

Listed@ASX Compliance Update

21 April 2016



Update no 4/16

1. ASX admission framework

ASX provides companies with access to capital to fund innovation and business expansion, and investors with confidence to pursue opportunities to grow their wealth and build for their retirement. It is the pre-eminent exchange for listings in Australia and New Zealand, and is regarded globally as a market of quality and integrity.

We have made a number of changes recently to assist companies that are considering applying to join ASX's official list.

A pre-vetting process has been created to help identify listing issues at an early stage. We encourage all potential applicants for admission to speak with ASX about issues well ahead of any formal application to list.

ASX has an absolute discretion to decide whether or not to admit an entity to the official list and to quote its securities. This includes both 'front door' and 'back door' listings. In exercising its discretion, ASX takes into account the principles on which the Listing Rules are based, which serve the interests of companies and investors in maintaining the reputation of the ASX market.

These principles are set out in the *Introduction* to the Listing Rules and include:

- An entity should satisfy appropriate minimum standards of quality, size and operations and disclose sufficient information about itself before it is admitted to the official list
- Sufficient investor interest in an entity's securities should be demonstrated before those securities are quoted
- Securities should be issued in circumstances which are fair to new and existing security holders
- Securities should have rights and obligations attaching to them that are fair to new and existing security holders
- Timely disclosure should be made of information which may have a material effect on the price or value of an entity's securities
- Information should be produced to high standards and, where appropriate, enable ready comparison with similar information
- Information should be disclosed to enable investors to assess an entity's corporate governance practices
- The practices adopted in relation to meetings and other communications with security holders should facilitate constructive engagement with security holders
- Certain significant transactions should require security holder approval.

Applying the Listing Rules can involve matters of judgement. The rules are interpreted in accordance with their spirit and intention, by looking beyond form to substance, and in a way that best promotes the principles on which they are based.

ASX has established a committee of senior management to assist in the review of listing applications. Factors such as the applicant's structure and operations, its business and where it is conducted, the credentials of its promoters and management, its reasons for seeking a listing on ASX's market, and any issues that have been raised by a regulator or another market operator are examples of the matters that the committee would take into account in deciding whether or not to admit the applicant to the official list.

All applications from entities that are incorporated, have their main business operations, or have a majority of their board or a controlling shareholder resident, in an emerging or developing market are now being reviewed by this committee.¹

ASX must be satisfied that an entity is appropriate to be listed on ASX and can exercise its discretion to refuse admission even where an entity otherwise satisfies all of the specific conditions for admission.

Guidance Notes that set out ASX's approach on this subject will be issued shortly. ASX publishes Guidance Notes to promote commercial certainty, reduce costs to business and assist market stakeholders understand and comply with their obligations.

¹ For these purposes, ASX regards any country that is on the list of developing countries declared by the Minister for Foreign Affairs for the purposes of the Overseas Aid Gift Deduction Scheme established by the Income Tax Assessment Act 1997 (available online [here](#)) as an "emerging or developing market".

2. The new ASX Online - phase 1 launching on 23 May

We recently let you know that ASX Online is changing. On 23 May we will be delivering the first phase of ASX Online which will be underpinned by new technology, design and an improved user experience.

The first phase will include a new website for participants and Australian Liquidity Centre customers, along with an improved design and customer experience, enhanced search and subscription functionality. For more information, please refer to the [ASX Online re-development](#) webpage.

In future phases we will be delivering a new website for listed entities and other issuers. In the meantime, listed entities and other issuers will need to maintain existing log in details for the ASX Companies website in addition to new subscription log in details for the ASX Online main website.

More details on migration to the new subscription model will be provided to current users via email.

We appreciate your patience while we continue to work on these important initiatives for our customers and welcome your feedback on the new website.

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