

**PREPARED STATEMENT OF**  
**PAMELA J. CRAIG**  
**CHIEF FINANCIAL OFFICER**  
**ACCENTURE**  
**BEFORE THE**  
**JOINT CFTC-SEC ADVISORY COMMITTEE ON EMERGING REGULATORY ISSUES**  
**AUGUST 11, 2010**

Good morning. My name is Pamela Craig and I am the CFO of Accenture.

Accenture appreciates the opportunity to share our perspective on how the trading events of May 6<sup>th</sup> impacted Accenture and our investors. Accenture is a global company with \$22 billion dollars in annual revenue. We have 190,000 employees, 32,000 of them in the United States and our market cap is \$29 billion. Over 70% of our shares are held by institutional investors based in the United States. Just under 20% are owned by current and former employees. Of our current employees, 25,000 are shareholders, 62% of whom are in the U.S.

We recognize that there is still not total clarity about what happened on May 6<sup>th</sup>. We do understand that there was seemingly a “perfect storm” of economic news around the globe, a reduction of liquidity in many securities, unusual trading volumes and some technology challenges. Based on what we have all witnessed in the markets that day and since then, there is every reason to expect that this can happen again. We strongly believe that in times of market stress, all markets should operate under the same circuit breaker rules in order to promote orderly markets and investor -- as well as business -- confidence.

We have a unique perspective on the trading events of May 6<sup>th</sup>. Between 2:40 and 3:00 pm, the price of Accenture’s stock went from \$41.01 to one cent and back again; and then closed at \$41.09. Between 2:40 pm and 2:46 pm Accenture shares fell from \$41.01 to \$38 as liquidity evaporated in the equity markets. This triggered an Accenture specific circuit breaker at the NYSE, the LRP. At that point the NYSE stopped its own electronic trading in our stock briefly to go into “slow mode” so that market makers on the NYSE floor could then line up an orderly matching of trades. During this transition of about a minute, trading in our stock was temporarily halted on the NYSE while orders had the option to execute on other exchanges. A few small “sell at market” orders, totaling just 10,400 shares altogether, and all in a ten second window, were directed to other exchanges. These exchanges were not coordinated with the NYSE, and expected market making did not occur. These orders included 19 trades of 100 shares, each trading at a penny. Trades below \$16.40 were subsequently busted.

None of the cancelled trades were on the NYSE where the low trade for the day was in fact \$38.75.

This erratic trading rattled overall investor confidence in the market, but specifically affected our investor base including the thousands of our employees. Accenture employees are granted equity compensation and participate in our employee stock purchase plan – which provides them with a way to invest for their future and to participate in the success of our company. 51% of our 32,000 U.S. employees participate in our stock purchase plan. After May 6<sup>th</sup>, many employee shareholders were concerned about why our stock was affected versus other large cap companies. We believe this sentiment is consistent with the concerns of retail investors.

The Joint CFTC-SEC Staff Report on the market events of May 6<sup>th</sup> also highlighted Accenture trading on that day – this brought further attention to the company. In addition, the partial trade cancellations have had an ongoing adverse effect on historical trading records. After May 6<sup>th</sup>, the exchanges and FINRA cancelled trades in stocks between 2:40 p.m. and 3:00 p.m. that were more than 60% away from the last trade at 2:40 p.m. This arbitrary pricing threshold caused the 52-week low for these stocks to be misleading to investors. It is disappointing that the “52 week low” for Accenture stock is currently \$17.74, which obviously reflects the malfunctioning of the market making process on May 6<sup>th</sup>, and not the true 52 week low. As I mentioned earlier, the low point on the NYSE on May 6<sup>th</sup> was \$38.75. We commend the SEC, the exchanges and FINRA for proposing new rules for cancelling clearly erroneous trades.

