





Listed Entities Update

18 September 2014

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Update no 09/14

1. Updated Listing Rules Guidance Notes 1 and 4

ASX released updated versions of Listing Rules Guidance Note 1 *Applying for Admission - ASX Listings* and Guidance Note 4 *Foreign Entities Listing on ASX* on 1 September 2014. Most of the changes are editorial in nature. The more significant changes are summarised below.

Guidance Note 1 has additional guidance in:

- **Section 3.1 (appropriate structure and operations)** - with more examples of where issues may arise under Listing Rule 1.1 condition 1 in terms of whether an applicant for listing has an appropriate structure and operations for a listed entity.
- **Section 3.3 (prospectus or PDS)** - indicating that where an applicant is proposing to list with a free float of less than 10%, ASX expects the applicant's listing prospectus or PDS to outline its plans to increase that percentage to at least 10% and the timeframe over which it intends to do that. For completeness, the guidance in Guidance Note 4 on the disclosures ASX's expects in the listing prospectus or PDS for an entity established outside Australia has also been repeated in Guidance Note 1.
- **Section 3.6 (minimum spread) -**
 - ⌘ noting that while there is no specific requirement in the Listing Rules for a minimum "free float", ASX does encourage entities in the ASX Listing category to have at the time of their admission to the official list a reasonable free float to promote liquidity in its securities. ASX also has a residual discretion under Listing Rule 1.19, which it may exercise in an appropriate case, to require as a condition of admission that the applicant has a minimum free float;
 - ⌘ on how ASX administers the minimum spread test where securities are held through a nominee;
 - ⌘ adding more examples of techniques that ASX considers to be achieving spread by "artificial means"; and
 - ⌘ on the consequences that may follow if an applicant misleads ASX as to whether it has achieved the required minimum spread.
- **Section 3.11 (ASX Corporate Governance Council recommendations)** - reflecting the changes made on 1 July 2014 to Listing Rule 1.1 condition 13.
- **Section 3.16 (clearing and settlement)** - on the CHES and issuer sponsored subregisters an entity must establish.
- **Section 4 (right of appeal)** - on the appeal fee payable for appeals to the ASX Appeals Tribunal.

Guidance Note 4 has additional guidance in:

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Section 3.3 (minimum spread and connection with Australia) - noting again that while there is no specific requirement in the Listing Rules for a minimum "free float", ASX does encourage entities in the ASX Listing category to have at the time of their admission to the official list a reasonable free float to promote liquidity in its securities. ASX also has a residual discretion under Listing Rule 1.19, which it may exercise in an appropriate case, to require as a condition of admission that the applicant has a minimum free float.

- **Section 3.6 (financial reporting requirements)** - adding Bermuda, Canada, Cayman Islands, New Zealand and South Africa to the list of jurisdictions whose accounting standards ASX will recognise under Listing Rule 19.11A.
- **Section 4.1 (ASX Debt Listings admission requirements)** -
 - clarifying the scope of the legal opinion that ASX requires in relation to a foreign entity seeking to list debt securities - namely, one that confirms that the applicant is validly existing in that jurisdiction and that the business it carries on complies with its constitution, the laws of that jurisdiction and, if it is listed on an overseas stock exchange, the listing rules (or their equivalent) of that exchange; and
 - recognising that, in most cases, it will be clear that any debt securities a foreign entity is seeking to list are "financial products", as defined in the Corporations Act, and that ASX will only require a legal opinion on this issue if it has any doubt on this score.
- **Section 4.2 (prospectus requirements for retail debt securities)** - setting out certain statements that ASX expects to be included in a prospectus for retail debt securities issued by a foreign entity.
- **Section 5.1 (registration as a foreign company under the Corporations Act)** - clarifying that ASX will only entertain an application for a waiver from the requirement for a foreign-incorporated applicant to be registered as a foreign company under the Corporations Act, if it provides a legal opinion from a reputable Australian law firm which is satisfactory to ASX and which confirms that the applicant will not be "carrying on business" in Australia for the purposes of section 601CD of the Corporations Act.
- **Section 5.5 (clearing and settlement)** - on the CHES and issuer sponsored subregisters an entity must establish.
- **Section 5.8 (right of appeal)** - on the appeal fee payable for appeals to the ASX Appeals Tribunal.

