



Listed@ASX

Compliance Update 21 February 2019

Update no 01/19

1. ASX Listing Rules Consultation Roadshow Presentation

In February 2019, ASX conducted a national road show to inform listed entities and other interested stakeholders about proposed changes being consulted upon in its [Consultation Paper: Simplifying, clarifying and enhancing the integrity and efficiency of the ASX listing rules](#) released on 28 November 2018.

A copy of the roadshow presentation for the consultation is available [here](#).

Submissions are due on the consultation paper by Friday 1 March 2019.

2. ASX Corporate Governance Roadshow

The 4th edition of the Corporate Governance Principles and Recommendations is expected to be released later this month.

ASX will be conducting a national road show to inform listed entities and other interested stakeholders about changes in the 4th edition over the last week of April and first week of May 2019.

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 Adelaide](#)
Date: Tuesday 7 May 2019, 9am to 10am
Venue: Adelaide Convention Centre, North Terrace, Adelaide

- [Register for Perth](#) or contact your Listings Adviser
Date: Wednesday 8 May 2019, 9am to 10am
Venue: Parmelia Hilton Hotel, 14 Mill Street, Perth
- [Register for Sydney](#)
Date: Thursday 9 May 2019, 9am to 10am
Venue: 20 Bridge Street, Sydney
- [Register for Melbourne](#)
Date: Friday 10 May 2019, 9am to 10am
Venue: State Library, 328 Swanston Street Melbourne
- [Register for Brisbane](#)
Date: Wednesday 15 May 2019, 9am to 10am
Venue: Mercure Hotel, 85-87 North Quay, Brisbane

3. Online forms for prescribed corporate actions

Listed entities are reminded that the use of ASX online forms for announcing certain prescribed corporate actions – namely, dividends or other distributions, interest payments, changes in interest rates, consolidations, splits or capital returns – is mandatory.

ASX has noticed that a number of listed entities are incorrectly using the “Create Online Forms” to create a draft in relation to a corporate action, saving a copy of the ‘draft’ watermarked PDF and then uploading it using the “E-lodge PDF Announcement” page within ASX Online.

Where a ‘draft’ watermarked version is lodged on ASX Online, ASX will not release it to the market and will require the entity to resubmit the announcement as an online form, as required under Listing Rule 15.3.

The online forms for prescribed corporate actions must be used as they contain validation rules designed to ensure that all the key information the market requires in relation to the corporate action is included and that the corporate action complies with the applicable timetable set out in the Listing Rules.

The online forms can be found on the “Create Online Forms” page of ASX Online for Companies. Information on how to use the forms is available on the ASX Online for Companies login page, and the Create Online Forms page. This page allows an authorised user to start preparing a draft notification of a corporate action and to save it for further editing. Once saved, the form can be accessed via the “Manage Online Forms” page in ASX Online, where authorised users can edit the saved form and submit it for lodgement to ASX when completed.

By completing an online form provided within ASX Online, a compliant PDF announcement will be automatically generated in a standard format for release to the market on ASX Online.

4. Changes to the reporting framework for oil and gas entities

Many oil and gas entities will be aware that the Society of Petroleum Engineers (SPE)

released a revised version of the Petroleum Reserves Management System (PRMS) in June 2018 to replace the PRMS 2007. A copy of the PRMS 2018 is available [here](#).

The PRMS underpins the requirements for reporting petroleum resources in Chapter 5 of the ASX listing rules. Under the listing rules, petroleum resources must be classified in accordance with the PRMS and reported in the most specific resource class in which the petroleum resources can be classified under the PRMS.

ASX is supportive of many of the changes in the PRMS 2018, which include additional guidance in a number of areas that should help improve the integrity of reported estimates of petroleum resources and make them more easily understood by investors.

ASX has also been considering the need for any changes to the listing rules required as a result of the publication of the PRMS 2018 and informally consulting with industry on that issue. This will likely lead to a more formal consultation with industry later this year on proposed listing rule changes.

ASX will provide a reasonable transition period before oil and gas entities are required to report in accordance with the PRMS 2018 or comply with any other listing rule changes that ASX may introduce to address the PRMS 2018.

For the time being, ASX will permit oil and gas entities to satisfy their obligations under chapter 5 of the listing rules either by:

- continuing to report in accordance with the PRMS 2007; or
- making an early transition to reporting in accordance with the PRMS 2018,

provided they clearly disclose which version of the PRMS they are reporting under.

