

Office of General Council  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Attention: Diane Lewis  
Senior Manager Regulatory & Public Policy

24 June 2016

Dear Diane

I refer to ASX's request for feedback on its proposal to reduce the number of investors that an IPO must have to list: from 300-400, down to 200 (sml co's) or 100 (lge co's). Spread requirements cause a small number of shares to be offered to selected retail investors. This is better than zero. But, the proposed reduction will lead to an even smaller amount, if any, of IPOs to be offered to small investors.

ASX's survey found 7.26mil\* Australians own shares. Online application forms mean getting 400 shareholders isn't onerous, if a general offer is made that guarantees fair allocations to non-institutional shareholders. But, spread alone isn't sufficient to give fair access to all Australians wanting to participate.

Hong Kong & Singapore have rules requiring IPOs to reserve 25-40%, respectively, of shares for retail investors. If retail investors don't apply, shares may be allocated to institutions.

I recommend ASX adopt listing rules like HK & Singapore, namely:

1. 400 required shareholder spread
2. retail investors get priority over 25-40% of shares offered in IPOs
3. the allocation process must be defined & fair

An objective of listing rules should be to create fairness for all investors, both in IPOs & trading. ASX's proposal of a minimum free float of 20% does not give retail investors access to IPOs, as the shares can be entirely offered to institutions.

I look forward to your response.

Thank you.

ASX

\*Addendum: Figure sourced from the ASX's 2010 Share Ownership Study. OnMarket BookBuilds notes that the most recent 2014 study states the figure as 6.48mil.