provides potential lessons for the electricity market
- need for a balancing act between overarching principles and specific rules to help promote a high standard of trading conduct
- value of a focus on purpose and intent in assessing trading conduct
- relevance of legal mechanisms, enforceability and enforcement practices to trading behaviour.

Thank you again for your attendance – I would also particularly welcome ongoing engagement with you and the FMA on this topic as the MDAG continues to progress its work in this area.

Yours sincerely

James Moulder
Chairperson