

Listed@ASX Compliance Update no. 08/20

10 August 2020

1. Extended reporting and lodgment deadlines – Clarification

As advised in [Listed@ASX no 06/20](#) on 16 June 2020, ASX issued a class waiver '[Extended Reporting and Lodgment Deadlines](#)' under listing rule 18.1 to give effect under the listing rules to the relief granted by ASIC in [ASIC Corporations \(Extended Reporting and Lodgment Deadlines—Listed Entities\) Instrument 2020/451](#) dated 15 May 2020 (“ASIC Relief”)

ASX’s class waiver imposes two conditions that listed entities must satisfy to get the benefit of the extension to the lodgment date for their audited or reviewed accounts under listing rules 4.2B and 4.5.1.

- The first is a requirement that the entity provide to the market unaudited/unreviewed accounts and the information required by Appendix 4D or 4E (as applicable) by the usual lodgment deadlines.
- The second is a requirement that, at the same time that it lodges its unaudited/unreviewed accounts with ASX, it announces to the market not only that it is relying on the [ASIC Relief](#) to extend the lodgment date for its audited/reviewed accounts, but also to state that it will immediately make a further announcement to the market if there is a material difference between its unaudited/unreviewed accounts and its audited/reviewed accounts.

For clarity, if an entity lodges the announcement required in the second bullet point set out above prior to lodging its unaudited/unreviewed accounts, the entity is not required to re-lodge that announcement when it lodges its unaudited/unreviewed accounts with ASX.

ASX has received queries about the first waiver condition, in particular around what financial information is required to be lodged. To assist listed entities to understand their periodic reporting obligations, the following table summarises the minimum financial information required by each particular due date for entities with 30 June balance dates (reporting for their full-year) and 31 December balance dates (reporting for their half-year).

Date due	31-Aug-20	11-Sep-20	30-Sep-20	14-Oct-20	2-Nov-20	30-Nov-20
Full-year report	Unaudited	-	Unaudited	-	Audited*	Audited
Industrial/Producing entity	App. 4E	-	-	-	Accounts	Annual Report
Exploration entity	-	-	A, B, C, D	-	Accounts	Annual Report
Half-year report	Unreviewed	Unreviewed	-	Reviewed	-	-
Industrial/Producing entity	App. 4D + A, B, C, D	-	-	Accounts	-	-
Exploration entity	-	A, B, C, D	-	Accounts	-	-
Items A - D below are referenced from No. 3 - 6 in the Appendix 4E.						

- Statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 Presentation of Financial Statements or the equivalent foreign accounting standard.
- Statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
- Statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.
- Statement of retained earnings, or statement of change in equity, showing movements.

* Registered Managed Investment Schemes (RMIS) are required to provide their Annual Report at this date.

* ASIC date prevails. Reports due Monday, 2 November 2020 rather than Friday, 30 October 2020.

Despite ASX's class waiver, listed entities are reminded that wherever possible they should endeavour to lodge their audited or reviewed accounts with ASX within the normal listing rule deadlines, having regard to the information needs of security holders, creditors and other users of their financial reports, and any applicable borrowing covenants or other obligations.

Listed entities should contact their Listings Adviser if they have any questions.

2. Decisions not to pay or cancel a dividend or distribution

APRA has recently [updated guidance on capital management for banks and insurers](#) replacing the guidance it issued in April this year. The guidance below from ASX remains as expressed in [Listed@ASX no 03/20](#) and [04/20](#).

Listed entities are reminded that, as advised in section 1 of [Listed@ASX no 03/20](#), under Listing Rule 3.21(b), a listed entity must notify ASX immediately if it makes a decision not to pay a dividend or distribution on a quoted security in respect of a period if it has:

- previously announced an intention to pay a dividend or distribution for that period; or
- paid a dividend or distribution in respect of the prior corresponding period.

To preserve cash to cope with the COVID-19 pandemic, a number of listed entities have deferred or cancelled previously announced dividends and distributions. In some cases, the cancellations have occurred after the entity's securities have been trading ex-dividend/distribution.

An entity that decides to cancel a dividend/distribution that it has already determined to pay should immediately announce that fact to the market under Listing Rule 3.1. The announcement should explain the legal basis for the cancellation (including confirming that the cancellation is authorised by the entity's constitution, where that is a legal requirement).

ASX acknowledges that these are extraordinary and unprecedented times and that these decisions may have to be made at a time beyond the control of the listed entity. However, ASX would ask all listed entities contemplating the cancellation of a dividend/distribution to announce that at the earliest opportunity and, if at all possible, before its securities commence trading ex-dividend/distribution.

ASX would also ask listed entities to be mindful that the classification of a dividend/distribution paid on securities can have significant implications for products such as options, warrants, hybrid securities and indices that reference those securities. This is particularly the case if an entity decides to change the classification of what ordinarily would have been an ordinary dividend/distribution to a special dividend/distribution.

For example, a change in the classification of a dividend on shares from an ordinary dividend to a special dividend will result in the exchange traded option (ETO) over the shares being adjusted by the full amount of the ordinary dividend. In other words, the impact to the valuation of the ETO is the same as moving the ordinary dividend to 0 (zero). As ETOs are leveraged products, the percentage change in the value of the ETO will typically be much larger than it would be for the underlying share.

