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# A Fair and Orderly Market

Brian Taylor, Managing Director, BTA Consulting Limited

# FAIR AND ORDERLY MARKET

A FAIR AND ORDERLY MARKET CAN BE SAID TO EXIST WHERE

## Key Criteria

- 1 - Price formation is maintained at all times as a neutral public good
- 2 - Price formation defines a reliable uncontaminated benchmark of realisable and economically explicable value for securities based on the non-discriminatory interaction of supply and demand stimulated by all price-sensitive information being available to all actors absolutely simultaneously
- 3 - Sufficient enforced controls and deterrents are in place, including a single set of eyes with consolidated access to all information, to ensure that each actor believes they are individually better off using the formal market rather than trying to gain any unfair advantage through any asymmetries; and
- 4 - The market is liquid which in turn means:
  - (i) Immediacy of trading;
  - (ii) Tight efficient spreads taking into account explicit and implicit costs;
  - (iii) High volumes at both the touch and to a reasonable depth;
  - (iv) Efficient re-establishment of a normal price after large volume trades.