We support efficient and fair markets. We also understand that the markets need to be governed by some rules. Increased competition with more and better technology all the time has been good for the markets and has driven down the cost of trading. Nine years ago, a substantial majority of our trades occurred on our primary exchange and today that’s only about 45%.

So the rules need to be updated, modernized if you will, so that they adapt to how the markets are evolving, and continue to work as intended. If we expect today’s markets to function well, and to keep up with increasingly sophisticated trading technology, then the rules need to be clear, coordinated and consistently implemented.

If something similar to the May 6<sup>th</sup> events happened again, investors could be deterred from investing in our company even though it would have nothing to do with the strength of the underlying business, but instead be due to a market glitch. We therefore urge the SEC to adopt the exchanges’ and FINRA’s proposed rules to expand the circuit breaker pilot beyond the S&P 500. Expansion of the pilot to include companies in the Russell 1000 would provide protection for investors in companies, such as Accenture, that experienced severely erratic trading on May 6<sup>th</sup>, as well as provide regulators with a broader sample. In the end, while we understand it’s good to pilot something with a smaller sample, it does not make sense to perpetuate different rules for different issuers.

We firmly believe that changes are needed to limit the impact of market breakdown on issuers, their shareholders, their employees, and business and investor confidence generally. As noted above, investors in many other companies remain unprotected by circuit breakers and we urge you to promptly expand the pilot to protect these investors and increase confidence in the U.S. equity trading markets.

Thank you for inviting me to participate today. I welcome any questions you may have.



July 15, 2010

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Julie S Sweet  
General Counsel, Secretary,  
Chief Compliance Officer

1345 Avenue of the Americas  
New York, NY 10105  
Tel: (917) 452-0097  
Fax: (917) 527-6126

**Re: Proposed Exchange and FINRA Circuit Breaker Pilot Expansion**

**File No. SR-NYSE-2010-49**  
**File No. SR-NASDAQ-2010-079**  
**File No. SR-NSX-2010-08**  
**File No. SR-NYSEAmex-2010-63**  
**File No. SR-NYSEArca-2010-61**  
**File No. SR-BATS-2010-018**  
**File No. SR-CBOE-2010-065**  
**File No. SR-EDGA-2010-05**  
**File No. SR-EDGX-2010-05**  
**File No. SR-FINRA-2010-033**  
**File No. SR-ISE-2010-66**  
**File No. SR-BX-2010-044**  
**File No. SR-CHX-2010-14**

Dear Ms. Murphy:

This letter is submitted by Accenture plc ("**Accenture**"), a publicly traded company which lists its shares on the New York Stock Exchange. Accenture appreciates the opportunity to comment on the proposals of the twelve national securities exchanges and the Financial Industry Regulatory Authority, Inc. ("**FINRA**") to adopt rules to expand the number of securities included in a six-month circuit breaker pilot (the "**Pilot**") to include component stocks of the Russell 1000 Index and certain Exchange Traded Products, including Exchange Traded Funds.<sup>1</sup>

---

<sup>1</sup> The rules have been proposed by the New York Stock Exchange, NASDAQ Stock Market LLC, BATS Exchange, EDGA Exchange, EDGX Exchange, NASDAQ OMX BX, International Securities Exchange, NYSE Amex, NYSE Arca, Chicago Stock Exchange, National Stock Exchange, Chicago Board Options Exchange and the Financial Industry Regulatory (...continued)

July 15, 2010

As we stated in our June 3, 2010 letter to the Securities and Exchange Commission (the “SEC”),<sup>2</sup> we supported the initial adoption of the Pilot, which covered S&P 500 stocks, but at the time we also believed that the markets would benefit from inclusion of a broader group of issuers beyond the Pilot’s initial scope. We continue to believe that expansion of the pilot is important and therefore we support the proposals by the exchanges and FINRA to expand the pilot.

