



Listed@ASX

Compliance Update 11 May 2018

Update no 04/18

1. ASX Corporate Governance and Listing Rules Roadshow

On 2 May 2018, the ASX Corporate Governance Council released a consultation paper seeking comments on a proposed fourth edition of the Corporate Governance Principles and Recommendations. For more information please access the [consultation package](#).

On behalf of the Council, ASX will be conducting a national road show in June 2018 to inform listed entities and other interested stakeholders about the changes to the Principles and Recommendations being consulted upon. ASX will also be foreshadowing some important changes to the Listing Rules due out for consultation later this year.

The dates, venues and registration links for the roadshow are listed below. If you have questions please contact ASX at asxerp@asx.com.au.

- [Register for Melbourne](#)
Date: Friday 1 June 2018, 9am to 11am
Venue: State Library, 328 Swanston Street Melbourne
- [Register for Sydney](#)
Date: Monday 4 June 2018, 9am to 11am
Venue: Australian Securities Exchange, 20 Bridge Street, Sydney
- [Register for Perth](#)
Wednesday 6 June 2018, 9am to 11am
Parmelia Hilton, 14 Mill Street, Perth
- [Register for Adelaide](#)
Thursday 7 June 2018, 9am to 11am
Adelaide Convention Centre, North Terrace, Adelaide

- [Register for Brisbane](#)
Wednesday 13 June 2018, 9am to 11am
Mercure Hotel, 85-87 North Quay, Brisbane

2. The use of commissioned research reports to publish objectionable material

ASX has experienced a number of issues recently with listed entities commissioning and publicising research reports which include objectionable material that the entity itself could not publish. These include research reports with information about exploration results, mineral resources, ore reserves or a production target that does not comply with the JORC Code and/or Chapter 5 of the Listing Rules. They also include research reports with an estimate of earnings or other forward looking financial information that does not meet the expectations for such information outlined in ASIC Regulatory Guide 170 *Prospective financial information*.

In some cases, the entity has also published an announcement on the ASX Market Announcements Platform drawing the attention of investors to the existence of the research report.

ASX has recently updated the guidance in section 4.15 of [ASX Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B](#) (“GN8”) to address this practice and to clarify its position on whether listed entities can publish copies of, extracts from, or hyperlinks or other references to, a broker or analyst research report on the ASX Market Announcements Platform.

GN8 now provides that:

Generally speaking, an entity should not submit:

- *a broker or analyst research report about the entity; or*
- *an announcement about the issuance of, containing an extract from, or referring or including a hyperlink to, such a report,*

for publication on the ASX Market Announcements Platform under Listing Rule 3.1. Any market sensitive fact-based material in such a report should already have been released by the entity under that rule beforehand and so it can reasonably be inferred that the entity is seeking to publish or draw attention to the report for its opinion-based material (such as the broker’s or analyst’s buy recommendation, price target or earnings estimates). This will raise an issue about whether the report is really being published for promotional rather than informational reasons. It may also raise concerns about whether the entity is impliedly endorsing any price target, earnings estimates or other forward looking financial information in the report. For these reasons, ASX is likely to refuse to allow an entity to publish such a report or announcement on the ASX Market Announcements Platform without a detailed and acceptable explanation as to why the entity considers this information to be market sensitive.

If an entity does happen to publish such a report or announcement on the ASX Market Announcements Platform without pre-clearing it with ASX Listings

Compliance, ASX may require the entity to make a further announcement addressing the concerns mentioned in the preceding paragraph. Further, if the report contains material that ASX considers objectionable, ASX may also require the entity to publish an announcement withdrawing or retracting the objectionable material and advising investors not to make any investment decision based on it.

If you have any queries in relation to these matters, please contact your Listings Compliance Adviser.

3. Appendix 4G - Key to Corporate Governance Disclosures

ASX reminds listed entities that under Listing Rule 4.7 they must give to the ASX Market Announcements Office:

- a completed Appendix 4G at the same time as the entity gives its annual report to ASX Market Announcements Office (an editable Word version of the Appendix 4G may be downloaded from [ASX Compliance downloads webpage](#)); and
- if the entity's corporate governance statement is not included in its annual report, a copy of its corporate governance statement current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

The Appendix 4G is a key to where a listed entity has made its various governance disclosures. It is not the entity's corporate governance statement, as some entities appear to have assumed.

The corporate governance statement is the statement required under Listing Rule 4.10.3 disclosing the extent to which the entity has followed the recommendations set out in the [Corporate Governance Principles and Recommendations](#) during the relevant reporting period. Where an entity has not followed a particular recommendation, its corporate governance statement must identify that fact, state the entity's reasons for not following the recommendation and what (if any) alternative governance practices the entity has followed in lieu of that recommendation.

If an entity does not include its corporate governance statement in its annual report, it must provide to ASX *both* an Appendix 4G *and* a copy of its corporate governance statement. The Appendix 4G alone is not sufficient.

4. 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 or download the free Listed@ASX app from the [Apple app](#) store and [Google Play](#).

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