

Ref: 400-041 / #93967

18 September 2007

The Chairperson
Listed Companies Association
PO Box 2601
WELLINGTON

Attention: Ms Linda Cox

Dear Ms Cox,

LISTED COMPANIES ASSOCIATION TRADING POLICY GUIDELINES

Thank you for forwarding to the Commission a copy of the LCA's draft share trading policy and guidelines for listed companies. This was considered at the Commission's last monthly meeting.

As a matter of good governance and risk management the Commission considers that all listed companies should adopt a policy for share trading by officers and employees. It will also be important to stress, under the new law, that use of any such policy does not provide a defence against a charge of insider trading. We intend to include reference to this in our guidance on the new insider trading law.

In the Commission's opinion each company should carefully consider its own business and governance circumstances in adopting a policy that is appropriate for that company. In this sense we cannot endorse any single policy as being suitable for all companies and all securities. Notwithstanding this, the Commission is pleased to see the leadership being shown by the Listed Companies Association in developing this template policy and accompanying guidance.

If you would advise us once the policy is settled, we should be pleased to include a link to the LCA website in our guidance material, as a useful source for companies when developing trading policies.

Yours faithfully,



Liam Mason
General Counsel