



Changes to releasing announcements & administrative trading halts

Q&As for NZX listed issuers

March 2017



Contents

What is the background to the change?	3
What does the change mean for issuers?	4
NXT Market issuers	6
Overseas listed issuers	7
Issuers who have a listing on the ASX	7
Third parties and takeovers announcements.....	8
Announcements released by NZX.....	9
Further information.....	9



What is the background to the change?

Q: What is the main change for issuers?

A: NZX is changing the way administrative trading halts are applied following the release of an announcement, by an issuer, which contains material information or falls within a prescribed category.

From 22 May 2017, issuers will be required to confirm as part of the operational process for the release of announcements on the NZX market announcement platform (MAP), whether an announcement to be released to market contains material information, or falls within a prescribed category.

Announcements will only be able to be submitted via MAP and issuers and their advisers will no longer be able to submit announcements by email.

Announcements will be released automatically to the market and there will be no NZX intervention. An administrative trading halt will be placed automatically based on the confirmation made by the issuer.

Q: When is the change happening?

A: NZX has scheduled this change to occur Monday 22 May 2017, commencing from pre-open.

Q: What is an administrative trading halt?

A: An administrative trading halt is a short trading halt applied to an issuer's quoted securities following the release of some announcements made during, or immediately before, trading hours.

Currently when an issuer releases an announcement to the market, NZX makes an assessment as to whether the announcement is price sensitive. If NZX considers the announcement is price sensitive, a short trading halt is applied to all of the issuers' listed securities when it is released. This trading halt lasts for 15 minutes for issuers with a primary listing on the NZX and 10 minutes for Dual Listed issuers and Overseas Listed issuers (as defined in NZX's Listing Rules).

Q: Which announcements and markets will the change affect?

A: The change will affect announcements made by all issuers listed on NZX's Main Board, Debt Market, NZAX Market and NXT Market. This includes announcements made by issuers, third parties or NZX, in relation to listed issuers. The change will also affect announcements made by Fonterra Co-operative Group Limited, NZX or third parties in relation to the Fonterra Shareholders Market.



What does the change mean for issuers?

Q: How will the change impact issuers when making announcements over MAP?

The main change for issuers will be that issuers will need to confirm whether an announcement contains material information or falls in prescribed category, before submitting the announcement for release to the market.

Confirming material information

Issuers on the Main Board, Debt Market, and NZAX Market are already subject to the Continuous Disclosure requirements of the Listing Rules and therefore already make an assessment as to whether they hold material information. This change simply requires an issuer to confirm, when releasing that information to the market, whether the information included in the announcement is material information. This confirmation will be made when submitting the announcement on MAP.

It will be each issuer's responsibility to ensure they have a process so that the person releasing the announcement over MAP knows whether the announcement contains material information.

If the issuer confirms that the announcement does contain material information, and it is released in, or immediately before, trading hours, all of the issuer's quoted securities will be placed in an administrative trading halt when the announcement is released. NXT Issuers are not required to release material information and therefore will not be required to make this confirmation, as explained further [here](#).

Choosing a category and prescribed categories

When submitting an announcement, all issuers will be required to choose a category for the announcement, from a selection of categories provided on MAP.

If the category chosen by the issuer is a prescribed category, the issuer will not be required to confirm whether the announcement contains material information. An administrative trading halt will then be applied to all of the issuer's quoted securities on release, if the announcement is released in, or immediately before, trading hours.

The prescribed categories are:

- interim preliminary financial statements;
- full year preliminary financial statements;
- half year report;
- annual report; and
- NXT Market interim update (Schedule 5A of the NXT Market Rules).

The person releasing the announcement over MAP will be responsible for ensuring the correct category is selected for the announcement.

Q: How will issuers release announcements when the change is implemented?

A: Issuers will continue to release announcements via MAP. Functionality changes are being made in MAP so issuers can identify if an announcement falls within a prescribed category or contains material information.



Issuers and their advisers will no longer be able to send announcements to NZX's CDS team for release and the email address announce@nzx.com will only be used for providing third party announcements for release.

If an issuer sends an announcement to announce@nzx.com (other than a [third party announcements](#)), this announcement will not be released to the market.

Q: Does the change impact other trading halts?

A: The change does not impact other trading halts, including trading halts requested by issuers or trading halts implemented in certain situations by NZX. Issuers should continue to request trading halts from NZX using the same process. More information can be found on this process in NZX's trading halts guidance note, available at <https://www.nzx.com/regulation/listing-rule-guidance>.

