



Listed@ASX

Compliance Update 20 September 2019 Update no 08/19

1. Free national roadshow on major Listing Rule reforms effective 1 December 2019 and Update on CHES Replacement

ASX will shortly be releasing a major package of reforms to the ASX Listing Rules and Guidance Notes to come into effect (subject to the necessary regulatory approvals) on 1 December 2019. The reforms were foreshadowed in ASX's 28 November 2018 consultation paper [Simplifying, clarifying and enhancing the integrity and efficiency of the ASX listing rules](#).

ASX will be conducting a national roadshow in October/November 2019 to inform listed entities and other interested stakeholders about the reforms.

ASX will also take the opportunity to update listed entities on progress with CHES Replacement including timing, features and benefits both on "day one" and in the future.

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

- [Register for Brisbane](#)
Monday 28 October 2019, 9am to 11am
Hilton Brisbane, 190 Elizabeth Street, Brisbane
- [Register for Sydney](#)
Thursday 31 October 2019, 9am to 11am
ASX, 20 Bridge Street, Sydney
- [Register for Melbourne](#)
Friday 1 November 2019, 8.30am to 10.30am
RACV City Club, 501 Bourke Street, Melbourne
- [Register for Perth](#)

Monday 4 November 2019, 9:00am to 11:00am
Parmelia Hilton, 14 Mill Street, Perth

- [Register for Adelaide](#)

Wednesday 6 November 2019, 9am to 11am
Adelaide Convention Centre, North Terrace, Adelaide

2. ASX escrow and consequential changes to an entity's constitution

ASX draws entities attention to the proposed changes to ASX's escrow regime foreshadowed in ASX's 28 November 2018 consultation paper [Simplifying, clarifying and enhancing the integrity and efficiency of the ASX listing rules](#).

Subject to the transitional arrangements mentioned below, under proposed Listing Rule 15.12, for so long as an entity has any restricted securities on issue, its constitution must provide for each of the following:

- a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- the entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- if a holder of restricted securities breaches a restriction deed or a provision of the entity's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

These requirements provide the constitutional underpinning for ASX's modified escrow regime.

The changes to rule 15.12 are proposed take effect from 1 December 2019 and will apply to entities admitted to the official list, or that issue restricted securities, on or after that date. Entities that were admitted to the official list and issued restricted securities before that date must continue to comply with the provisions of rule 15.12 in force immediately prior to that date.

In addition to entities being admitted to the official list on or after 1 December 2019 with restricted securities on issue, the changes will also apply to any listed entity that on or after 1 December 2019:

- undertakes a transaction requiring re-compliance with Chapters 1 & 2 of the Listing Rules under Listing Rule 11.1.3 involving the issue of restricted securities; and
- issues restricted securities to a party referred to in Listing Rule 10.1 for the acquisition of a substantial classified asset from that party.

ASX recommends that entities likely to be affected by the proposed changes seek shareholder approval to amend their constitution at their next meeting of shareholders. In this regard ASX notes that modifications to a listed entity's constitution requires a special resolution under section 136 of the Corporations Act.

Further details of the ASX escrow regime, including the requirement for an escrow deed or notice, can be found in the Consultation Paper.

3. Fees for registering paper-based transfers

ASX refers to its guidance in section 2 of Listed@ASX Compliance Update 04/17 (11 May 2017) and section 7 of Listed@ASX Compliance Update 07/19 (19 August 2019) and to the recent Federal Court judgement in *Verguier Pty Ltd v Ramelius Resources Limited* [2019] FCA 796 (30 May 2019).

Listed entities are again reminded that notwithstanding Listing Rule 8.14.1 and Guidance Note 28 permit a reasonable fee to be charged for registering a paper-based transfer, such a fee can only be charged if it does not infringe the entity's constitution.

It is the responsibility of a listed entity and its registry to ensure that the charging of fees for paper-based transfers is permitted under the entity's constitution. If it is not, the registry should not charge such a fee or the entity should refund the fee to any security holder who complains about it.

ASX strongly recommends that all listed entities whose registries charge a fee for registering paper-based transfers check their constitution to ensure it contains an appropriate provision permitting such a fee and, if it does not, that they seek shareholder approval to amend their constitution at their next meeting of shareholders.

4. Increased participation limits for security purchase plans

On 30 August 2019, the ASIC issued a media release advising that it had re-made the relief in Class Order [CO 09/425].

The new instrument, ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, provides ASX-listed issuers of shares and interests under purchase plans with relief from the requirement to prepare a prospectus or Product Disclosure Statement if certain conditions are met.

The new instrument will effectively continue the effect of the previous class order but will increase the participation limit for each registered holder in a 12-month period from \$15,000 to \$30,000. For further information refer to [ASIC Regulatory Guide 125: Share](#)

[and interest purchase plans](#) reissued in August 2019.

5. ASX Market Announcements closes one hour later during daylight saving

Daylight saving commences in New South Wales, the Australian Capital Territory, Victoria, Tasmania and South Australia at 2:00 a.m. EST on Sunday 6 October 2019, and will end at 3:00 a.m. on Sunday 5 April 2020. Daylight saving is not observed in Queensland, Western Australia or the Northern Territory.

As WA will be 3 hours behind Sydney time during daylight saving, ASX Market Announcements will stay open until 8.30 p.m. EST (5.30 p.m. WST) starting on Monday 7 October 2019. ASX Market Announcements will revert to its usual 7.30 pm EST closing time when daylight saving has ended. A further Listed@ASX Update reminding listed entities of the change will be released closer to that time.

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

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