3. Appendix 3A.1-Online notification of dividend/distribution forms- tax information

In [Listed@ASX 06/20](#), ASX outlined a number of updates to certain online form and Microsoft Word versions of appendices to the Listing Rules which took effect on 18 July 2020, including Appendix 3A.1 *Notification of dividend/distribution*.

ASX wishes to clarify that the introduction of the tax information under Part 3E, which is presented if the user answers "yes" to Q2A.12 – "Does the entity have tax component information apart from franking?" has been included in order for an entity to attribute, and update, estimated and actual tax component details in relation to distributions. The information requested is analogous to the tax information a listed MIT (Managed Investment Trust) or AMIT (Attribution Managed Investment Trust) would typically include in a distribution advice or unstructured announcement. It is not intended or designed in any way for the purposes of Annual Tax Statements.

In addition, the presentation of the tax information in terms of referencing AIIR (Annual Investment Income Report) investment account and supplementary income account data records is solely for the purposes of maintaining standardisation with the ATO described field descriptions and definitions. It is not intended or designed in any way for the purposes of satisfying AIIR reporting requirements.

4. Lodging your draft notice of meeting with ASX

Almost 90% of ASX's listed entities have a balance date of 30 June and therefore would ordinarily have to hold their AGMs by 30 November each year. On 13 May 2020, in light of the COVID-19 pandemic, ASIC announced that it had

extended a 'no action' position where public companies do not hold their AGMs within five months after the end of financial years that end 31 December 2019 to 7 July 2020, but do so up to seven months after year end. For public companies with 1 June 2020 to 7 July 2020 year ends, the 'no action' position also applies where holding an AGM in January or February 2021 results in the requirement to hold an AGM in the 2020 calendar year not being met. For more information, please refer to [ASIC news hub and media release 20-113MR](#).

Under Listing Rule 15.1.7, draft notices of general meeting that contain resolutions for Listing Rules purposes must be submitted to ASX for review before they are sent to security holders. Listing Rule 15.1 provides that ASX may take 5 business days to advise whether it objects to a draft document and may extend that deadline if it needs further time to review the document.

ASX asks listed entities to bear these timing requirements in mind and allow sufficient time when they submit their draft notices of meeting for ASX to review. This is particularly important if there are a number of resolutions or complex transactions to be considered. If you will require waivers from any Listing Rules in connection with your notice of AGM, additional time should be allowed to obtain the waiver as the 5 business day period referred to above does not include the time needed to obtain a waiver. Listed entities should contact their Listings Compliance Adviser to seek advice on how long ASX needs to process a waiver request.

5. Changes to how relief applications and other documents are lodged with ASIC

ASX notes that ASIC has recently changed the way applications for relief and various fundraising and corporate finance documents are submitted to them.

These include takeover documents, fundraising disclosure documents, and applications for waivers from the market integrity rules.

Applications and documents will now be submitted to ASIC through the [ASIC regulatory portal](#) through the portal using online forms known as transactions. The portal will become the central access to ASIC's suite of regulatory services, which are being consolidated into the portal over time.

The portal will have the benefit of providing the user with structured online transactions with mandatory fields and questions that make it easier for applicants to ensure the information ASIC requires is provided upfront. Links to the relevant ASIC regulatory guidance will be provided. It will also mean that applicants will be able to track the status of their applicants via their portal account.

Anyone using the portal to transact with ASIC will need to register an individual account by selecting the '*I just want to register*' tile on the [registrations page](#).

Further, information on changes to how you lodge fundraising and corporate finance documents with ASIC is available via the ASIC regulatory portal website: <https://regulatoryportal.asic.gov.au/>

6. Reminder- annual listing fees first instalment now due

Listed entities are reminded that the first instalment of ASX annual listing fees for FY2021 was due on 31 July 2020.

If payment is not received in full by 5.00pm AEST Friday 21 August 2020, ASX will suspend trading in the entity's securities before trading commences on Monday 24 August 2020 in accordance with Listing Rule 17.6. ASX will not waive this rule.

Further, if payment remains outstanding at 5.00pm AEST on Friday 28 August 2020, ASX will remove the entity from the official list from the close of trading on Monday 31 August 2020 under Listing Rule 17.15. ASX will not waive this rule.

The second instalment of annual listing fees invoice will be issued in early January 2021 for payment by the end of January 2021.

For queries on how the fee was calculated, please refer to [ASX Guidance Note 15](#) paragraph 2.4. For queries in relation to the suspension and delisting process, please contact your Listings Compliance Adviser. For all other enquiries, please contact ASX Accounts Receivable via the email address ar@asx.com.au

7. CHES replacement fact sheet and update

By way of summary and update for the benefit of listed entities, ASX recently released a [fact sheet for issuers on CHES Replacement](#).

Further, on 5 August 2020, ASX released [early observations on its recent consultation relating to the CHES Replacement timetable](#).

For more information relating to CHES Replacement visit ASX's [CHES replacement resources](#) webpage.

8. Dividend and distribution information- 30 September 2020 record date

Listed entities declaring a dividend or distribution for the period ending **30 September 2020** are reminded that they must use ASX Online forms to announce the dividend or distribution and if 30 September 2020 is used as the record date, the entity will need to announce the dividend or distribution by no later than Thursday **24 September 2020** (Day 0 in the Appendix 6A Paragraph 1 timetable).

Listed entities should include the following information in such announcements (see 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 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' of the online form).

Listed entities are also reminded to advise any subsequent 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.
