



## MEDIA RELEASE

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### Consultation on proposed changes regarding long-term suspended entities

ASX has today issued a consultation paper seeking comments on a proposal to automatically de-list long-term suspended entities if their securities have been suspended from trading for a continuous period of three years.

The consultation paper focuses on a proposed new Guidance Note 33 *Removal of entities from the official list*, which deals with when and how ASX may de-list an entity, either at its request or at the instigation of ASX.

ASX's consultation package is available at <http://www.asxgroup.com.au/public-consultations.htm> and includes:

- a consultation paper entitled *Proposed policy changes: Long term suspended entities (Guidance Note 33)*; and
- a draft of the proposed new Guidance Note 33.

#### Background

There are more than 100 ASX-listed entities that currently have their securities suspended from official quotation. Of these, close to 70% have had their securities suspended continuously for 12 months or more. A small number have had their securities suspended for as long as a decade. Reasons for their suspensions include failure to lodge periodic reports by the due date, appointment of an administrator or receiver, or an announcement by the entity that it is pursuing a backdoor listing transaction.

Earlier this year, ASX agreed with ASIC to publish its processes for reviewing long-term suspended entities on its website to provide greater transparency to the market about its processes (see [ASIC Report 345 - ASIC Market Assessment Report: ASX Group](#) released in May 2013).

ASX has reviewed its policy with respect to long-term suspended entities and determined that it is appropriate to automatically de-list long-term suspended entities if their securities have been suspended from trading for a continuous period of three years.

This policy will address issues that have been raised about suspended entities being "left in limbo" for too long. Security holders make the point that it is often better from their perspective if an entity with no immediate prospects is wound up and surplus assets returned to them. In addition to avoiding further value leakage for security holders through ongoing administration costs and directors' fees, it may also enable them to crystallise a loss for tax purposes.

#### Consultation

The purpose of this consultation is to seek feedback on:

- ASX's proposals to automatically remove from the official list any entity whose securities have been suspended from trading for a continuous period of three years;
- the transitional arrangements for the new policy; and
- other policy settings set out in Guidance Note 33.

ASX welcomes submissions from all interested parties on these matters. The consultation period is open until Friday, 1 November 2013.

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