



Listed@ASX

Compliance Update 28 November 2019

Update no 11/19

1. Major Listing Rule reforms to come into effect on 1 December 2019

ASX has now received the final regulatory approvals needed to implement the major Listing Rule reforms ensuing from its consultation paper [Simplifying, clarifying and enhancing the integrity and efficiency of the ASX listing rules](#). The changes will come into effect, as previously announced, on 1 December 2019.

Links to the final Listing Rules changes and various new and amended Guidance Notes ('GN') and Listing Rule Appendices released with the consultation response were provided in [Listed@ASX Update 09/19](#) dated 14 October 2019. These materials are also available via the [Public consultations page](#) on the ASX website.

ASX conducted a national roadshow in October/November 2019 to inform listed entities and other interested stakeholders about the Listing Rule reforms. The roadshow presentation slides can be viewed [here](#).

ASX was asked at the roadshow to provide mark-ups comparing the final versions of GN 1 and GN 12 to come into effect on 1 December 2019 with the current versions of those GNs (the mark-ups ASX released with the consultation response compared the final versions with the consultation drafts). Here are links to the documents requested: [GN-01](#) and [GN-12](#).

2. Key changes to the Listing Rules

Listed entities should especially note the following key changes:

- **Market announcements** – all listed entities need to be in a position to comply with the changes to Listing Rule 15.5 (market announcements) when they come into effect on 1 December 2019. Before then, you check your templates for market announcements and make sure they:
 - include, or have a cover letter that includes, the entity's name, address and corporate logo
 - are dated
 - identify the title of the body, or the name and title of the officer, who authorised the announcement to be given to ASX, and
 - if they are a Listing Rule 3.1 announcement, include the name, title and contact details of a person who security holders or other interested parties can contact if they have any queries.

- **New issues of securities** – subject to the transition arrangements mentioned in section 3 below, from 1 December 2019, a listed entity must notify ASX:
 - immediately, via an Appendix 3B, of a proposed issue of:
 - equity securities (other than an issue to be made under a dividend or distribution plan or an employee incentive scheme ('EIS') or as a consequence of the conversion of any convertible securities), or
 - debt securities intended to be quoted on ASX (Listing Rule 3.10.3)
 - within 5 business days of an issue of equity securities under an EIS (Listing Rule 3.10.3A)
 - within 10 business days of an issue arising from the conversion of convertible securities (Listing Rule 3.10.3B), and
 - within 5 business days, if unquoted partly paid securities become fully paid securities in the same class as quoted fully paid securities (Listing Rule 3.10.3C).

In the last 3 instances above, the notification should be via an Appendix 2A (if the resulting securities are to be quoted) or an Appendix 3G (if the resulting securities are unquoted).

Before you undertake an issue of securities, you should:

- read the changes to Listing Rules 2.7, 2.8 and 3.10.3 – 3.10.3C
- familiarise yourself with the new *Appendix 2A Application for Quotation of Securities*, *3B Announcement of Proposed Issue of Securities*, *3G Notification of Issue, Conversion or Payment up of Unquoted Equity Securities* and, if you are a dual listed entity with CDIs on issue, *4A Statement of CDIs on Issue*
- read the updated GN 30 *Notifying an Issue of Securities and Applying for Their Quotation* which explains how the new forms operate
- read the new GN 21 *The Restrictions on Issuing Equity Securities in Chapter 7 of the Listing Rules* and, if the issue is outside of the exceptions in Listing Rule 7.2, familiarise yourself with new worksheets in Annexures B and C of GN 21 you will be required to complete confirming the issue is within your Listing Rule 7.1 or 7.1A placement capacity
- if the issue is to a Listing Rule 10.11 or 10.14 party, read GN 25 *Issues of Equity Securities to Persons in a Position of Influence*, and
- if the issue is underwritten, make sure you include the following disclosures now required for all underwritten issues:
 - the name of the underwriter
 - the extent of the underwriting