Expansion of the Pilot to include the Russell 1000 index will ensure protection for investors in companies, such as Accenture, that experienced severely aberrational trading on May 6 but are not included in the S&P 500 Index. Without expanding the pilot, there is a risk that if another trading event like May 6 were to occur and the prices of stocks that experienced aberrational trading on May 6 but are not included in the S&P 500 again experienced aberrational fluctuations, investors could conclude that the issuers themselves were somehow at fault rather than the system in which their stocks are traded. This would be particularly true if trading halts limited irrational price swings in the stocks of other comparable companies that are included in the S&P 500.

We again urge the SEC to continue to work with the Commodity Futures Trading Commission (the “CFTC”) to fully identify the causes of the trading problems of May 6 and to comprehensively address the problems experienced by our stock and the stocks of many other issuers. We recognize that investors in many other issuers remain unprotected by circuit breakers and urge you to consider continued prompt expansion of the pilot.

As the SEC and CFTC continue their review, we recommend that the agencies consider whether a futures-style limit down would better respond to the problems that caused aberrant trading on May 6. Specifically, if the most extreme prices on May 6 were caused by momentary – millisecond long – gaps in liquidity, prohibiting trading below a certain level in every stock would prevent the aberrant trade in the first instance. The experience with trading halts caused by isolated trading errors, such as the June 29, 2010 trading halt for five minutes

---

(continued...)

Authority. Securities Exchange Act Releases Nos. 62407, 62408, 62409, 62410, 62411, 62412, 62413, 62414, 62415, 62416, 62417, 62418 and 62419.

<sup>2</sup> Letter from Julie Sweet, General Counsel, Accenture plc, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated June 3, 2010, *available at* <http://www.sec.gov/comments/sr-nyse-2010-39/nyse201039-11.pdf>.

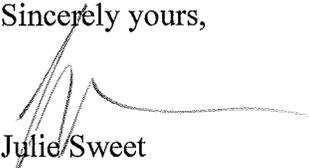
Ms. Murphy  
Page 3 of 3

July 15, 2010

in Citigroup's stock reportedly caused by a single erroneous order,<sup>3</sup> strongly argues for a price limit that does not halt all trading because of a single isolated trade error.

Thank you for considering our comments. We would be happy to discuss our concerns or any other matters that you believe would be helpful. Please contact Julie Sweet, General Counsel, at (917) 452-0097.

Sincerely yours,



Julie Sweet

cc: The Honorable Mary L. Schapiro, Chairman  
The Honorable Kathleen L. Casey, Commissioner  
The Honorable Elisse B. Walter, Commissioner  
The Honorable Luis A. Aguilar, Commissioner  
The Honorable Troy A. Paredes, Commissioner  
Mr. Robert Cook, Director, Division of Trading & Markets

---

<sup>3</sup> Nina Mehta, Citigroup Stock Halt Prompts Regulators to Focus on U.S. Trading Controls, Bloomberg (July 8, 2010), available at <http://www.bloomberg.com/news/2010-07-08/citigroup-trading-halt-prompts-finra-focus-on-brokerage-trading-controls.html>.



Accenture LLP  
1345 Avenue of the Americas  
New York, NY 10105  
accenture.com

June 3, 2010

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Re: Proposed Exchange and FINRA Circuit Breaker Rules**

**File No. SR-NYSE-2010-39**  
**File No. SR-NASDAQ-2010-061**  
**File No. SR-NSX-2010-05**  
**File No. SR-NYSEAmex-2010-46**  
**File No. SR-NYSEArca-2010-41**  
**File No. SR-BATS-2010-014**  
**File No. SR-CBOE-2010-047**  
**File No. SR-EDGA-2010-01**  
**File No. SR-EDGX-2010-01**  
**File No. SR-FINRA-2010-025**  
**File No. SR-ISE-2010-48**  
**File No. SR-BX-2010-037**

Dear Ms. Murphy:

