



## Guidance Note 18

## Market Codes and Trading Procedures

**Issued:** March 2004

### Key topics

1. Market codes used on SEATS
2. Status notes
  - meaning
  - timing
3. Security codes
4. Equal access schemes
5. Proportional offers
6. Trading rights

### Listing Rules

1. All Listing Rules
2. Appendix 6A Listing Rules
3. Appendix 7A Listing Rules

### Cross-reference

1. Guidance Note 16 – Trading Halts

### Guidance Note History

Last Issued: 1/7/2000  
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### Introduction

1. This Guidance Note is published to explain Australian Stock Exchange Limited (ASX) status notes and security codes. It also covers trading procedures, including the special trading arrangements ASX makes in the case of proportional takeover offers and the way a right is treated for trading purposes.

### Status notes

2. Status notes are used on the Stock Exchange Automated Trading System (SEATS) to identify the basis of trading in the market. Unless otherwise stated, securities are traded on a 'cum' basis (ie. with benefits). The relevant status notes are included in the timetables in Appendices 6A and 7A of the Listing Rules.

### Meaning of status notes

3. The meaning of the status notes is as follows.

CB	cum bonus issue	PA	protection available
CC	cum capital return	PU	protection unavailable
CD	cum dividend	RA	receiver appointed
CE	cum entitlement	RE	reconstructed
CF	cum takeover offer	SE	stock exchange query
CI	cum interest	SUS	suspended
CL	call due	TH	trading halt
CM	cum premium return	XB	ex bonus issue
CP	call paid	XC	ex return of capital
CQ	cum equal access scheme	XD	ex dividend
CR	cum rights issue	XE	ex entitlement
CT	conditional trading	XF	ex takeover offer
CZ	cum priority	XI	ex interest
NL	late notice received	XM	ex premium return
NR	notice received	XQ	ex equal access scheme
NS	under offer of takeover (no short selling or specials)	XR	ex rights issue
NX	new - ex interest	XZ	ex priority

### Timing of status notes

4. Each status note remains on the SEATS screen for a specified time. The time during which the status notes are displayed is shown in the timetables in the Listing Rules where the status notes are included.
5. Other relevant times are:

NL	late notice received. On at the beginning of the day following a day on which a report was received after 4.00 pm; off at the end of that day.	SUS	suspended. On at home branch request; off when quotation of the securities is no longer suspended.
NR	notice received. On after receipt of a report; off at the end of the day on which the report is received.	TH	trading halt. On after receipt of request for trading halt; off when trading halt is lifted or at the end of the second trading day after request is received.
SE	query. On at home branch request; off when the query has been satisfied. (Not used for every query.)		

## **Security code**

6. The security codes set out in the attachment to this Guidance Note are added to a company's\* ASX code. In most cases, these codes signify the particular type of market as set out. For example, if XYZ Limited has the ASX code 'XYZ', and it has quoted options, the security code for the options is usually 'XYZO'.

## **Equal access scheme**

7. The term 'equal access scheme' is defined in the Corporations Act. Essentially it involves an offer by the company to buy back the same percentage of ordinary shares from each holder on the same terms. Shares are traded on a 'cum' basis until 6 business days before the record date. The Listing Rules note that:

*"equal access scheme" includes a selective buy-back which does not require shareholder approval as a result of a modification by ASIC of the Corporations Act, unless ASX decides otherwise.*

## **Proportional takeover offers**

8. During a proportional takeover offer, ASX will establish special trading arrangements while the offer is open in order to comply with the Corporations Act.
9. ASX will establish the following market quotations in the securities of the offeree from the commencement of trading on the first trading day after the making of the original offers is advised to the company announcements office:
  - 'Cum Takeover Offer' - in respect of shares capable of acceptance of the offer. The 'Cum Offer' market is available for those shares for which the offer may be accepted.
  - 'Deferred Settlement Ex-Offer' - in respect of shares not capable of acceptance of the offer. The 'Deferred Settlement Ex-Offer' market is available for the retained shares of persons who have accepted the offer (ie. the shares for which the offer cannot be accepted).
10. ASX will advise the market that it has established these markets, and give notice to the following effect:

*The ASX Market Rules and ASTC Settlement Rules contain procedures for the protection of market participants. Market participants should consult with their stockbrokers or professional advisers in relation to both those procedures and section 649 of the Corporations Act.*

## **Trading a right**

11. For trading purposes a right is treated as follows:

- if the offer is of ordinary securities only, one ordinary security; and
- if the offer is of ordinary securities and attaching options, one ordinary security and a whole or fractional entitlement to the attaching options.

If a right is to be treated differently in a particular case, ASX will tell the company and issue a circular to the Market Participants prior to the commencement of rights trading stating how the right will be treated.

12. For example, a company announces a renounceable offer on the basis of one right for every four ordinary securities held and one option for every two ordinary securities subscribed for under the offer. A right will be equivalent to one ordinary security and one-half of an option. If this is not the case, ASX will tell the company and issue a circular.

## Attachment

<b>Security Code</b>	<b>Type of Market</b>	<b>Description</b>
A, AA-AZ, AAA-AZZ	Unquoted	All unquoted securities.
B, BA-BZ	Bonus Deferred Settlement	Bonus issue: trading begins 7 business days before the record date and ends on the business day after certificates are despatched or securities entered into uncertificated security holdings.
C, CA-CZ (except CP)	Contributing	Partly paid securities: market remains until the securities are fully paid.
CP	Capital	Capital securities: special type of securities.
D, DA-DO	Deferred Settlement	Reconstruction: market commences on the date that the reconstruction is recognised by ASX and ends 15 business days later.
D, DP	Preferred Ordinary	These securities have preference for dividend and rank as ordinary for anything else.
E, EA-EZ	Deferred Settlement Ex-Offer	Proportional offer: securities not capable of acceptance of the offer, begins and ends on ASX notification.
E, EA-EZ	Deferred Settlement Ex-Offeree	Securities issued as takeover consideration: trading begins when the offer is declared free of conditions and ends on ASX notification.
F, FA-FZ	Offer Accepted	Accepted offers may be sold in this market.
G, GA-GZ	Convertible Notes	Convertible Notes: market remains until the 8th business day before the final date for conversion.
H, HA-HZ	Unsecured Notes	Unsecured Notes (Non Convertible): market remains until maturity.
I-Z	Special	Any class of securities not specially of any other code.
IN	Income	Income securities: special types of security.

<b>Security Code</b>	<b>Type of Market</b>	<b>Description</b>
N, NA-NZ	Deferred Settlement	Pro rata issue: trading begins after the application close date and ends on the business day after certificates are despatched or securities entered into uncertificated security holdings.
N, NA-NZ	Deferred Settlement	Provisional quotation: trading begins on home branch advice and ends on the business day after certificates are despatched or securities entered into uncertificated security holdings.
N, NA-NZ	Deferred Settlement	Ex conversions of options, preference shares, convertible notes etc: trading begins on home branch advice and ends on official quotation.
N, NA-NZ	New	Dividend difference: when these securities rank equally they are merged and this market removed.
N, NA-NZ	New Dividend	Securities issued with a deferred dividend entitlement.
O, OA-OZ	Options	company options: market remains until the 8th business day before the expiry date of the options.
P, PA-PZ	Preference Securities	Preference securities: have preference over dividend and limited voting rights.
R, RA-RZ	Rights	Renounceable issue: trading period begins 7 business days before the record date or after despatch of documents to holders. It ends 7 business days before the application close and renunciation date.
T, TA-TZ, TAA-TZZ	Debentures	Debenture stock: debt securities which are mortgage secured.

\*A reference to a listed company is a reference to a listed entity as that term is used in the ASX Listing Rules.