- the fee or commission payable, and
 - a summary of significant termination events.
- **Quarterly reports** – if you are a quarterly reporter, there are significant changes that will apply to you starting with effect from your report for the quarter ending 31 March 2020. Before then, you should:
 - read the changes to Listing Rule 4.7B - 4.7C or 5.1 - 5.5 (whichever is applicable to you)
 - read the updated GN 23 *Quarterly Reports*
 - if you are an Appendix 4C reporter, create a template for the quarterly activity reports you will now have to lodge with ASX under Listing Rule 4.7C, starting with the quarter ending 31 March 2020
 - if you are an Appendix 5B reporter, update your template for your quarterly activity reports to reflect the changes to Listing Rule 5.3 and 5.4
 - update your Appendix 4C or Appendix 5B quarterly cash flow report template for the new versions of those reports released as part of the consultation response, and
 - note item 8 of the new Appendix 4C and Appendix 5B quarterly cash flow report, which will ask you to calculate the number of quarters funding you have left and, if the number is less than 2 quarters, will require answers to the following questions:
 - does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
 - has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
 - does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
- **Security holder meetings** – before you draft your next notice of meeting ('NOM'):
 - note that there have been substantial changes to the various NOM requirements in the Listing Rules and to the voting exclusions in Listing Rule 14.11.1
 - if your NOM includes a:
 - Listing Rule 7.1, 7.1A or 7.4 resolution, read GN 21 *The Restrictions on Issuing Equity Securities in Chapter 7 of the Listing Rules*
 - Listing Rule 10.1 resolution, read GN 24 *Acquisitions and Disposals of Substantial Assets Involving Persons in a Position of Influence*
 - Listing 10.11 or 10.14 resolution, read GN 25 *Issues of Equity Securities to Persons in a Position of Influence*
 - Listing Rule 11.1.2 or 11.2 resolution, read GN 12 *Significant Changes to Activities*
 - Listing Rule 11.4.1(b) resolution, read GN 13 *Spin-outs of Major Assets*
 - resolution for approval to be removed from the official list, read GN 33 *Removal of Entities from the ASX Official List*, and
 - consider whether you should be taking the opportunity now to introduce the updated Listing Rule 15.12 escrow provisions into your constitution (this is especially important if you might be undertaking a back door listing or Listing Rule 10.7 transaction in the near term).

Before you hold your next general meeting, you should also:

- read GN 35 *Security Holder Resolutions*

- note ASX's position that all Listing Rule resolutions must be decided by a poll rather than by a show of hands
- update your template for disclosure of voting results to reflect the changes to Listing Rule 3.13.2 – access sample [here](#)
- if it's your AGM:
 - make sure you have disclosed the closing date for receipt of director nominations (Listing Rule 3.13.1) – this can be done by lodging with ASX a calendar of key events which includes this date, and
 - note that Listing Rule 3.13.3 now expressly requires a copy of the CEO's speech (as well as Chair's) to be lodged with ASX before the meeting.

If you have any queries about the new Listing Rule reforms, please contact your ASX Listings Compliance Adviser.

3. Update on changes to STP online forms and other ASX Listing Rule appendices effective 1 December 2019

In [Listed@ASX Compliance Update 10/19](#) dated 31 October 2019, ASX provided details regarding the introduction of new and updated forms to notify ASX of various corporate actions, effective 1 December 2019.

Listed entities are reminded of the following arrangements:

- **ASX Online for Companies website and training environment/new training environment availability**

To implement the new and amended forms and have them available from Monday, 2 December 2019, ASX will be making changes to the [ASX Online for Companies](#) website during the weekend of 30 November – 1 December. That website and the associated [training environment](#) and [temporary training environment for the new online forms](#), will not be available during that weekend.

- **Transition arrangements:**

The existing Appendix 3B will be replaced by 4 new forms effective 1 December 2019. To assist listed entities to make the transition to the new forms, ASX notes the following transition arrangements:

- The existing Appendix 3B (Microsoft word form) may continue to be used until 31 January 2020
- OR
- Listed entities can immediately use the new forms available on ASX Online for Companies:
 - new Appendix 3B – available as an online form (also available in the interim as a word form if entities wish to use the new format but lodge it as a PDF)
 - Appendix 2A – available as a word form (to lodge as a PDF)
 - Appendix 3G – available as a word form (to lodge as a PDF)
 - Appendix 4A – available as an online form for dual-listed CDI issuers to provide a monthly statement of their CDIs on issue (also available in the interim as a word form if entities wish to use the new format but lodge it as a PDF).

From 1 February 2020, ASX will only accept online lodgement of the new

Appendix 3B and Appendix 4A. It will not accept lodgement of PDFs.

A summary of the changes to the online and word forms is available on the Login page of the [temporary training environment for the new online forms](#) and additional training material/ webinars are available on the Help page of that training environment. These materials will also be made available on the [ASX Online for Companies](#) website and associated [training environment](#) from 1 December 2019. ASX also recommends that listed entities delete any saved drafts of existing online forms on ASX Online for Companies (Manage Online Forms page) prior to 30 November to ensure the latest versions of the online forms are being used from 1 December.

