



## Public Consultation

Proposed Listing Rules changes:  
online forms, notification of security  
issues and corporate action timetables

30 November 2020

## Invitation to comment

ASX is seeking submissions on proposed changes to the ASX Listing Rules related to the next release of its online forms, notification of security issues and corporate action timetables.

Submissions are due by **Thursday, 24 December 2020** and should be sent by email to:

[kevin.lewis@asx.com.au](mailto:kevin.lewis@asx.com.au)

or by mail to:

ASX Limited  
PO Box H224  
Australia Square NSW 1215  
Attention: Kevin Lewis

ASX would prefer to receive submissions in electronic form.

Submissions not marked as 'confidential' will be made publicly available on the ASX website.

If you would like your submission, or any part of it, to be treated as confidential, please indicate this clearly in your submission.

### Contacts

For general enquiries, please contact:

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## 1. Introduction

In November 2018, ASX Limited (**ASX**) conducted a public consultation on a major package of proposed Listing Rule changes entitled '*[Simplifying, clarifying and enhancing the integrity and efficiency of the ASX listing rules](#)*'. ASX's [consultation response](#) was released in October 2019 and the Listing Rule changes came into effect on 1 December 2019. Included in those changes were:

- a new Appendix 2A *Application for quotation of securities*;
- an updated Appendix 3B *Announcement of proposed issue of securities*;
- a new Appendix 3G *Notification of issue, conversion or payment up of equity securities*; and
- a new Appendix 4A *Statement of CDIs on Issue*.

These forms were removed from the Appendices to the Listing Rules and made available on ASX Online. The Appendices 3B and 4A were made available as smart online forms, with MS Word versions available for emergency use if the online forms were not available. The Appendices 2A and 3G were made available as MS Word templates.

ASX foreshadowed at the time these new and updated forms were released that it intended to conduct further development on the Appendices 2A and 3G, as part of its ongoing 'Straight Through Processing' (STP) project, with a view to converting those forms into smart online forms.

## 2. Next release of online forms

ASX is planning its next release of STP online forms in March 2021. They will comprise:

- a. Updates to following existing online forms:
  - Appendix 3A.1 *Notification of dividend/distribution*;
  - Appendix 3A.2 *Notification of interest payment & interest rate change*; and
  - Appendix 3B *Proposed issue of securities*.

The existing MS Word versions of these Appendices currently available for use as emergency forms in the event the relevant online form is not accessible, are also being updated.

- b. The following new online forms:
  - Appendix 2A *Application for quotation of securities*;
  - Appendix 3A.5 *Notification of return of capital by way of in specie distribution of securities in another entity*;
  - Appendix 3C *Notification of buy-back*;
  - Appendix 3G *Notification of issue, conversion or payment up of unquoted equity securities*; and
  - Appendix 3H *Notification of cessation of securities*.

There are existing MS Word versions of the Appendices 2A, 3A.5 and 3G that are being updated along with the release of the online versions. These will be available for use as emergency forms in the event the relevant online form is not accessible.

The Appendix 3C is a brand new form that is intended to combine and replace the existing Appendices 3C, 3D, 3E and 3F notices relating to buy-backs.

The Appendix 3H is also a brand new form. The background to this new form is that ASX has received feedback from listed entities that they are confused by the absence of a prescribed form to notify ASX of the cessation of their securities – for example, when options expire without being exercised, or convertible debt securities are repaid or redeemed without conversion.

Prior to the introduction of the online Appendix 3B, a number of listed entities used a paper-based Appendix 3B for these purposes, even though that Appendix was not designed for these purposes. The online version of the Appendix 3B can no longer be used for these purposes. These entities have told ASX that they would prefer to have a dedicated form for these purposes so that they can keep the information that ASX has about the number of securities they have on issue up to date.

To address this issue, ASX is proposing to add a new Listing Rule 3.10.3E requiring a listed entity to notify ASX within 5 business days of the cessation of any equity securities or of any quoted debt securities that has not otherwise been notified to ASX under Listing Rules 3.10.3B or 3.10.3D. The notification must be in or accompanied by a completed Appendix 3H.

As with the other online forms, MS Word versions of Appendices 3C and 3H will also be available for use as emergency forms in the event the relevant online form is not accessible.

### 3. Proposed Listing Rule changes

ASX is proposing a number of amendments to the Listing Rules to facilitate the introduction and operation of these new and updated STP forms. Those amendments can be found in Listing Rules 3.8A, 3.10.1 and 3.10.3 – 3.10.3E and in the corporate action timetables in Appendix 6A and 7A of the Listing Rules.

In addition, ASX is taking the opportunity to propose:

- Drafting changes to the rules dealing with notifications of security issues in Listing Rules 3.10.3 – 3.10.3D to make them clearer and easier to follow. This includes the addition of a substantial number of explanatory notes to those rules, explaining how they fit together to form a coherent notification framework.
- Amendments to Listing Rules 3.21 and 3.22 and a new Listing Rule 12.13 addressing the cancellation or deferral of previously announced dividends, distributions and interest payments.

The background to these changes is that during the COVID-19 crisis, a number of listed entities cancelled or deferred dividends that had previously been announced to the market. This caused major back office difficulties for custodians and registries. It also caused some consternation in the market, particularly where the cancellation or deferral was announced after the ex date for the dividend and, as a consequence, the market price of the entity's securities had already adjusted to reflect the original amount and payment date announced by the entity.

To address these issues, ASX is proposing to amend Listing Rules 3.21 and 3.22 to require an entity to notify ASX immediately if it makes a decision to cancel or defer a dividend, distribution or interest payment on a quoted security that it has previously announced it will pay.

