

# Listed@ASX Compliance Update

18 March 2016



## Update no 3/16

### 1. Proposed revisions to ASX Listing Rules- Quarterly cash flow reports

---

On 26 February 2016, ASX released a [consultation paper](#) on proposed changes to the quarterly cash flow statements in Appendices 4C and 5B to the ASX Listing Rules.

Start-up entities that are not mining exploration entities are generally required to report quarterly cash flow information in an Appendix 4C, while mining exploration entities are required to report quarterly cash flow information in an Appendix 5B. The two Appendices are intended to reflect the cash flow statement normally included in an entity's annual and half-yearly financial statements, as per current accounting standards, but on a quarterly basis and highlighting and expanding upon certain aspects that are deemed particularly relevant for investors (such as a more detailed breakdown of payments made to or received from related parties).

Appendices 4C and 5B were implemented and have been amended over a number of years independently of each other, which has created some inconsistencies between them. They have also not kept pace with current accounting standards.

The changes proposed to the Appendices seek to address these issues and also to enhance the format of the two Appendices to make them more user friendly, both from the point of view of issuers and investors. This includes adopting a new, more intuitive, numbering system for the different sections of the Appendices and changing the order of some of those sections.

Written submissions are requested by Friday 29 April 2016.

### 2. ASX Settlement non-business days policy review

---

ASX released a consultation paper entitled [ASX Settlement Non-Business Days Policy Review](#) on 1 March 2016. The paper seeks feedback in relation to proposed changes to the method used to determine ASX Settlement 'non-business' days.

Currently ASX designates a non-business day whenever banks in either NSW or Victoria are closed. As outlined in the consultation paper, ASX is inclined to align its methodology with that used in the Reserve Bank of Australia's Information and Transfer System (RITS) so that a non-business day occurs only when banks in both NSW and Victoria are closed. The practical impact of such a change would see a small reduction in the number of ASX Settlement non-business days.

Written submissions are requested by Monday 11 April 2016.

### 3. T+2 settlement has arrived

---

On 7 March 2016, ASX successfully transitioned from settling on a T+3 basis (ie 3 business days after the trade) to T+2.

Shortening the settlement period by one business day creates capital and margin savings for the broking

industry and faster settlement of transactions for investors. It also lowers systemic risk for the market as a whole by reducing counterparty risk for individual investors, participants and the clearing house.

The Australian Financial Markets Association and the New Zealand Stock Exchange have aligned their shifts to T+2 settlement for Australian fixed income products and New Zealand's equity and debt markets respectively with ASX's move.

The shift to T+2 also applies to other trading and listing markets in Australia to which ASX provides clearing and settlement services (such as Chi-X and NSX).

The adoption in Australia and New Zealand of T+2 settlement will keep our region at the forefront of global best practice. Hong Kong and a number of European countries moved to T+2 settlement in late 2014. The US financial services industry is also proposing to move to T+2 settlement for equities, corporate and municipal bonds and unit investment trusts by Q3 2017.

#### 4. Changes to corporate action timetables as a result of T+2 settlement

Listed entities are reminded that the transition to T+2 brings with it a number of consequential changes to the corporate action timetables in the ASX Listing Rules. These are largely a result of the alignment between the ex-period and the settlement period introduced by ASX in early 2014.

Those changes were outlined in [Listed@ASX Compliance Update- 18 February 2016](#) and essentially reduce the timetables for certain corporate actions by 1 business day.

If you have any queries on the transition to T+2 Settlement contact your Listings Compliance Adviser or email the ASX project team at [T2Settlement@asx.com.au](mailto:T2Settlement@asx.com.au).

#### 5. Dividend and distribution information

Listed entities declaring a dividend or distribution for the period ending **31 March 2016** are reminded that they must use ASX Online forms to announce the dividend or distribution and that if they wish to set a record date of **31 March 2016**, they will need to announce the dividend or distribution by no later than **23 March 2016** (Day 0 in the Appendix 6A paragraph 1 timetable).

Listed entities should include the following information in their announcements (refer to Appendix 6A paragraph 1):

- Conduit foreign income - where an entity announces a dividend or distribution that is fully or partially unfranked, the announcement should make clear the conduit foreign income (CFI) component of that dividend or distribution, even if the CFI component is nil.

