

Listed@ASX Compliance Update no. 06/25

12 June 2025

1. Market disclosure - close review procedure when ASX has serious concerns about disclosure practices

Overview

- ASX will introduce a new close review procedure. The procedure may be used when ASX has serious concerns about an entity's willingness or ability to comply with ASX's disclosure-related listing rules.
- Under the procedure, ASX will apply additional scrutiny to an entity's market announcements for a period of 6 months.
- Before initiating a close review period, ASX will privately write to the entity to outline ASX's concerns and will give the entity an opportunity to make submissions about ASX's proposed course of action.
- If ASX decides to initiate a close review period, the commencement of the period will be announced to the market by ASX releasing an announcement against the entity's ASX code.
- The purpose of the close review procedure is to drive improvement in the entity's disclosure practices. If an entity's practices do not improve for a prolonged period of more than 12 months, ASX is likely to take steps towards removing the entity from the official list.
- ASX's expectation is that there would only be a small number of entities subject to the close review procedure at any one time. Ideally, there will be none.

Normal processes for releasing market announcements

ASX's normal processes for releasing market announcements are outlined in Guidance Note 14.

When an announcement is received by the Market Announcements Office, it is quickly reviewed on-screen by specialist staff prior to release to determine:

- if it has been lodged by someone other than the listed entity;
- whether it materially relates to or affects another listed entity;
- whether it is likely to be market sensitive;
- whether there is a system generated warning in relation to an online form that needs to be resolved.

This is not intended to be, and cannot be, a detailed review of the contents of the announcement, given the need for market sensitive information to be released to the market promptly.

New procedure when ASX has serious concerns about an entity's disclosure practices

When ASX has serious concerns about an entity's willingness or ability to comply with ASX's disclosure-related listing rules, ASX may apply greater scrutiny to the entity's market announcements during a 'close review period'.

During a close review period, any announcement that the entity seeks to release on the Market Announcements Platform (other than periodic reports and administrative announcements) will be subject to the following additional processes:

- the announcement will be referred to ASX Compliance for review before release;
- the announcement will be reviewed to check for compliance with the listing rules and consistency with applicable guidance; and
- ASX Compliance will make an assessment of whether the entity has correctly characterised the likely market sensitivity of the announcement.

ASX will publicly announce the commencement of the close review period by releasing an announcement against the entity's ASX code. ASX may also publish a list of entities that are subject to the close review procedure separately on

the ASX website. The close review period will usually last for 6 months. The purpose of this new procedure is to drive improvement in the entity's disclosure practices.

The additional steps outlined above will inevitably delay the release of the entity's announcements to the market. The entity will need to make due allowance for this when planning its announcements. In the case of a market sensitive announcement, this will require the entity to request a trading halt pending the completion of ASX's review. If ASX identifies concerns during its review of the announcement and these concerns are not quickly and co-operatively resolved, ASX will not hesitate to suspend trading in the entity's securities under listing rule 17.3.2 until the concerns are resolved.

The implications of a close review period

ASX will expect the entity to take appropriate steps to improve its disclosure practices during the close review period. If an entity is not able to demonstrate that it is willing or able to comply with the listing rules, ASX may extend the review period, direct the entity to take additional remedial steps (including any of the actions set out in listing rule 18.8), and/or take any other enforcement action ASX considers appropriate, including censure or removal from the official list.

If an entity remains subject to the close review procedure for a prolonged period of more than 12 months, ASX is likely to require the entity to 'show cause' why it should not be removed from the official list.

The fact that an entity is subject to the close review procedure is an indication that investors should carefully assess any announcement made by that entity. It is not a representation by ASX that the announcement is complete, accurate and not misleading, or that the entity is otherwise compliant with the listing rules. The legal responsibility for an announcement published on the Market Announcements Platform rests squarely with the person or entity submitting the announcement for publication. ASX does not accept and expressly disclaims any responsibility or legal liability to anyone whatsoever for failing to detect or prevent the release of an announcement that is inaccurate, incomplete, misleading, defamatory or otherwise defective.

