

Listed@ASX Compliance Update no. 05/25

16 May 2025

1. Guidance Note 1 updates

ASX is updating Guidance Note 1 *Applying for Admission – ASX Listings* to provide greater transparency to potential early-stage technology, biotechnology and medical technology listing applicants about the factors that ASX takes into account when assessing their suitability for admission.

These factors are already part of ASX's admissions processes. ASX has spoken about them at briefings and conferences over the last 18 months and is now bringing them into the Guidance Note.

ASX is making some other amendments to the Guidance Note to reflect ASX's existing admission practices and policy, along with general tidy-ups. These will be of interest to all listing applicants and their professional advisers.

A mark-up comparing the updated Guidance Note to the current version is available [here](#).

The updated Guidance Note will take effect from 30 May 2025. The Guidance Note will be able to be accessed via ASX Online and on the ASX Listing Rules page on the ASX website.

2. Reminder regarding Listing Rule 7.1A (additional 10% placement capacity for eligible entities)

Listing Rule 7.1A allows small to mid-cap entities to raise additional capital equivalent to 10% of the entity's ordinary issued capital, subject to the entity meeting certain conditions. This is in addition to any securities that may be issued without security holder approval under Listing Rule 7.1.

To access this additional 10% placement capacity, an 'eligible entity' must obtain security holder approval via a special resolution. Approval can only be obtained at an entity's annual general meeting ("AGM"). This resolution is referred to as a Listing Rule 7.1A mandate.

Eligibility

To be eligible, an entity must:

- have a market capitalisation of less than the prescribed amount (currently \$300 million); and
- not be included in the S&P/ASX 300 Index.

The entity must meet both of these eligibility criteria as at the date of the AGM when the Listing Rule 7.1A mandate is sought. If approval is obtained, the mandate will continue to be valid for the 12-month life of the mandate (subject to the expiry events below) even if the entity's market capitalisation subsequently increases above \$300 million or the entity is subsequently included in the S&P/ASX 300 Index.

Expiry

A Listing Rule 7.1A mandate expires at the earlier of:

- the time and date of the entity's next AGM;
- the date that is 12 months after the date of the AGM; or
- the time and date when holders of the entity's ordinary securities approve a transaction under Listing Rule 11.1.2 (significant change in the nature or scale of activities), or Listing Rule 11.2 (disposal of main undertaking).

Restrictions

Securities issued under a Listing Rule 7.1A mandate must be:

- in an existing class of quoted equity securities (meaning that, for example, unquoted options or performance rights cannot be issued in reliance on a Listing Rule 7.1A mandate);

- for cash consideration only (i.e. the securities cannot be issued for nil consideration or for non-cash consideration such as services rendered); and
- issued at a price that meets the minimum price requirements set out in Listing Rule 7.1A.3.

Calculating the number of securities that can be issued or agreed to be issued

Listing Rule 7.1A.2 sets out the formula for calculating an entity's placement capacity under a Listing Rule 7.1A mandate.

It is the entity's responsibility to undertake appropriate due diligence to verify that it has the available placement capacity to issue the securities without security holder approval.

To help demonstrate that an entity has sufficient placement capacity when it notifies the market of a new issue or agreement to issue through an ASX online form, the entity must separately send a copy of its calculations to its Listings Adviser in a standard form worksheet. Editable worksheets can be downloaded [here](#).

ASX does not "pre-vet" these worksheets and an entity does not have to wait after sending the worksheets for any confirmation from ASX before it proceeds with the proposed issue of equity securities. An entity should not rely on ASX to identify errors in its worksheets or calculations.

Requirements for notice of meeting

Listing Rule 7.3A sets out the information required in a notice of meeting seeking approval of a Listing Rule 7.1A mandate.

Entities are reminded that:

- the statement required under Listing Rule 7.3A.4 should be accompanied by a table describing the potential dilution of existing ordinary security holders on the basis of at least three different assumed issue prices and values for variable A in Listing Rule 7.1A.2, including at least one example that assumes that A is double the number of fully paid ordinary securities on issue at the time of the approval under Listing Rule 7.1A and that the price of fully paid ordinary securities has fallen by at least 50%;¹ and
- the disclosure of the allocation policy required under Listing Rule 7.3A.5 should address the question of how the entity intends to decide who to offer securities to under its Listing Rule 7.1A mandate in as much detail as is reasonably practicable in the circumstances.