In the online form, please note that questions 3A.4 Franked amount, 3A.6 Unfranked amount and 3A.7 Conduit Foreign Income amount should all add up to the total amount of the dividend/distribution as advised at question 3A.1b (that is, the Conduit Foreign Income amount is exclusive of the Unfranked amount).

The announcement of franking details is not compulsory when announcing an estimate of a dividend or distribution.

- Dividend/distribution reinvestment plans (DRP) - where an entity has a DRP or other plan in place, ASX requests that the entity make it clear in the announcement whether the DRP will operate or will be suspended for that particular dividend or distribution. If the DRP will operate, the following information should also be given:
  - the last date for electing to participate in the DRP (question 4A.2 in the online form);
  -

- the discount rate, if applicable (question 4A.3 in the online form);
- ▶ the ranking of the securities to be issued pursuant to the DRP (question 4A.8a in the online form); and
- ▶ pricing period and the pricing methodology for determining the issue price under the DRP (questions 4A.4 and 4A.5 in the online form).

If at the time when the dividend or distribution is announced it has not been decided by the entity whether the DRP will operate, or the above details are not known, the entity should give an indication of when the entity expects to confirm details of the DRP's operation (using Part 5 'Further information' if advising by online form).

**Listed entities are also reminded to advise any update to dividend information (including actual amounts and DRP prices) by completing and submitting an Updated Online Form.**

If you have any questions please contact your Listings Compliance Adviser or email: [onlineforms@asx.com.au](mailto:onlineforms@asx.com.au).

## 6. ASX Foreign Exempt Listings and online forms

---

Since 29 June 2015 it has been mandatory for all entities listed on ASX, including those entities classified as ASX Foreign Exempt Listings, to lodge an ASX online form when first announcing, and subsequently updating, dividends/distributions, interest payments, cash capital returns and security splits or consolidations.

The use of straight-through-processing is essential to the capture and delivery of accurate and timely corporate information from listed entities to the market.

For more information on ASX online forms (including accessing online forms and updates, relevant Listing Rule requirements, the online forms user guide and online forms webinar), please refer to the [ASX Online Companies page](#).

If you have any questions please contact your Listings Compliance Adviser or email: [onlineforms@asx.com.au](mailto:onlineforms@asx.com.au).

## 7. Updated Guidance Note 20- ASX Online

---

On 14 March 2016 ASX published an updated version of Annexure A to Listing Rules Guidance Note 20- ASX Online. Annexure A contains the form of the application and agreement by entities to use the electronic lodgment facility. The existing form is focused on e-lodgment of documents by listed entities pursuant to obligations under the ASX Listing Rules and the Corporations Act. The form of application and agreement contained in Annexure A has been updated to better cover the e-lodgment of documents by AQUA Product Issuers and Warrant-Issuers pursuant to obligations under the ASX Operating Rules.

A copy of the revised ASX Online agreement is available on the ASX Compliance downloads page.

## 8. Periodic report due date reminder

---

Listed entities are reminded of the next set of due dates for periodic reports for companies with 30 June and 31 December balance dates

- ▶ Statutory audited annual accounts for entities with 31 December balance date: Thursday 31 March 2016

- › Quarterly Reports for Mining and Commitments Test Entities: *Friday 29 April 2016*
- › Annual Reports for entities with 31 December balance date: *Monday 2 May 2016*

Listed entities are also reminded that a failure to lodge the relevant documents on time will result in an automatic suspension in the entity's securities (refer to Listing Rule 17.5).

## 9. ASX Market Announcements closes one hour earlier from end of Daylight Saving Time

---

During Daylight Saving, ASX Market Announcements remains open for an extra hour, until 8:30pm Sydney time, so that its closing time aligns with 5.30pm Perth time.

Daylight Saving ends in all the States where it is observed this year at 3:00am AEDT on Sunday 3 April 2016.

From Monday 4 April 2016, ASX Market Announcements will open at 8:30am Sydney time and close at 7:30pm Sydney time.

## Subscribe to Listed@ASX - Compliance Update

---

Listed@ASX Compliance Update is a free publication for listed entities and their advisers about ASX rules and requirements. To subscribe, email [Listed@ASX](mailto:Listed@ASX) or download the free Listed@ASX app from the [Apple app](#) store and [Google Play](#).

[Edit details](#) | [Unsubscribe](#) | [Privacy Policy](#)

© Copyright 2016 ASX Limited ABN 98 008 624 691. All rights reserved 2016.