

## Guidance Note 28

# Transfers and Registration: Fees for Registering Paper-based Transfers in Registrable Form

**Issued:** 24 January 2011

### Key topics

1. Transfers of Securities
2. Fees for Registering Transfers

### Listing Rules

1. Listing rule 8.14
2. Listing rule 8.14.1

### Cross-reference

1. Listing rule 8.10

### Guidance Note History

First Issued: 24/01/11

ASX has recently amended listing rule 8.14 with the effect that a listed entity may now charge a reasonable fee for registering paper-based transfers in registrable form. These transfers are also referred to as "off-market transfers". The effect of this rule change is that some investors may be asked to pay a reasonable fee if they submit an off-market transfer form to a listed entity or registry for registration.

This rule change has been made so that listed entities and registries can enhance their fraud detection practices specific to off-market transfers.

Where a company constitution mirrors the current prohibition in listing rule 8.14, the company may wish to amend its constitution to reflect the new rule.

## Notification Process

Before a listed entity or registry commences charging a fee (or increasing a fee), it must formally notify ASX Listings of the amounts that are proposed to be charged and provide sufficient information to enable ASX Listings to assess the reasonableness of the proposed amounts. This notification would not constitute an approval process. Fees (and fee increases) can be charged without any communication from ASX to the listed entity (or registry acting on its behalf).

In the event that ASX receives representations or complaints that a fee is not reasonable, ASX will potentially need to make a determination that a fee is unreasonable and therefore in breach of the listing rule.

## **Guidance Note 28 Transfers and Registration**

In assessing the reasonableness of a fee, ASX will take into account factors including but not limited to:

- i) information provided by the listed entity (or registry) at the time of notifying ASX of the fee;
- ii) details of any complaints received by ASX in relation to fees charged; and
- iii) fees charged for comparable services by other financial market service providers including Market Participants.

Based on industry consultation, ASX has determined that an asset-based fee (that is a fee based on the value of securities being transferred) will not be "reasonable".

### **Interaction with Listing Rule 8.10 “No interference etc with transfer of securities”**

A listed entity or registry carrying out checks in the normal course of business to determine the authenticity of an off-market transfer form submitted for registration will not be considered by ASX to “prevent, delay or interfere with the registration of a transfer document relating to quoted +securities” under listing rule 8.10. Examples of checks carried out in the normal course may include, but are not limited to, a requirement to provide certified copied identification documentation relating to the transferor of securities and a requirement to reconfirm a security code in respect of the transfer. These examples are illustrative only and are not requirements that must be followed by a listed entity or registry.

A listed entity (or its registry) can undertake reasonable steps to satisfy itself that the document is in fact a proper instrument of transfer, even if from time to time those steps take longer than the standard settlement time of 3 business days.