Market disclosure practices that could result in the close review procedure being triggered

ASX has provided detailed guidance to the market about its expectations in relation to the disclosure of information on the Market Announcements Platform in Guidance Note 8 and Guidance Note 14. There is further guidance on specific disclosure issues in Guidance Notes 9, 10, 12, 16, 23, 31 and 32. Listed entities are expected to be familiar with this guidance and to have regard to it when making market announcements.

ASX intends to use the close review procedure in cases where an entity has seriously and repeatedly fallen short of the disclosure standards required of a listed entity. As such, it is expected that the close review procedure will be used sparingly. ASX's expectation is that there would only be a small number of entities subject to this procedure at any one time. Ideally, there will be none.

The types of situations that could give ASX serious concerns about the entity's ability or willingness to comply with ASX's disclosure-related listing rules include:

- the entity being required by ASX to amend or withdraw an announcement prior to release;
- the entity needing to issue a clarification, correction or retraction of an announcement that has been released, or refusing to do so when ASX considers that a clarification, correction or retraction is warranted;
- the entity being advised by ASX that an announcement or series of announcements are not consistent with ASX's guidance;
- the entity failing to address issues in relation to its disclosure practices that have previously been raised by ASX;
- ASX having difficulty contacting the entity to discuss disclosure matters or the entity failing to be co-operative when discussing disclosure matters with ASX.

Before a decision is made to apply the new close review procedure to an entity, ASX will privately write to the entity to outline ASX's concerns and will give the entity an opportunity to make submissions about ASX's proposed course of action, and any alternative course of action the entity might suggest.

ASX may take additional or alternative compliance action when that is considered appropriate in the circumstances.

2. Updates to ASX Listing Rule Guidance Notes 14 and 20, including the Agreement for Use of Electronic Lodgement Facility and Entity Details Facility

Guidance Note 14 *ASX Market Announcements Platform* and Guidance Note 20 *ASX Online* are being updated in response to the recently introduced statutory tort for serious invasions of privacy under the *Privacy Act 1988* (Cth). The

proposed changes include an update to the Agreement for Use of Electronic Lodgement Facility and Entity Details Facility.

These changes are intended to:

- alert listed entities to their own privacy obligations when submitting announcements for release on the Market Announcements Platform; and
- require listed entities to ensure that personal information submitted to ASX for release on the Market Announcements Platform is appropriately given to ASX under the Corporations Act, Listing Rules and/or Operating Rules.

A small change has also been made to Guidance Note 14 to reflect the operating hours of the market announcements office.

Mark-ups comparing the updated Guidance Notes to the current versions are available [here](#) (Guidance Note 20) and [here](#) (Guidance Note 14).

Subject to any feedback from regulatory agencies, the updated Guidance Notes are proposed to take effect from 26 June 2025. The Guidance Notes will be able to be accessed via ASX Online and on the ASX Listing Rules page on the ASX website.

3. Results of targeted review of annual investment disclosure by LICs and LITs

An investment entity is required to include in its annual report a list of all investments held by the entity and its child entities at the balance date (listing rule 4.10.20(a)).

We recently conducted a targeted review of compliance by listed investment companies (LICs) and listed investment trusts (LITs) with this requirement.

Approximately 94% of the investment entities sampled included the correct listing rule 4.10.20(a) information in their annual report. Of the remainder, the most common error that we identified was disclosure of a limited list of investments (such as the top 10 or top 20) rather than disclosure of the full list.

Where we identified non-compliance, we required the entity to make an announcement disclosing the full list of their investments as at the balance date.

Listed entities are reminded that they must have a nominated person responsible for communication with ASX in relation to Listing Rule matters (Listing Rule 12.6).

Entities should keep the contact details of their nominated ASX contacts up to date on ASX Online at all times and also inform their Listings Adviser of any changes. Further information about how to notify ASX of any changes (including temporary changes) made to the entity's nominated ASX contact is available [here](#) (see Item 3).

If you missed any of our historical Compliance Updates, you can download past editions [here](#).
