



# Listed@ASX

## Compliance Update 3 March 2020 Update no 02/20

### 1. Update to Guidance Note 8

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On 28 February 2020 ASX released an update to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. The amendments reflect:

- additional guidance in section 4.15 (guidelines on the contents of announcements under Listing Rule 3.1) on the requirement to name counterparties to market sensitive contracts;
- an update to section 7.3 (market sensitive earnings surprises) on the materiality thresholds an entity should use to determine whether it should update any earnings guidance it may have given to the market;
- additional guidance in section 8.8 (ASX's enforcement powers) on the measures ASX may impose to address a breach of listing rule 3.1 or 3.1B;
- the recent decisions of the Federal Court in:
  - *TPT Patrol Pty Ltd as trustee for Amies Superannuation Fund v Myer Holdings Limited*
  - *ASIC v Vocation Limited*
  - *Masters v Lombe (liquidator): In the Matter of Babcock & Brown Limited (In Liq)*;
- the 2016 Full Federal Court decision in *Grant-Taylor v Babcock & Brown Limited*;
- the listing rule changes that came into effect on 1 December 2019;
- the fourth edition of the Corporate Governance Principles and Recommendations that came into effect on 1 January 2020; and

- some other minor drafting changes.

The changes to Guidance Note 8 are available in [mark-up](#).

## 2. Listing Rule 15.5 - Authorisation of market announcements

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ASX continues to receive queries regarding Listing Rule 15.5, which was amended with effect from 1 December 2019 to require a market announcement to identify the title of the body, or the name and title of the officer, of the entity who authorised the document to be given to ASX.

ASX has also observed different practices by entities in relation to the requirements of the rule.

To be clear, if it is the company secretary or another officer of the entity who has authorised the release of the announcement to the market, ASX considers it sufficient for the purposes of Listing Rule 15.5 to have a sign-off clause that states the name and title of the officer and that they authorised the release of the document to the market. It is not necessary to state that they have been delegated authority from the board to release market announcements.

By way of example ASX suggests the following sign off clause is acceptable for an officer authorising an announcement to be given to ASX:

*Authorised by:  
Susan Johnson  
Company Secretary*

ASX does not accept the name of the company Secretary (or CEO or Chairman) alone included on the announcement satisfies Listing Rule 15.5(c). The document must state it was authorised by that person to be given to ASX.

Likewise, if it is a body rather than an individual officer that authorised the release of the announcement – such as the board, a committee of the board, or a disclosure committee – it is sufficient for the purposes of Listing Rule 15.5 to include a statement that the relevant body authorised the release of the document to the market.

By way of example ASX suggests the following sign off clause is acceptable for the body authorising an announcement to be given to ASX:

*This announcement is authorised by the Disclosure Committee.*

In the case of a notice of meeting, a concluding statement such as “By order of the board” or something similar will suffice for the purposes of Listing Rule 15.5.

## 3. Quarterly Disclosure - Appendix 4C, Appendix 5B and Quarterly Activity Reports

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Quarterly reporters are reminded that they must use the new form of Appendix 4C or Appendix 5B (as applicable) published with the Listing Rule changes that came into effect on 1 December 2019 for their quarterly cash flow reports for the quarter ended

31 March 2020 due no later than 30 April 2020.

Please note that item 8.6 of the Appendix 4C and item 8.8 of the Appendix 5B are additional questions to be answered if the answer in item 8.5 in the Appendix 4C or item 8.7 in the Appendix 5B is less than 2 quarters.

Appendix 4C filers must for the first time also lodge a quarterly activities report under Listing Rule 4.7C for the quarter ended 31 March 2020, along with their quarterly cash flow report. Failure to do so will result in an automatic suspension of the entity's securities under Listing Rule 17.5.

The new Appendices are available on the 'Login' and 'Forms' pages of ASX Online.

## 4. CHESSE Replacement - Operating Rule Amendments - Tranche 2 Consultation

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On 21 February 2020, ASX released a [consultation paper](#) on the second of three tranches of operating rule amendments required to facilitate 'Day 1' implementation of the new system that will replace CHESSE. Importantly, these rule amendments include changes relating to new corporate actions services for DRP / BSP elections as well as entitlement acceptances / payments occurring electronically via CHESSE. The support of listed entities and their share registries is required to facilitate these new services, in addition to existing processing for DRP / BSP elections and entitlement acceptances / payments occurring outside of CHESSE (e.g. paper based, issuer portal or BPAY).

The [consultation paper](#) also refers to plans of ASX to engage with ASIC as to whether, in connection with entitlement acceptances, there is any need for relief from section 723(a) and 1016A(2)(a) of the Corporations Act or relevant regulatory guidance for issuers of rights under a regulated disclosure document or PDS (as applicable) that have been renounced and traded to a third party (to which an entitlement acceptance form and unique identifier is not provided).

The consultation paper invites feedback from users and other stakeholders on the operation of the draft Tranche 2 rule amendments, including any unintended consequences. Written submissions are requested by 3 April 2020 and should be sent to [regulatorypolicy@asx.com.au](mailto:regulatorypolicy@asx.com.au).

For further information, visit the [CHESSE Replacement website](#).

## 5. ASX Market Announcements Office closes one hour earlier from end of Daylight Saving Time

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During Daylight Saving, ASX Market Announcements Office (MAO) remains open for an extra hour, until 8:30pm Sydney time, so that its closing time aligns with 5.30pm Perth time.

Daylight Saving ends in all the States where it is observed this year on Sunday 5 April 2020.

From Monday 6 April 2020, the MAO will open at 7:00am AEST and close at 7:30pm AEST on each trading day.

It will start processing at 7:30am AEST/AEDT, giving priority to announcements by entities that have a dual listing in New Zealand so that these are released in time for the opening of trading on the NZX. For those entities that are not dual listed, the MAO will generally commence releasing announcements from approximately 8:25am AEST/AEDT.

The MAO will continue processing and releasing announcements as they are received during the trading day up to 7:30pm AEST/AEDT.

## 6. Upcoming deadlines for periodic reports

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Listed entities are reminded of upcoming deadlines for periodic reports:

- 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.
- Quarterly activity and cash flow reports for mining exploration, oil and gas exploration and commitments test entities - Thursday 30 April 2020

Failure to do lodge any of any periodic report by the deadline will result in an automatic suspension of the entity's securities under Listing Rule 17.5.

## 7. Dividend and distribution information - 31 March 2020

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Listed entities declaring a dividend or distribution for the period ending 31 March 2020 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 Wednesday **25 March 2020** (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](mailto:onlineforms@asx.com.au).

## 8. Subscribe to Listed@ASX - Compliance Update

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