

# Listed@ASX Compliance Update no. 09/22

3 November 2022

## 1. Market Announcements Reporting Calendar 2023

The 2023 reporting calendar for listed entities is now available on the home page of ASX Online and on the [ASX website](#). 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.

## 2. Quarterly Cash Flow Reports – Item 6 & Item 8

Entities that are required to lodge an Appendix 4C or Appendix 5B should keep the following in mind when preparing their quarterly cash flow reports.

### ***Related Party Transactions – Item 6***

Item 6 of Appendix 4C and Appendix 5B require disclosure by a listed entity of payments made to its related parties and their associates.

ASX encourages listed entities to review the related party definition in Chapter 19 of the Listing Rules and to ensure that they make the required disclosures. The definition includes directors and their spouses, children and parents, as well as companies and trusts controlled by any of them. This means that, in addressing Item 6 of Appendix 4C or 5B, the entity must disclose, among other things, any cash payments made to related parties, such as director fees.

Additionally, ASX reminds entities that Listing Rules 4.7C.3 and 5.3.5 require a description of, and explanation for, any related party transactions.

### ***Funding Disclosures – Item 8***

Appendix 4C and Appendix 5B require an entity with less than two quarters of funding available to address the three additional questions set out under Item 8. See further Section 7 of Guidance Note 23.

The additional questions go towards the entity's ability to meet its ongoing requirements under Listings Rule 12.1 (sufficient operations) and Listing Rule 12.2 (adequate financial condition).

ASX advises entities that rounding is not permitted in the calculation of the remaining number of quarters of funding available. An entity cannot round its available funding up to meet the test of two quarters of available funding. There is no de minimis exception to this, so for example, an entity with 1.99 quarters of funding must disclose that fact and complete the additional questions. The entity is not permitted to round 1.99 up to two.

ASX also advises that the availability of additional funding after the end of the quarter does not relieve an entity from the requirement to properly address the additional questions in Item 8.

When addressing the additional questions, an entity must provide sufficient detail to properly inform the market of any steps it is taking to ensure the continuation of its operations and its continued financial viability.

### ***ASX's approach***

Guidance Note 23 *Quarterly Reports* contains information to assist quarterly reporters to understand and comply with their reporting obligations. Quarterly reporters are encouraged to refer to this guidance when preparing their reports.

The failure of a listed entity to meet the disclosure requirements in Appendix 4C or Appendix 5B may result in action being taken by ASX. Such action may include, for example:

- requiring the entity to re-submit its Appendix 4C or Appendix 5B

- issuing a query letter to the entity and releasing its response to the market
- suspending or continuing to suspend trading in the entity's securities if its responses to ASX's queries are unsatisfactory.

### 3. Automatic suspension for failing to lodge periodic reports on time – strict enforcement of lodgement deadlines

Under Listing Rule 17.5, if an entity fails to give ASX the documents required under rules 4.2A, 4.3A, 4.4A, 4.5, 4.7B, 4.7C, 4.12, 5.1, 5.2, 5.3, 5.4 or 5.5 or the annual report required under rule 4.7, ASX will suspend its securities from quotation on the trading day after the date on which the documents were due. ASX will not waive this rule.

Listing Rule 19.5 states that when a Listing Rule requires something to be done by a day that is not a business day, the thing must be done by the preceding business day.

Currently, if an entity fails to lodge a periodic report before the market announcements office closes on the business day when the report is due, ASX does not suspend trading in the entity's securities if it lodges the report a reasonable time before market opens on the next trading day. However, ASX considers that it is important to ensure that listed entities keep the market informed in a timely manner and that the market has sufficient time to consider any late lodged reports.

Taking that into consideration, and with effect from 31 January 2023, ASX will apply the rules strictly to late lodgement of periodic reports. Any periodic reports with a due date on or after 31 January 2023 must be lodged before the market announcements office closes on the business day when the report is due, or the entity's securities will be suspended from trading on the next trading day. If the report is lodged between the closure of the market announcements office and the imposition of the suspension, the entity's securities will normally be reinstated to quotation on the next trading day after the suspension is imposed.

### 4. Inappropriate use of the Market Announcements Platform

Listed entities are reminded that the Market Announcements Platform should not be used to publish material that is really promotional, political or tendentious in nature. Announcements should be factual, relevant and expressed in a clear and objective manner. Emotive, intemperate or defamatory language should not be used.

As noted in section 14 of [Guidance Note 14](#), ASX may refuse to accept or publish an announcement that does not meet these standards. If such an announcement is released to the market, ASX may require the entity to lodge a corrective announcement and, in an appropriate case, may suspend trading in its securities until the entity does so.

ASX notes that an entity that prepares an announcement that does not meet these standards may put itself in a position where it breaches other requirements in the Listing Rules or Corporations Act. For example, if an entity includes inappropriate content in:

- a market sensitive announcement that must be given to ASX under Listing Rule 3.1;
- a document that it sends to securityholders generally or in a class that must be given to ASX under Listing Rule 3.17.1; or
- a document that it is required to prepare and/or lodge with ASX under the Corporations Act,

the entity runs the risk that these documents will not be accepted and that the entity will be in breach of any obligation it has to disclose the document to the market.

### 5. Update on the Omnibus Rule Amendment consultation process

On 5 April 2022, ASX released a consultation paper entitled [Proposed enhancements to the ASX Listing Rules: Continually improving the reputation and integrity of the ASX market](#). Submissions closed on 27 May 2022.

It had been envisaged that the final rule amendments would be released in the third quarter of 2022 and take effect on 1 December 2022.

ASX advises that ASX's consultation response will not be released this year and that the timeframe for release next year is yet to be determined.

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