



# Listed@ASX Compliance Update

10 June 2015

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## Update no 05/15

### 1. Updated Appendix 4G Key to Corporate Governance Disclosures

On 14 May 2015, ASX released a revised version of ASX Listing Rule *Appendix 4G Key to Disclosures Corporate Governance Council Principles and Recommendations*. ASX has modified the format of the form to make it shorter and more user friendly. Explanatory notes have also been added dealing with some of the more common questions that are asked about the form. The only substantive change is that ASX has expanded the middle column for recommendation 7.2 to split out the entries for "the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound" and "that such a review has taken place in the reporting period covered by this Appendix 4G". This is in response to some early adopters disclosing the former but apparently forgetting to disclose the latter. An editable Word version of the Form can be downloaded from <http://www.asx.com.au/regulation/compliance/compliance-downloads.htm> under the heading "Corporate Governance Disclosures".

### 2. Appendix 7A Timetables new section 13

On 25 May 2015, ASX released an amended version of ASX Listing Rule *Appendix 7A Timetables*. The changes are reflected in a new section 13 timetable of *Appendix 7A*. An entity must follow the time limits set out in this new timetable when undertaking a transfer of existing securities in the entity under section 444GA of the *Corporations Act 2001* in accordance with a deed of company arrangement executed by the entity. Click on the link to access the revised [Appendix 7A](#).

### 3. Dividend and Distribution Information

Listed entities declaring a dividend or distribution for the period ending 30 June 2015 who wish to set a record date of 30 June 2015 are reminded that they need to announce the dividend or distribution by no later than **23 June 2015** (Day 0 in the Appendix 6A Paragraph 1 timetable). **Listed entities are encouraged to use ASX Online forms to announce their dividends/distributions for the June quarter.**

Please note that while the use of online forms is still voluntary at this point, when a dividend or distribution is initially notified using an online form, it is expected that additional information about that dividend or distribution such as satisfaction of conditions, currency exchange rates or DRP prices will be advised by way of an "Update" to the original online form announcement rather than by a traditional PDF announcement.

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.

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.1a or 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 if advising by online form).

If you have any questions please contact your listings adviser or email: [onlineforms@asx.com.au](mailto:onlineforms@asx.com.au).

## 4. Transition to T+2 Settlement - rule consultation

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ASX is consulting on the rule changes required to implement a trade date plus two business days (T+2) settlement cycle for cash market trades in Australia in March 2016. This consultation seeks feedback on the proposed rule changes required to implement T+2 and a consequential reduction in the ex-period for corporate actions. Feedback is also sought in relation to the transitional arrangements being put in place to manage implementation of the change from a trade date plus three business day (T+3) settlement cycle which has been in place since 1999.

Shortening the settlement cycle for the cash market by a business day has received widespread support from industry and other stakeholders based on the broad-based benefits expected from the reduction in risk and increased market efficiency that it will deliver. Introduction of a T+2 settlement cycle is expected to deliver regulatory capital and margin savings for direct users of the settlement system, and provide for faster settlement of transactions for investors.

ASX undertook a comprehensive consultation process on moving from a T+3 to a T+2 settlement regime in the first half of 2014. Based on the feedback received from consultation in 2014, ASX will implement a later daily batch settlement cut-off time and also reduce the ex-period for corporate actions by a business day at the same time that the T+2 settlement cycle is implemented. Overall, the feedback from industry also indicated a preference for all cash market products to be moved to the new settlement regime at the same time in March 2016. ASX is currently targeting implementation of T+2 on the weekend of 5-6 March 2016.

ASX is seeking submissions on this [consultation paper](#) by 8 July 2015. Submissions should be sent to [regulatorypolicy@asx.com.au](mailto:regulatorypolicy@asx.com.au).

Further information on T+2 is available on the [ASX website](#) and ASX will provide further updates to listed entities leading up to the implementation date.

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