This letter is submitted on behalf of Accenture plc (“Accenture”), a publicly traded company which lists its shares on the New York Stock Exchange. Accenture appreciates the opportunity to comment on the proposals of the twelve national securities exchanges and the Financial Industry Regulatory Authority, Inc. (“FINRA”) to adopt rules to provide trading pauses for individual stocks that are a component of the S&P 500 Index when the price of any such stock moves 10 percent or more.<sup>1</sup>

---

<sup>1</sup> The rules have been proposed by the New York Stock Exchange, NASDAQ Stock Market LLC, BATS Exchange, EDGA Exchange, EDGX Exchange, NASDAQ OMX BX, International Securities Exchange, NYSE Amex, NYSE Arca, Chicago Stock Exchange, National Stock Exchange, Chicago Board Options Exchange and the Financial Industry Regulatory Authority. Securities Exchange Act Releases Nos. 62121, 62122, 62123, 62124, 62125, 62126, 62127, 62128, 62129, 62130, 62131, 62132 and 62133.



Ms. Murphy  
Page 2 of 3

June 3, 2010

We support the Securities and Exchange Commission's ("SEC") response to the trading events of May 6, 2010, including its review of the volatile trading that occurred and the joint efforts of the SEC and the Commodity Futures Trading Commission ("CFTC"), particularly given the role that certain securities futures contracts appear to have played in that day's volatility. We also support the SEC's coordination of proposed rules by the national securities exchanges and FINRA to implement uniform, market-wide circuit breakers that would trigger a trading pause when the price of a stock included in the S&P 500 Index moves 10 percent or more within a five-minute period.

We believe that market-wide circuit breakers are an appropriate response to the trading activity of May 6, and we urge the SEC and the exchanges to extend these circuit breakers immediately to a much broader range of stocks. The stocks of a number of other companies, including Accenture, experienced severely aberrational trading on May 6 but are not in the S&P 500. While the S&P 500 may be a convenient group of stocks for use in the initial pilot, this index fails to include other stocks with comparable trading patterns and issuers who have comparable financial strength. Moreover, the May 6 experience has clearly demonstrated that gaps in liquidity that cause aberrational prices are not limited to S&P 500 stocks.

We urge that the pilot be expanded immediately to include these comparable companies. We are deeply concerned that if another trading event like May 6 were to occur and these stocks' prices again experienced aberrational fluctuations, investors could conclude that the stocks themselves were somehow at fault rather than the system in which they are traded. This would be particularly true if trading halts prevented other comparable companies from suffering similar irrational pricing.

We recognize that, for administrative convenience, selection of a broader index for expansion of the pilot may be expeditious. Nonetheless, we believe that a broad range of companies – both large, actively traded and small, less actively traded companies – need protection from collapses in liquidity. Thus, the SEC



Ms. Murphy  
Page 3 of 3

June 3, 2010

ultimately should expand the coverage of the trading halt provisions to include a broad range of companies.

We urge the SEC to continue to work with the CFTC to fully identify the causes of the trading problems of May 6 and to fully address the problems experienced by our stock and the stocks of many other issuers. As the SEC and CFTC continue their investigation, the agencies should consider whether a futures-style limit down would better respond to the problems that caused aberrant trading on May 6. Specifically, if the most extreme prices on May 6 were caused by momentary – millisecond long – gaps in liquidity, prohibiting trading below a certain level in every stock would prevent the aberrant trade in the first instance.

Thank you for considering our comments. We would be happy to discuss our concerns or any other matters that you believe would be helpful. Please contact Julie Sweet, General Counsel, at (917) 452-0097.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Julie Sweet", with a long horizontal flourish extending to the right.

Julie Sweet

cc: The Honorable Mary L. Schapiro, Chairman  
The Honorable Kathleen L. Casey, Commissioner  
The Honorable Elisse B. Walter, Commissioner  
The Honorable Luis A. Aguilar, Commissioner  
The Honorable Troy A. Paredes, Commissioner  
Mr. Robert Cook, Director, Division of Trading & Markets