2. ASX Consultation: naming conventions for debt and hybrid securities

On 12 September 2014 ASX released a consultation paper seeking feedback on a proposed new [ASX Listing Rules Guidance Note 34 Naming conventions for debt and hybrid securities](#).

ASX is proposing to introduce naming conventions for debt and hybrid securities quoted on the ASX market to assist retail investors to understand what it is they are buying when they purchase these types of securities.

If adopted, the proposed new Guidance Note will apply to securities quoted on ASX on or after the date the new Guidance Note comes into effect. It will not operate retrospectively in relation to securities already quoted on ASX prior to that date.

If you wish to provide comments, please do so by Friday 31 October 2014 by email to: ben.wacher@asx.com.au or by post to ASX Compliance Pty Limited, 20 Bridge Street, Sydney NSW 2000, Attention: Ben Wacher.

3. Commencement of listing rules: ASX online forms for announcing corporate actions

The ASX Listing Rule amendments relating to ASX online forms will commence on Monday 22 September. The rules, together with revised Guidance Note 14 ASX Market Announcements Platform and Guidance Note 20 ASX Online will be available on the ASX Website. A mark-up of the amendments, including the new online form Appendices, and guidance notes

is available on the log-in page for ASX Online companies: <http://www.asxonline.com/login>.

4. Dividend and distribution information

Listed entities declaring a dividend or distribution for the period ending 30 September 2014 who wish to set a record date of 30 September 2014 for the dividend or distribution are reminded that they need to announce the dividend or distribution by no later than **23 September** 2014 (Day 0). ASX notes that the new ASX Online forms for announcing corporate actions commence on Monday 22 September 2014. Any trust wishing to use online forms to announce a distribution with a record date of 30 September 2014 is welcome to contact ASX for assistance. Contact your listings compliance adviser or you can email onlineforms@asx.com.au or call Adrian Smythe on +61 2 9227 0640.

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, ASX requests that the announcement make clear the conduit foreign income (CFI) component of that dividend or distribution, even if the CFI component is nil.
- **Dividend/distribution reinvestment plans (DRP)** - where an entity has a DRP 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;
 - the discount rate, if applicable;
 - the ranking of the securities to be issued pursuant to the DRP; and
 - the pricing methodology and pricing period for determining the issue price under the DRP.

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.

The above matters are all covered in the ASX Online form for announcing dividends/distributions.

5. Next non-business day

ASX reminds listed entities that the next non-Business Day is Monday 6 October 2014, a Labour Day holiday in NSW. While this is a trading day on ASX, it is not a settlement day for ASX Settlement (CHES) and therefore not a Business Day under the Listing Rules. ASX Market Announcements will however be open on that day. Please take this into account in planning the timetable for any corporate action that will run over a period including that date.

6. Daylight savings

Daylight saving commences in New South Wales, the Australian Capital Territory, Victoria, Tasmania and South Australia at 2 a.m. EST on Sunday 5 October 2014, and will end at 3.00 a.m. on Sunday 5 April 2015. 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. Sydney time (5.30 p.m. WST) starting on Monday 6 October 2014.

ASX Market Announcements will revert to its usual 7.30 pm Sydney time closing time when daylight saving has ended. A Listed Entities Update reminding companies of the change will be released closer to that time.

7. Periodic report due date reminder

Listed entities are reminded of upcoming deadlines for periodic reports:

- Statutory Audited Annual Accounts, 30 June balance date - Tuesday 30 September 2014
- Annual Reports, 30 June balance date - Friday 31 October 2014
- Quarterly Reports for Mining and Commitments Test Entities - Friday 31 October 2014

8. Format of market announcements

ASX encourages listed entities to be mindful of the on-line readability of market announcements. Many announcements, particularly those comprising annual reports, are difficult to read on-screen due to light-coloured text or intricate fonts which are designed for print. These announcements are widely accessed on-screen by users of the ASX website and market information products. Listed entities may wish to consider including accessibility and on-screen readability in design briefs for such documents.

9. Changes to ASX Online

You may notice some minor changes to the look and feel of ASX Online which have been made to improve the user experience. These include emphasising the forgotten password link on the log-in page, increasing the size of the log-in dialogue box and displaying your log-in identity and corresponding listed entity at the top centre of the home page. We will continue to investigate further ways to improve the functionality of the ASX Online Listed Companies website and welcome customer feedback in this area which can be submitted by email to: info@asx.com.au.

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