

Media Release

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ASX responds to market on dilutive M&A rules

Large listed companies will face a 25% cap on the amount of new shares they can issue in public merger deals, before they must seek a shareholder vote, according to an ASX Listing Rule Consultation Paper and Exposure Draft - *Shareholder approval of dilutive acquisitions and changes in admission status*, released today.

The proposed new cap applies to larger listed companies (S&P/ASX 300) and will reduce significant dilution in public takeovers, while allowing shareholders to approve higher limits in advance if they choose. Specifically, ASX sought feedback on reducing the availability of Listing Rule 7.2 Exceptions 6 and 7, which allow listed bidders to issue shares in public takeovers and mergers without shareholder approval.

Acting Group Executive, Listings, Gavin Skene said: "We have listened to the market, and have heard loud and clear the market's support for more protections against share dilution in public takeovers and mergers. Submissions also consistently said that shareholders should have a vote on enduring changes to a company's listing status, and that we needed changes that delivered execution certainty and predictable, non-discretionary rules.

"With these revised settings, ASX has balanced shareholder protection and market integrity with transaction and execution certainty ensuring the ASX remains an internationally attractive listing venue that supports company growth and productivity."

Exposure Draft of ASX Listing Rule Amendments - key changes:

- **Change in admission category:** ASX proposes shareholder approval before a listed entity changes an ASX Listing to an ASX Foreign Exempt Listing (FEL).
- **Voluntary delistings:** ASX proposes shareholder approval before delisting where the dual listed entity has a material Australian shareholder base. Existing protections remain where shareholders must vote if their shares cannot be readily tradeable on another exchange.
- **Large share-funded public takeovers and mergers:** ASX proposes a 25% cap to how much share-based consideration larger listed entities (S&P/ASX 300) can use in public takeovers and mergers without first getting shareholder approval. This gives shareholders a say before significant dilution. Shareholders are also given flexibility to increase this cap via their constituent documents or with shareholder approval.
- **Broader significant transactions framework:** No changes were supported.

Background

In October 2025, ASX sought feedback on whether shareholder approval should be updated for certain transactions that can have a significant impact on shareholders. These included large, share-funded public takeovers, mergers and acquisitions, decisions by dual-listed entities to change their listing status, and voluntary delistings from ASX.

ASX received 45 submissions from asset managers (24 submissions), industry bodies (nine), law firms (seven), investment banks (three) and listed entities (two).

The exposure draft of Listing Rules and Guidance Notes can be [accessed here](#). ASX is seeking submissions on the exposure draft by **29 July 2026**.

Submissions should be sent to: ListingsPolicy@asx.com.au

Further enquiries

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