- **Appendices to be published on ASX Online for Companies:**

Effective 1 December 2019, a number of existing and new Listing Rule Appendices (forms) will no longer be published as part of the ASX Listing Rules on [asx.com.au](#), but will instead be published on the login page of the [ASX Online for Companies](#) website. These forms include:

- Appendix 1A - Application for Admission to the ASX Official List (ASX Listing) *(updated)*
- Appendix 1B - Application for Admission to the ASX Official List (ASX Debt Listing) *(updated)*
- Appendix 1C - Application for Admission to the ASX Official List - (ASX Foreign Exempt Listing) *(updated)*
- Appendix 2A - Application for quotation of securities *(new)*
- Appendix 3A.1 - Notification of dividend / distribution *(updated, available as an online form)*
- Appendix 3A.2 - Notification of interest payment & interest rate change *(updated, available as an online form)*
- Appendix 3A.3 - Notification of +security consolidation or split *(updated, available as an online form)*
- Appendix 3A.4 - Notification of cash return of capital *(updated, available as an online form)*
- Appendix 3A.5 - Notification of return of capital by way of in specie distribution of +securities in another entity *(updated)*
- Appendix 3A.6 - Notification of call - no liability company or call/instalment - entities except no liability companies *(updated)*
- Appendix 3B - New issue announcement, application for quotation of additional securities and agreement *(existing - available for use until 31 January 2020)*
- Appendix 3B - Proposed issue of securities *(new, also available as an online form)*
- Appendix 3C - Announcement of buy-back *(existing)*
- Appendix 3D - Changes relating to buy-back *(existing)*
- Appendix 3E - Daily share buy-back notice *(existing)*
- Appendix 3F - Final share buy-back notice *(existing)*
- Appendix 3G - Notification of issue, conversion or payment up of equity +securities *(new)*
- Appendix 3X - Initial Director's Interest Notice *(existing)*
- Appendix 3Y - Change of Director's Interest Notice *(existing)*
- Appendix 3Z - Final Director's Interest Notice *(existing)*
- Appendix 4A - Statement of CDIs on issue *(new, also available as an online form)*
- Appendix 4C - Quarterly report for entities admitted on the basis of commitments *(updated)*
- Appendix 4G - Key to Disclosures - Corporate Governance Council Principles and Recommendations *(updated)*

Appendix 5B - Mining exploration entity quarterly report (updated)

If you require any assistance regarding ASX Online access please contact ASX.Online@helpdesk.com.au, Tel: 1800 028 302 or +61 2 9227 0905.

For all other queries please contact your ASX Listings Compliance Adviser.

4. CHESS Replacement Project Roadshow Slides

In October/early November 2019, ASX conducted a national roadshow to update listed entities and other interested stakeholders on the progress of the CHESS Replacement project, including its features and benefits from “day one” and beyond. The roadshow presentation slides can be viewed [here](#).

5. Market Announcements Reporting Calendar 2020

The 2020 reporting calendar for listed entities is now available on the home page of ASX Online. Designed as a quick reference guide for listed entities with a 30 June or 31 December balance date, it outlines key reporting dates under the Listing Rules. It also indicates days on which ASX is closed.

If you require assistance to understand your entity's periodic reporting obligations, please contact your ASX Listings Compliance Adviser.

6. Christmas/ New Year period closures

The following dates over the Christmas/New Year period are non-business days and non-settlement days:

- 25 December 2019;
- 26 December 2019;
- 1 January 2020.

ASX will be closed on these days.

On both Tuesday 24 and Tuesday 31 December 2019 normal trading will cease at 2:10pm AEDT. The ASX Market Announcements Office will also close early on those dates at 4:30pm AEDT.

7. Upcoming deadlines for periodic reports

Listed entities are reminded of upcoming deadlines for periodic reports:

- Quarterly reports for mining exploration, oil and gas exploration and commitments test entities - Friday 31 January 2020
- Half year accounts for entities other than mining exploration and oil and gas exploration entities (June year-end) - Friday 28 February 2020
- Preliminary final reports for entities other than mining exploration and oil and gas exploration entities (December year-end) - Friday 28 February 2020

- Half year accounts for mining exploration and oil and gas exploration entities (June year-end) - Friday 13 March 2020
- Full year audited accounts/auditor's report/directors' statement (December year-end) - Tuesday 31 March 2020.

Listed entities are also reminded that a failure to lodge the relevant documents on time will result in an automatic suspension of the entity's securities under Listing Rule 17.5.

8. Dividend and distribution information- 31 December 2019

Listed entities declaring a dividend or distribution for the period ending 31 December 2019 are again reminded that they must use ASX Online forms to announce the dividend or distribution and that if they wish to set a record date for that period, they must announce the dividend or distribution by no later than Monday **23 December 2019** (Day 0 in the [Appendix 6A](#) Paragraph 1 timetable).

Listed entities should include the following information in such announcements:

- Conduit foreign income - where an entity announces a dividend or distribution that is fully or partially unfranked, the announcement should 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.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).

Listed entities are also reminded to advise any update to dividend information (including actual amounts and DRP prices) by completing and submitting an Updated Online Form.

If you have any questions please contact your ASX Listings Compliance Adviser or email: onlineforms@asx.com.au.

9. Subscribe to Listed@ASX - Compliance Update

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