Q: Does the change impact an issuer's current disclosure obligations?

A: No. Issuers will continue to be required to comply with their current disclosure obligations under the Listing Rules.

Q: What if an issuer has a related company or subsidiary listed as well?

A: A small number of NZX listed issuers have subsidiaries or related companies which are also listed on NZX. These issuers will be able to sign into MAP and then add the other relevant issuers when preparing the announcement in MAP. Once the additional issuers are added, on the release of the announcement it will be distributed across all relevant ticker codes. Any administrative trading halt will be applied to all issuers selected.

Q: What if an issuer has more than one quoted security?

A: There is no change to how announcements are released or to how an administrative trading halt is applied, when an issuer has more than one security quoted.

When an issuer releases an announcement, it is released against the issuer generally, rather than specific securities. If an administrative trading halt is applied, it is applied to all of the issuer's quoted securities.

Q: What happens if an issuer does not follow the correct process?

A: The responsibility will be on issuers to ensure they follow the correct process in either releasing announcements, or providing information to NZX as a third party. It is important that issuers have established processes to ensure announcements and information are received by the market via the correct channels. NZX will be providing training and a user guide to assist issuers.

NZX will not be intervening in the release of announcements, and therefore will not be able to correct any mistakes made by an issuer.

NZX intends to monitor how the new process operates in practice to consider whether further refinements or rule changes may be required in future. Based on NZX's monitoring and market feedback post implementation, NZX will consider whether the new process operates effectively or whether additional formal rules-based obligations need to be imposed.



Q: How does this change differ from the current process?

A: The main changes from the current announcement release process are set out below.

- NZX will no longer be assessing the content of announcements to apply an administrative trading halt, or assigning categories to announcements.
- Issuers will choose a category for the announcement, from a list of categories, as part of the release process. Announcements which fall into a prescribed category will be released with an administrative trading halt.
- Where an announcement does not fall into a prescribed category, issuers will confirm whether an announcement contains material information prior to its release. Where issuers have confirmed that an announcement contains material information, the announcement will be released with an administrative trading halt.
- Announcements will be released automatically following submission by an issuer. NZX will not review announcements before they are released to the market.
- NZX will not contact issuers when there are spelling errors or formatting issues in announcements before the announcement is released to the market. NZX may follow up with issuers following the release of the announcement, if NZX considers the announcement does not comply with the Listing Rule requirements.
- NZX will limit the process used for retracting announcements to only those where announcements contain materially incorrect information. Retractions will not be available for spelling and formatting errors. Note, MAP has been updated to include a spell check, to assist Issuers with this.
- Administrative trading halts will only be applied to announcements released by issuers. Administrative trading halts will not be applied following the release of announcements by [third parties](#) or NZX. A separate marker will be used when releasing announcements to identify third party announcements.
- Issuers will only be able to release announcements using MAP. Issuers and their advisers will [no longer be able](#) to send announcements to announce@nzx.com (unless the announcement is a [third party announcement](#)).

NXT Market issuers

Q: NXT Market issuers are not required to release material information – what does this change mean for them?

A: There is no concept of “material information” under the NXT Market Rules as NXT Market issuers have a separate disclosure regime. A NXT Market issuer should continue to release announcements as required by the NXT Market Rules.

Interim Updates required under schedule 5A of the NXT Market Rules will be a prescribed category of announcement. When a NXT Market issuer selects the Interim Update category, the issuer will not be required to confirm whether the announcement contains material information. An administrative trading halt will be applied to the



issuer's quoted securities on release of the announcement, if it is released in, or immediately before, trading hours.

For all other announcements released by a NXT Market issuer, the issuer will not be required to confirm whether the announcement contains material information.

Q: NXT Market issuers currently use a different announcement platform – is this changing?

A: NZX is using the change as an opportunity to standardise the announcement platform used across all markets. This means NXT Market issuers will use the same announcement platform as all other issuers. Special training will be provided to NXT Market issuers as a result of this change.

Overseas listed issuers

Q: Overseas Listed Issuers are not required to release material information – what does this change mean for these issuers?

A: Overseas Listed issuers are a specific listing type under the NZX Listing Rules. Under the Listing Rules, Overseas Listed Issuers are required to release all announcements that an issuer provides to its home exchange for release, to NZX for release to the market.

