

Listed@ASX

Compliance Update 31 March 2017 Update no 02/17

1. No more trading halts to facilitate sales of major shareholdings

ASX has in the past agreed to requests by a listed entity for a trading halt to help facilitate a bookbuild process for a sale by an existing security holder of a major stake in the entity. Typically the halt has lasted for the period needed by the seller to complete the sale and for the entity to announce the final sale price to the market (up to the maximum period permitted for a trading halt of 2 trading days).

From 31 March 2017, ASX will no longer be agreeing to requests for a trading halt for these purposes. This reflects the general principle outlined in ASX Listing Rules Guidance Note 16 Trading Halts and Voluntary Suspensions that interruptions to trading should be kept to a minimum and that a trading halt should only be permitted where there is a material risk that trading in a particular security might occur while the market as a whole is not reasonably informed or where it is needed to correct or prevent a false or disorderly market.

ASX recognises that if an entity becomes aware of a security holder's intention to sell a major stake in the entity and a reasonable person would expect information about the sale to have a material effect on the price or value of the entity's securities, the entity may have an obligation under Listing Rule 3.1 to announce that information to the market. That obligation will generally arise if and when the entity becomes aware that the seller is committed to the sale or information about the seller's intention has ceased to be confidential, whichever is the earlier.

Where an entity is given forewarning of a security holder's intention to sell a major stake in the entity before a disclosure obligation arises (as may be the case, for example, where there are commercial arrangements between the seller and the entity that need to be unwound as part of the sale process), ASX would expect the entity to take advantage of that forewarning and prepare a draft announcement about the sale so that it is ready to be released promptly and without delay when and if a disclosure obligation arises.

Where an entity is not given forewarning of a security holder's intention to sell a major

stake in the entity before a disclosure obligation arises, ASX may agree to a request by the entity for a trading halt to allow it sufficient time to meet its disclosure obligations and to make an announcement about the sale. However, the period of the halt will only be as long as is necessary for the entity to make the announcement.

It should be noted that the seller of a major stake in a listed entity will have a legal obligation to ensure that the sale takes place in accordance with insider trading laws. The broker acting for the seller will also have a legal obligation not to do anything in connection with the sale that might cause the market to become disorderly. In some situations, compliance with these obligations may require the bookbuild for the sale to be conducted during a period where any non-public market sensitive information concerning the entity has been disclosed and outside of normal ASX operating hours.

For the avoidance of doubt, this change in policy does not affect ASX's preparedness to grant trading halts to facilitate significant capital raisings by listed entities.

An [update to Listing Rules Guidance Note 16](#) has been published on the ASX website reflecting the changed policy above.

2. Updates to Guidance Notes 1, 15A and 17 relating to applications for in-principle advice

ASX has published updates to Guidance Notes [1 Applying for Admission - ASX Listings](#), [15A ASX Schedule of Listing Fees](#) and [17 Waivers and In-Principle Advice](#).

The key changes in the updated Guidance Notes can be found in section 2.2 of Guidance Note 1 and in sections 10, 11 and 12 of Guidance Note 17. These sections have been substantially re-written to cater for the introduction of a new form to be used by entities contemplating a listing on ASX who wish to seek in-principle advice, ahead of lodging their listing application, that they have a structure and operations suitable for a listed entity for the purposes of Listing Rule 1.1 condition 1 and that there is nothing likely to cause ASX to exercise its discretion to refuse admission to the official list under Listing Rule 1.19. This new form, called an [Application for In-principle Advice \(ASX Listing Rules 1.1 condition 1 and 1.19\)](#), is available in an editable format on the ASX website.

Schedule 3 of Guidance Note 15A has been updated to prescribe the fee for this type of application.

3. Communications with ASX

Listed entities are reminded of the importance of ensuring that the person they have nominated under Listing Rule 12.6 to be responsible for communications with ASX is available on short notice to discuss urgent disclosure issues.

ASX has had a number of incidents recently where ASX's inability to contact the nominated representative has led to ASX having to suspend trading in the entity's securities.

By way of example, in one case, ASX was not able to contact the nominated

representative to discuss the materiality of an article about the entity in the morning newspaper. This led to ASX having to suspend trading in the entity's securities until it could confirm with the entity that the article was not material.

In another case, an entity had lodged an announcement in the morning seeking to lift a trading halt before the market opened, but ASX was not able to contact the nominated representative to discuss some concerns ASX had with the contents of the announcement. This led to a delay in the release of the announcement and ASX having to suspend trading in the entity's securities as a result.

The nominated representative must be readily contactable by ASX by telephone during normal market hours and for at least one hour either side thereof (ie, from 9am to 5pm Sydney time) on each day that ASX is trading. This requires the nominated representative to be available to take calls from ASX, if they are based in Western Australia, from as early as 6am (WA time) during summer time and 7am (WA time) at other times and, if they are based in New Zealand, until as late as 7pm (NZ time). They must also be available to take calls from ASX on trading days that fall on a public holiday where they live and make suitable arrangements to cover any absences due to illness or while they are on leave.

The nominated representative must ensure that ASX has their current contact details at all times.

Where an entity is lodging an announcement on the Market Announcements Platform to lift a trading halt, ASX recommends that it send an email at the same time to the entity's home branch confirming the lodgement and including the contact details of the responsible person to whom ASX should speak if it has any queries or concerns regarding the announcement.

4. ASX Market Announcements Office closes one hour earlier from end of Daylight Saving Time

During Daylight Saving, ASX Market Announcements Office (MAO) 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 on Sunday 2 April 2017.

From Monday 3 April 2017, the MAO will open at 7:00am AEST and close at 7:30pm AEST on each trading day.

It will start processing at 7:30am AEST/AEDT, giving priority to announcements by entities that have a dual listing in New Zealand so that these are released in time for the opening of trading on the NZX. For those entities that are not dual listed, the MAO will generally commence releasing announcements from approximately 8:25am AEST/AEDT.

The MAO will continue processing and releasing announcements as they are received during the trading day up to 7:30pm.

5. Periodic report due date reminder

Listed entities are reminded of the next 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: *Friday 31 March 2017*
- Quarterly Reports for Mining and Commitments Test Entities: *Friday 28 April 2017*
- Annual Reports for entities with 31 December balance date: *Monday 1 May 2017*

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

6. Subscribe to Listed@ASX - Compliance Update

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