

# Listed@ASX Compliance Update no. 06/21

13 July 2021

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## 1. **Reminder to use new online forms available for the notification of certain corporate actions and events, including changes in issued securities and applying for quotation of new or additional securities**

As outlined in [Listed@ASX Compliance Update no. 5/21](#) dated 2 June 2021, a number of Listing Rule and online form changes came into effect on 5 June 2021. Many of the latest changes relate to the obligations to notify ASX of the issue, conversion, payment up or cessation of securities in Listing Rules 3.10.3 – 3.10.3E and in the various timetables for corporate actions in Appendices 6A and 7A of the Listing Rules. The Listing Rule and online form changes have resulted in a number of new online forms replacing existing MS Word forms (e.g. Appendix 2A - Application for quotation of securities, Appendix 3G – Notification of issue, conversion or payment up of unquoted equity securities), updated online forms (e.g. Appendix 3B- Proposed issue of securities) and, in some cases, new online forms where previously there was no form whatsoever (e.g. Appendix 3H - Notification of cessation of securities). In all cases, an emergency MS Word form is available on ASX Online Companies for emergency use only, as outlined in sections 14 and 15 of [Guidance Note 20](#).

[ASX Guidance Note 30](#) Annexure A, provides a very useful summary of the various notification obligations under the Listing Rules to notify ASX of changes in issued securities and applying for quotation of new or additional securities applicable to common corporate actions and events.

Listed entities should become familiar with the Listing Rule changes and use the new/updated online form in most instances (other than where the transitional arrangements outlined in section 5 of ASX's [Consultation Response](#) state otherwise, or in an emergency). In particular, listed entities are reminded that, other than in an emergency, the MS Word version of the Appendix 2A - Application for quotation of securities (or Appendix 3G), should generally only be used if the proposed issue of the securities had been notified to ASX by an MS Word version or online form version of the Appendix 3B prior to 5 June 2021.

ASX has made available additional training material, including short videos to demonstrate the changes to existing online forms and usage of the new online forms, including different scenarios. The training material is available from the Help page, "Online Forms – Resources" on ASX Online for Companies.

If you are unsure which form to use for notification of a particular change or event, please consult your ASX Listings Compliance Adviser.

## 2. **Reminder to Appendix 4C quarterly reporters to clearly identify their activity reports in the title and to use most current version of cash flow template**

Appendix 4C reporters are reminded that their activity reports should be clearly identified as such in the title of the document (i.e. 'Quarterly Activities Report', as opposed to more general headings such as, 'Business Update' or 'Market Update') and that the activity reports must be lodged at the same time as the quarterly cash flow report. Failure to do so may lead to the entity's securities being inadvertently suspended from trading.

Further, there should be no need for Appendix 4C reporters to release a "business update" or something similar, other than by way of its quarterly activities report. As noted in ASX Guidance Note 8, section 7.10 'Ramping Announcements', these types of updates, which sometimes involve a series of such disclosures in close proximity and which are not particularly material, are more appropriately given in a quarterly activities report under Listing Rule 4.7C rather than as a stand-alone announcement. Moreover, in providing a quarterly activities report, it is important that an entity does not 'cherry-pick' its disclosures, disclosing "good" information that is likely to have a positive effect on the price or value of its securities but then not disclosing the "bad" information which is likely to have a negative effect on the price or value of its securities which nonetheless is necessary for investors to have a complete and true picture of the information. For example, an entity that purports to disclose that it has had record sales for the quarter without disclosing that the reasons for the record sales is due to it reducing its sale margins which will translate to a decrease in revenue.

Similarly, a quarterly activities report is the appropriate place for providing information regarding matters such as the entry into or progress of a contract or transaction that a reasonable person would not expect to be material under Listing Rule 3.1, or information in relation to the entry into or progress of a pilot project or customer trial. Such information should not be provided in a stand-alone announcement. Again, ASX is likely to view such an announcement as a ramping announcement that will have the consequences that follow as outlined in section 7.10 of Guidance Note 8.

Quarterly cash flow reporters must also use the most up to date version of the Appendix 4C form when reporting quarterly cash flows. The latest version will always be available by clicking on the ['Forms'](#) tab of the 'Welcome to Companies' homepage of ASX Online: [www.asxonline.com/companies/](http://www.asxonline.com/companies/). The current version should have the date 17/07/20 in the footer of the document.

In addition, listed entities are reminded that the activities report must contain all of the following information contained in listing rules 4.7C.1 to 4.7C.3 in order to be compliant:

- 4.7C.1 *Details of its business activities for the quarter, including any material developments or material changes in those activities, and a summary of the expenditure incurred on those activities. If there were no substantive business activities during the quarter, that fact must be stated.*
- 4.7C.2 *If the quarter is included in a period covered by a "use of funds" statement or expenditure program in the +prospectus, +PDS or +information memorandum lodged by the entity with ASX under rule 1.1 condition 3, a comparison of the entity's actual expenditure on the individual items in the "use of funds" statement or expenditure program since the date of its admission or re-admission to the official list against the estimated expenditure on those items in the "use of funds" statement or expenditure program in the +prospectus, +PDS or +information memorandum and an explanation of any material variances.*
- 4.7C.3 *A description of, and an explanation for, any payments to, or to an +associate of, a related party of the entity included in its Appendix 4C for the quarter.*

Failure to provide such information may result in the entity having to lodge a revised activities report on the ASX Market Announcements Platform together with a cover letter drawing attention to the revised information. In some instances, it may also lead to the entity being suspended until the required information is provided.

Quarterly reports for the quarter ending 30 June 2021 for all quarterly reporters are due no later than Friday 30 July 2021.

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