



30 April 2020

Office of General Counsel  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000  
Attn: Diana Lewis  
Senior Manager, Regulatory & Public Policy  
By email: [regulatorypolicy@asx.com.au](mailto:regulatorypolicy@asx.com.au)

Dear Diane

**Sydney Stock Exchange – Response to ASX Consultation Paper Chess Replacement  
Tranche 2 Rule Amendments (Non-Confidential Submission)**

**Sydney Stock Exchange Company Overview**

The Sydney Stock Exchange (SSX) is a Tier One Issuing exchange in Australia, focused on supporting growth companies who want to take their first step into financial markets.

**Executive Summary**

The SSX have an obligation to our Listees and Market Participants to ensure access to a fair, open, and transparent market, including a smooth transition to the new settlement platform. Indeed, all market operators in this jurisdiction need to be comfortable that the CHES replacement will ensure that the Australian equities market remains relevant on the global stage.

The SSX welcomes the opportunity to respond in this CHES Replacement Tranche 2 Rule Amendments Consultation Paper with a view to this consultation further enhancing the Australian market.

**Comments**

The SSX have provided responses on the rule amendments included in Tranche 2, focusing on those amendments which are relevant to the SSX, our listees and Market Participants.

The SSX commentary relate to the proposed new CHES Replacement rules as tabulated below.



Company announcements are essential to the SSX market as it serves as a base line to drive market trends and directions. It is the main source of information for SSX participants and market investors. Presently the SSX listees upload market announcements through a secure, proprietary, web-based platform which uses automation to seamlessly progress material through an intelligent review process before the announcement is generally promptly released to the SSX market and stored.

Any announcement lodged with SSX is generally released within five minutes of being received by SSX. Announcements are confidential until they are released to the market, in a minority of cases the SSX review may lead to the original announcement requiring modification. Examples of when an announcement requires modification, is where announcements either: contain personal information, is not approved by listee management or is missing information.

Proposed Rule amendment **5.19A.1 (a)** proposes non-ASX AMO listees to *“immediately” “notify”* ASX Settlement of forthcoming actions on notifying their Approved Listing Market Operator of certain actions.

Given there is expected to be a minority of instances where a non-ASX AMO listee submits a market announcement that is ultimately modified or not released to the market, the SSX suggests the proposed rule amendment should be updated to allow the listee’s announcement to be first verified and made public before the Issuer is then required to promptly notify ASX Settlement of the up-coming action.

Given the majority of SSX announcements are received, reviewed and released within five minutes the small delay should be outweighed by the occasional saving of correction and re-work by the Issuer and ASX Settlement.

Applying the same reasoning, the SSX proposes the same timing sequence should be applied to rule: 5.19A.1 (c) and 5.21A.1.

Proposed Rule Amendment	Proposed Rule Amendment (bold text is the focus)
5.19A.1 (a)	If an Issuer, in respect of Approved Financial Products, <b>notifies</b> the Approved Listing Market Operator in accordance with its Listing Rules of a dividend or other distribution reinvestment plan or bonus share plan, <b>the Issuer must also immediately notify ASX Settlement</b> of the details of that dividend or other distribution reinvestment plan or bonus share plan.
5.19A.1 (c)	(c) If the Issuer, in respect of Approved Financial Products, <b>notifies</b> the Approved Listing Market Operator in accordance with its Listing Rules of



	any change to, or cancellation of, a dividend or other distribution reinvestment plan or bonus share plan, the Issuer must also <b>immediately</b> notify ASX Settlement of the details of that change to or cancellation of the dividend or other distribution reinvestment plan or bonus share plan.
5.21A.1	If an Issuer, in respect of Approved Financial Products, <b>notifies</b> the Approved Listing Market Operator in accordance with its Listing Rules of a Rights Offer or a Securities Purchase Plan, the Issuer must also <b>immediately</b> notify ASX Settlement of the details of that Corporate Action.

### SSX Contacts

Should you have any queries in relation to the SSX's response, please feel free to contact either:

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Yours sincerely,

Michael

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