Overseas Listed Issuers need to assess whether the information they hold is material or is required to be released subject to the continuous disclosure regime of the issuer's home exchange. For example, ASX listed issuers are required to consider whether the release of information is required under ASX Listing Rules 3.1 and 3.1A.

Where an Overseas Listed Issuer is required to disclose information under its home jurisdiction continuous disclosure regime, the issuer should confirm that the announcement contains material information when releasing the announcement over MAP.

Issuers who have a listing on the ASX

Q: What does the change mean for issuers who also have a listing on the ASX?

A: Currently, ASX and NZX run separate assessment and announcement release processes. ASX and NZX make separate assessments as to whether an administrative trading halt should be applied after the release of an announcement. There is no guarantee that both exchanges will reach the same conclusion when assessing whether a trading halt should be applied following the release of an announcement.

Under the change, the ASX will continue to make a separate assessment as to whether an announcement contains material information. Again, there is no guarantee that the ASX and the issuer will reach the same conclusion. Issuers are encouraged to inform the ASX of the confirmation they will provide to NZX, when providing the announcement to ASX.



Q: Is there any other impact on:

- Dual Listed Issuers (as that term is defined in the Listing Rules);
- Issuers who have a primary listing on NZX and ASX; or
- Issuers who have a primary listing on NZX and a foreign exempt listing on ASX?

A: There is no additional impact on issuers who have any form of listing on the ASX, except for issuers who are [Overseas Listed issuers](#).

Third parties and takeovers announcements

Q: What does the change mean for announcements released by third parties?

A: Third parties are sometimes required by legislation to release information through announcements to the market. These announcements include those required by the Financial Markets Conduct Act 2013 for Substantial Product Holders and Directors and Officers, and the Takeovers Code. These announcements should continue to be provided to NZX by email to announce@nzx.com.

NZX will continue to release these third party announcements to the market. No administrative trading halt will be applied following the release of these announcements. A separate marker will be used when releasing these announcements to identify these as third party announcements.

Q: What if an issuer is releasing a substantial product holder notice to NZX in relation to another issuer?

A: From time to time, an issuer will release a substantial product holder notice to NZX about another issuer. The legislation requires this information to be provided to NZX for release to the market.

Issuers should continue to email substantial product holder notices to announce@nzx.com for release to the market.

Q: What if an issuer is releasing a takeover announcement to NZX in relation to a takeover involving another issuer?

A: From time to time, an issuer will release a takeover notice and other information required under the Takeovers Code to NZX in respect of a takeover that involves another issuer. The Takeovers Code requires this information to be provided to NZX for release to the market.

Issuers will not be able to release information over other issuers' ticker codes using MAP. Accordingly, where an issuer is releasing information as required under the Takeovers Code, the issuer must follow the same process as other [third parties](#), in order to ensure NZX can release the information over the correct ticker codes. That is, issuers should email this information to announce@nzx.com, for NZX to release the information to the market.



However, if an issuer's announcement in relation to a takeover involving another issuer is a general announcement, that is, it is not required by the Takeovers Code, it should be released over MAP in the usual way.

Announcements released by NZX

Q: What does the change mean for announcements released by NZX?

- A: From time to time, NZX releases announcements in relation to issuers. These announcements include:
- Market operation's memos in relation to corporate actions
 - Announcements regarding an NZX or issuer initiated trading halt being placed or removed
 - Price enquiries issued by NZX, and the issuer's response

These announcements will continue to be released to the market by NZX. No administrative trading halt will be applied following the release of these announcements.

Further information

Q: Will training be provided to issuers on the changes?

- A: Yes, NZX will be offering training for all issuers. Training is scheduled for early May and further information will be provided to issuers in due course. NZX will also provide an updated MAP user guide.

NXT Issuers will be offered specific training due to the [change in announcement platform](#) being used.

Q: Where do I go to find out more?

- A: NZX will be communicating with issuers through various channels, including:
- On our website: <https://nzx.com/regulation/administrative-trading-halts>
 - Directly via email. If you would like to join the email distribution list, please email ATHproject@nzx.com.

The consultation documents previously published by NZX are available on our website here: <https://nzx.com/regulation/administrative-trading-halts>

Q: Who do I contact with questions?

- A: Please email questions to: ATHproject@nzx.com. Alternatively, you can call NZX's Client & Data Services team on 04 496 2853.