ASX notes the following issues that entities making an early transition to reporting in accordance with the PRMS 2018 should be aware of.

- That split resource classifications are not permitted, and split conditions should not be applied when classifying resources.
- That a discovery determination requires confidence in the presence of hydrocarbons and evidence of producibility.
- That sub-classifications based on project maturity for reserves and contingent resources should be disclosed.
- That consumed in operation volumes may be included as reserves, but must be reported separately.
- That if units of hydrocarbon equivalence (eg BOEs and McfGE) are reported, they must be provided as supplementary information with the conversion factor clearly stated.

Please contact your Listings Compliance Adviser if you have any queries about these matters.

5. Disclosures by oil and gas entities

ASX has observed an increasing number of oil and gas entities releasing

announcements which do not comply with the requirements of chapter 5 of the listing rules or are potentially misleading. Examples of common non-compliant or potentially misleading disclosures include:

- Entities disclosing project economics, especially a project valuation for a prospective resource (by definition, undiscovered petroleum), when the entity doesn't have reasonable grounds for such a disclosure (see [ASIC's Regulatory Guide 170 Prospective Financial Information](#)) – it is unlikely that ASX will be persuaded that an entity has reasonable grounds to disclose a valuation for a prospective resource. In these circumstances ASX will require an entity to retract any such disclosure.
- Entities failing to include a cautionary statement proximate to, and with equal prominence as, a reported prospective resource estimate (listing rule 5.28.2). This cautionary statement is required:
 - in every announcement containing a prospective resource estimate;
 - to be on the same page, and in the same paragraph or in the immediately preceding or following paragraph, as the first reference to the reported estimate (including in the highlights section) and not in a footnote or endnote; and
 - to be in the same font type, size and colour as the estimate of a prospective resource.
- Entities failing to disclose the information required by, or to report in accordance with, listing rule 5.25 (reporting requirements applicable to all public reporting of petroleum resources).
- Entities failing to provide all of the information required by listing rule 5.30 when reporting material exploration and drilling results – this applies whether the results are favourable to the entity or not and may include information about workovers and clean-up operations in addition to the initial drilling of a well and subsequent flow tests.
- Entities failing to disclose adequate information when reporting:
 - contingent resources, especially regarding
 - the basis for confirming the existence of potentially moveable hydrocarbons and the determination of discovery (listing rule 5.33.2);
 - the analytical procedures used to estimate a contingent resource, the key contingencies that prevent the contingent resource from being classified as petroleum reserves, and the further work to be undertaken to assess the potential for commercial recovery (listing rule 5.33.3); or
 - prospective resources, especially regarding:
 - the basis on which the prospective resource is estimated and the further exploration activities to be undertaken (listing rule 5.35.2); and
 - the entity's assessment of the chance of discovery and the change of development associated with the reported estimate of a prospective resource (listing rule 5.35.3).

Where a listed entity releases an announcement which does not comply with the listing rules or is potentially misleading, ASX may require the entity to publish an announcement which updates corrects or retracts the non-compliant or objectionable disclosures.

Please contact your Listings Compliance Adviser if you have any queries about these

matters.

6. Upcoming deadlines for periodic reports

Listed entities are reminded of upcoming deadlines for periodic reports:

- Half year accounts for entities other than mining exploration and oil and gas exploration entities (June year-end) – Thursday 28 February 2019
- Preliminary final reports for entities other than mining exploration and oil and gas exploration entities (December year-end) – Thursday 28 February 2019
- Half year accounts for mining exploration and oil and gas exploration entities (June year-end) – Friday 15 March 2019
- Full year audited accounts/auditor's report/directors' statement (December year-end) – Friday 29 March 2019.

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 under Listing Rule 17.5.

7. Dividend and distribution information- 31 March 2019

Listed entities declaring a dividend or distribution for the period ending 31 March 2019 are again reminded that they must use ASX Online forms to announce the dividend or distribution and that if they wish to set a record date for that period, given both 30 and 31 March 2019 fall on non-business days, they must set Thursday **29 March 2019** as the record date and announce the dividend or distribution by no later than Friday **22 March 2019** (Day 0 in the [Appendix 6A](#) Paragraph 1 timetable).

Listed entities should include the following information in such announcements:

- 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.

8. 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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