ASX is also proposing to add a new Listing Rule 12.13 providing that an entity that has given an Appendix 3A.1 or Appendix 3A.2 to ASX announcing a dividend, distribution or interest payment on a quoted security and nominating a record date for determining the security holders entitled to a dividend, distribution or interest payment and the date on which it will be paid, may only change the amount and/or the date for payment of the dividend, distribution or interest payment if:

- it would be contrary to law to pay the dividend, distribution or interest payment on the announced date; or

- the entity has given ASX notice of the change before noon (Sydney time) on the business day prior to the ex date specified in the Appendix 3A.1 or Appendix 3A.2 (as applicable).
- An amendment to Listing Rule 2.8.3 to reduce the deadline for applying for quotation of securities issued as a consequence of the conversion of unquoted convertible securities from 10 business days following their conversion, to 5 business days from:
  - the date of their conversion (where the convertible securities automatically convert into the underlying securities without any further issue); or
  - the date the underlying securities are issued (where the conversion process requires the underlying securities to be issued).

This is intended to bring the deadline for quotation of securities issued as a consequence of the conversion of unquoted convertible securities into alignment with the 5 business day deadline for seeking quotation of securities in other situations.

- Amendments to the definition of “employee incentive plan” in Listing Rule 19.12 to clarify the drafting and to add a note stating that a scheme can still be an employee incentive scheme for the purposes of the Listing Rules even if a participating employee or director is required to pay full price for the issue or acquisition of equity securities under the scheme (the “incentive” in such a case being the provision of an equity stake in the entity that aligns the interests of the employee or director with the interests of the entity and its other security holders and that incentivises the employee or director to act to further those interests). The note is intended to make it clear that a non-executive directors’ share purchase plan is an employee incentive scheme for the purposes of the Listing Rules (including Listing Rule 3.10.3A).
- Changes to the timetables for corporate actions in Appendices 6A and 7A to allow an additional 2 business days (extending the current 3 business day deadline after the relevant event to 5 business days) for an entity to announce:
  - the results of a standard non-renounceable pro rata issue or standard renounceable pro rata issue;
  - the results of the retail offer in an accelerated non-renounceable entitlement offer, an accelerated renounceable entitlement offer or simultaneous accelerated renounceable entitlement offer, or an accelerated renounceable entitlement offers with retail rights trading; or
  - the results of an SPP.

This extension reflects feedback from share registries that 3 business days is a very tight deadline for them to complete the necessary reconciliations before announcing these results.

ASX is also making some other minor changes to the timetables for clarity, consistency and/or completeness.

The text of the proposed changes to the Listing Rules is shown in mark-up format in Annexure A to this consultation paper. Annexure A also has detailed drafting notes for each rule proposed to be changed explaining more fully the reasons for the proposed change.

#### 4. Accompanying documents

Accompanying this consultation paper are the following annexures:

- A. a mark-up showing the proposed changes to the Listing Rules, with detailed drafting notes explaining the reasons for the changes;
- B. a mark-up of the proposed changes to the existing MS Word version of Appendix 2A *Application for quotation of securities*;
- C. a mark-up of the proposed changes to the existing MS Word version of Appendix 3A.1 *Notification of dividend/distribution*;
- D. a mark-up of the proposed changes to the existing MS Word version of Appendix 3A.2 *Notification of interest payment & interest rate change*;
- E. a mark-up of the proposed changes to the existing MS Word version of Appendix 3A.5 *Notification of return of capital by way of in specie distribution of securities in another entity*;
- F. a mark-up of the proposed changes to the MS Word version of the Appendix 3B *Announcement of proposed issue of securities*;
- G. a proto-type MS Word version of the new Appendix 3C *Notification of buy-back*;
- H. a mark-up of the proposed changes to the MS Word version of the Appendix 3G *Notification of issue, conversion or payment up of equity securities*; and
- I. a proto-type MS Word version of the new Appendix 3H *Notification of cessation of securities*.

## 5. Issues for consultation

The primary purpose of this consultation is to seek feedback from interested stakeholders on the proposed changes to the Listing Rules. ASX is particularly keen to receive feedback from company secretaries, corporate lawyers, custodians, share registries and the professional bodies representing them, as they are likely to be more affected by the rule changes than other stakeholders.

ASX welcomes comments generally on:

- whether stakeholders agree with the proposed rule changes and, if not, why not;
- whether stakeholders have any concerns with the new and updated Listing Rule Appendices; and
- whether compliance with any of the amended rules or the new or updated forms might have any unforeseen consequences or give rise to undue compliance burdens for listed entities.

## 6. Due date for consultation responses

Stakeholders interested in making a submission on the consultation package are asked to do so in writing by the **close of business on Thursday 24 December 2020**.

Submissions should be sent to by email to:

[kevin.lewis@asx.com.au](mailto:kevin.lewis@asx.com.au)

or by mail to:

ASX Limited  
PO Box H224  
Australia Square NSW 1215  
Attention: Kevin Lewis

ASX would prefer to receive submissions in electronic form.



Please note that ASX is proposing to make the submissions it receives in response to this consultation paper publicly available on its website unless a respondent clearly indicates that they wish their submission to remain confidential.

## **7. Timetable for implementation of rule changes**

ASX will consider all submissions it receives in response to this consultation before finalising the proposed rule amendments and related guidance.

Subject to the receipt of the necessary regulatory approvals, it is envisaged that the final rule amendments will be released in February 2021 and take effect on 20 March 2021, the target date for the release of the next round of STP forms.

ASX will keep stakeholders informed of this effective date, and if there is any change to the date.

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