Ratification under Listing Rule 7.4

Listing Rule 7.4 provides that an issue of, or agreement to issue, securities made without approval under Listing Rule 7.1 is treated as being made with approval for the purpose of Listing Rule 7.1 if:

- the issue or agreement did not breach Listing Rule 7.1; and
- the holders of the entity's ordinary securities subsequently approve the issue.

To comply with the above requirements, the issue must come within the entity's placement capacity under Listing Rules 7.1 and, if applicable, 7.1A, at the time it was made or agreed to be made. It is not possible to ratify an issue of, or agreement to issue, securities that exceeded an entity's placement capacities under those rules at the time the issue was made or agreed to be made.

ASX reminds listed entities that obtaining approval for a Listing Rule 7.1A mandate does not have the effect of ratifying securities already issued before the mandate was obtained. Instead, when calculating an entity's Listing Rule 7.1A placement capacity, an entity needs to factor in the number of securities it has already issued in the past 12 months (as required by "E" in the formula in Listing Rule 7.1A.2). If an entity wants to ensure that the full 10% is available at the time that it obtains a Listing Rule 7.1A mandate, the entity needs to separately seek ratification of any securities that have been issued in the past 12 months.

For further guidance on Listing Rule 7.1A, please refer to Guidance Note 21 *The Restrictions on Issuing Equity Securities in Chapter 7 of the Listing Rules*.

3. Conducting renounceable rights issues/entitlement offers when securities are suspended from quotation

Renounceable offers generally not permitted while securities are suspended

ASX is unlikely to approve a timetable for a renounceable rights issue under Appendix 7A of the Listing Rules if an entity's securities will remain suspended for the duration of the entitlement offer.

¹ Listing Rule 7.3A.4. Generally, ASX would expect one of the examples in the table to assume that A is the current number of fully paid ordinary securities on issue, and that the price of fully paid ordinary securities is their prevailing market price, at or around the time the notice of AGM is being finalised, and the third example to be a mid-point between the other two examples.

ASX's policy position is that trading in a listed entity's securities provides the price signalling information necessary for existing security holders and potential new investors to make informed investment decisions in the context of a renounceable rights issue.

Non-renounceable offers while securities are suspended

Listing Rule 7.11.3 provides that the ratio of securities offered under a non-renounceable pro rata issue of securities must not be greater than one security for each security held.

However, if an entity's securities are suspended from quotation, ASX acknowledges that conducting a non-renounceable rights issue at a ratio of 1:1 may not provide the entity with sufficient capital to meet its objectives.

Given that an entity in this situation is not able to conduct a renounceable rights issue, ASX may be prepared to grant a waiver from Listing Rule 7.11.3 to enable the entity to seek security holder approval to permit a non-renounceable entitlement offer at a ratio greater than 1:1.

This is a non-standard waiver, and the entity should have regard to Guidance Note 17 *Waivers and In-Principle Advice* when preparing its application. If the waiver is granted, it would usually be subject to the following conditions:

- security holders must approve the non-renounceable rights issue;
- the notice of meeting must contain a voting exclusion statement that excludes the votes of any substantial security holders, any proposed underwriter or sub-underwriter of the rights issue, any brokers or managers of the rights issue, and any of their respective associates; and
- the entity's securities must remain suspended until completion of the rights issue and any other conditions imposed by ASX must be met before the entity's securities are reinstated to quotation.

The entity may also apply for a companion waiver from Listing Rule 7.15 to permit the record date for the rights issue to fall on a day before the security holder meeting, on the basis that there is no possibility of trading on a cum or ex rights basis if the entity's securities remain suspended from quotation.

4. Listing fee changes for FY26

Changes to ASX's annual listing fees (Guidance Note 15A - Schedule 1, Table 1B), subsequent listing fees (Guidance Note 15A - Schedule 1, Table 1B and 1C), debt listing fees (wholesale loan market) (Guidance Note 15A - Schedule 2, Table 2A, 2B and 2C) and additional fees (Guidance Note 15A - Schedule 3, Table 3A) will come into effect on 1 July 2025.

Annual listing fees are calculated based on the value of an entity's quoted securities as at 31 May 2025 and will apply from 1 July 2025. Invoices will be issued in the first week of July 2025.

Initial listing fees (Guidance Note 15A - Schedule 1, Table 1A) will change from 1 January 2026.

A summary of the updated fee ASX listing fees is [available here](#). These changes will be reflected in the [listing fee section](#) of the ASX website and in Guidance Note 15A from 1 July 2025.

Please direct any fee-related queries to listed@asx.com.au.

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](#).
