



Listed@ASX

Compliance Update 30 May 2019

Update no 05/19

1. ASX listing rules consultation

ASX has been advised by ASIC that it will not be able to process the rule changes proposed in ASX's consultation paper [Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules](#) in time for them to come into effect on the originally proposed implementation date of 1 July 2019. Consequently, ASX has decided to defer the implementation date for those changes to 1 December 2019, to give listed entities the opportunity to complete their AGMs for 2019 before having to absorb the rule and guidance changes in the package.

Subject to receipt of the necessary regulatory approvals, ASX expects to release a consultation response and the final version of the listing rule changes and associated guidance note changes in late September/early October 2019. ASX will conduct a national roadshow about the rule and guidance changes in late October/early November 2019.

2. Continuous disclosure - naming counterparties to material transactions

ASX continues to identify instances where listed entities have announced a material transaction without disclosing the identity of the other party or parties to the transaction. The transactions have included binding and non-binding terms sheets or memoranda of understanding for acquisitions or disposals of assets, off-take agreements, distribution agreements, strategic investments and financing arrangements.

ASX considers that if a transaction is sufficiently material to warrant disclosure under Listing Rule 3.1, the identity of the other party or parties will generally itself be material

information that must also be disclosed under that rule. Such information is required by investors and their professional advisers to understand the ramifications of the transaction and to assess its impact on the price or value of the entity's securities.

Where there is little or no information regarding the other party or parties in the public domain (for example, because they are private companies), the announcement should also include a summary of the due diligence undertaken by the listed entity on their financial and other capacity to perform their obligations in relation to the transaction.

If ASX finds instances where a listed entity has not disclosed an appropriate level of information about the other party or parties to a material transaction, ASX will not hesitate to suspend trading in the entity's securities until the information has been released to the market.

Listed entities are also reminded that they must comply with their disclosure obligations under Listing Rule 3.1, even where they are party to a confidentiality or non-disclosure agreement that might otherwise require them to keep information confidential. ASX therefore will not accept as an excuse from a listed entity for not disclosing an appropriate level of information about the other party or parties to a material transaction that the entity is subject to confidentiality obligations prohibiting that disclosure.

For further information, entities should refer to [ASX Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B](#), in particular, section 4.15, which sets out guidelines on the contents of announcements under Listing Rule 3.1, and section 4.20, which sets out ASX's views in relation to commercially sensitive information.

3. Listing fee changes

ASX annual and subsequent listing fees for FY20 will come into effect on 1 July 2019.

FY20 annual listing fees will be calculated as at 31 May 2019 and will apply from 1 July 2019. Invoices will be issued in the first week of July.

The new fee schedules will be made available on the [ASX fees page](#) of the ASX website from 1 July 2019. In the interim, the FY20 fees are set out in this [FY20 fee summary](#).

Initial listing fees (Schedule 1, Table 1A- Listing Rule Guidance Note 15A) will change from 1 January 2020 and are available in the [initial listing fee summary](#).

For further information please contact your Listings Compliance Adviser.

4. Clearly announcing 'Interim', 'final' and 'special' dividends/distributions

Listed entities declaring a dividend or distribution are reminded to make it clear in any relevant announcement to ASX, the type of dividend/ distribution being declared, clearly distinguishing whether it is an interim, final, special or combination dividend/ distribution. Listed entities should also ensure that the language used to describe the dividend/ distribution in the announcement is consistent with the details completed by the entity in the online form (Appendix 3A.1 *Notification of dividend/ distribution* Part 2A) lodged on ASX.

The correct categorisation of dividends/ distributions is especially important for an ASX listed entity over which there are exchange traded options (ETOs) as these announcements have pricing implications for these products. When a listed entity declares a special dividend/ distribution, ASX may make an adjustment to the specifications of its ETO contract strikes and/or contract size in order to preserve the value of open positions held at that time.

5. Dividend and distribution information - 30 June 2019 record date

Listed entities declaring a dividend or distribution for the period ending 30 June 2019 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 for that period, given **30 June 2019** falls on a Sunday, they must set a record date of Friday, **28 June 2019** and announce the dividend or distribution by no later than Monday, **24 June 2019** (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 similar 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
 - the 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.

6. Subscribe to Listed@ASX - Compliance Update

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