



Media Release

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ASX CONSULTS ON UPDATED ADMISSION REQUIREMENTS FOR LISTED ENTITIES

ASX has today released a consultation paper on proposed changes to its requirements for admission to the ASX official list. The changes are designed to maintain and strengthen the reputation of ASX as a market of quality and integrity.

The key proposals on which feedback is sought include:

- Increasing the financial thresholds for listing – in particular lifting the “assets test” thresholds from net tangible assets of \$3 million or a market capitalisation of \$10 million to an NTA of \$5 million or a market cap of \$20 million
- Introducing a 20% minimum free float requirement and changing the spread test to better demonstrate a sufficient level of investor interest in the entity and its securities to justify listing
- Making the minimum \$1.5 million working capital requirements consistent across all entities admitted under the assets test
- Introducing a requirement for entities admitted under the assets test to provide audited accounts for the last three full financial years, unless ASX agrees otherwise.

ASX is also updating some of its procedures and guidance to address emerging issues with backdoor listings. Trading in the securities of an entity that announces a backdoor listing will now be suspended at the point of announcement. The suspension will continue until the entity has re-complied with ASX’s admission requirements. This puts backdoor listings on the same footing as front door listings.

ASX Chief Compliance Officer Kevin Lewis said: “The package of rule, procedure and guidance changes ASX has released today is designed to strengthen ASX’s reputation as a listings market of quality and integrity. It aligns the interests of issuers seeking capital for growth and investors looking for opportunities to build wealth for the long-term. It also reflects the market’s current dynamics and provides enhanced guidance about the standards expected of an ASX-listed company.

“ASX believes the proposed changes will bolster confidence, ensuring the market continues to serve the interests of companies and investors, and maintain Australia’s competitiveness.”

ASX General Manager Listings and Issuer Services Max Cunningham said: “These proposals maintain the attractiveness of the ASX market as a venue for raising capital and funding innovation, including for technology and other growth companies. The proposed admission framework retains its flexibility to accommodate entities at different stages of their life cycle.”

The consultation paper is available here: <http://www.asx.com.au/regulation/public-consultations.htm>. Submissions close 24 June 2016. Subject to consultation feedback and the necessary regulatory approvals, ASX anticipates that the new rules will take effect on 1 September 2016.



This consultation paper complements other changes ASX recently made to strengthen its admission framework outlined in:

http://www.asx.com.au/resources/newsletters/listed_at_asx/listed-at-asx-20160421_0416.html.

ASX notes ASIC's release today of its own consultation on updated guidance to improve disclosure of historical financial information in prospectuses. ASX and ASIC have worked together closely in developing their respective consultation papers.

Further enquiries:

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