



MEDIA RELEASE

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ASX consults on further changes to Guidance Note on continuous disclosure

ASX has today published a consultation paper seeking comments from listed entities and other stakeholders on proposed changes to ASX Listing Rules Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

The changes expand the guidance given for analyst and investor briefings, analyst forecasts, consensus estimates and earnings surprises.

ASX published a major rewrite of Guidance Note 8 in May 2013, following extensive consultation with ASIC and the market. The rewrite included substantially updated materials on earnings guidance, de facto earnings guidance, earnings surprises and correcting analyst forecasts.

Developments since then, including ASIC's report on the handling of confidential information (REP 393) and the \$1.2 million penalty imposed by the Federal Court on a company for contravening its continuous disclosure obligations (July 2014), indicated to ASX that listed entities and their advisers would benefit from further guidance in these areas.

ASX has been concerned, for example, that the updated guidance had been misinterpreted to mean that listed entities need to give an earnings update just because their actual or projected earnings differ from consensus forecasts by a relatively small amount. This may have led to attempts by some listed entities to shape analyst forecasts in a non-public or selective manner.

The changes proposed to Guidance Note 8 seek to address such concerns by providing further guidance on when an earnings surprise ought to be disclosed to the market. They also seek to address a number of issues related to analyst and investor briefings, and the publication of analyst forecasts and consensus estimates.

Comments are due on the consultation paper by Friday 24 April 2015. Subject to feedback and discussions with ASIC, ASX is aiming for the updated guidance to be in place from 1 July 2015.

The consultation paper is available here <http://www.asx.com.au/documents/asx-compliance/gn8-consultation-paper-and-comparison.pdf>

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