



ASX Roadshow Continuous Disclosure – GN 8 rewrite



ASIC

Australian Securities &
Investments Commission

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Commissioner
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Introduction

- Topics covered today:
 - the importance of having a solid continuous disclosure compliance system in place
 - some practical tips for drafting announcements
 - the issue of monitoring and responding to social media
 - ASIC's enforcement practices

1. Continuous Disclosure Compliance Systems

- Companies should have robust continuous disclosure systems in place
- GN 8 will help companies to ensure they have procedures in place that allow them to identify and respond to events that may trigger their continuous disclosure obligations

Compliance Systems

- Some practical suggestions:
 - Have delegations in place for who has authority to speak on behalf of the company
 - Have a written rapid response plan
 - Have a plan for when you will consider a trading halt appropriate
 - Have draft announcements ready
 - Have written guidelines for determining what is 'material' information tailored to your company

2. Content of announcements

- Announcements must contain sufficient and useful information
- ASIC recognises that it is difficult to strike the perfect balance between timely and premature disclosure
- Practical suggestions to optimise content:
 - use of headings
 - no assumed knowledge of reader
 - disclose the good and the bad
 - update the market if things change

3. Social Media

- ASIC recognises the growing role of social media in financial markets
- The importance for companies to pay attention to what information about them the market is trading on
- Companies need to think about what sites that are important to a material portion of the investing

4. ASIC's enforcement practice

- ASIC undertakes a careful assessment of what enforcement action to take, and what enforcement tools to use
- Companies that carefully consider ASX's updated guidance and adopt appropriate processes with the benefit of that guidance can minimise the risk that ASIC will seek to take continuous disclosure enforcement action against them
- ASIC's Infringement notices

Conclusion

- ASIC commends the work that ASX has done in revising its guidance on continuous disclosure
- Continuous disclosure plays a fundamentally important role