

ASX Listing requirements

High level guideline of highlights in the listing rules

1. Minimum size

The ASX listing requirements are tailored to support both early stage and mature companies. Listing on ASX can be completed via an Initial Public Offering (IPO), where capital is raised at the time of listing, or via a Compliance listing, where capital is not raised at the time of listing.

The Listing rules set out the specific requirements that an organisation has to meet to list on ASX's market and are underpinned by a set of principles that ensure the quality of the market ASX operates. To be eligible to list on ASX, a company must satisfy minimum admission criteria, including structure, size and number of shareholders.

2. Spread (distribution) of shareholders

The company must have at least 300 shareholders with holdings valued at a minimum of \$5,000 each (changed from 1 July 2016 from \$2,000), and at least 50% of the company's shares must be held by parties unrelated to the company and its directors.

If between 50% and 75% of shares are held by related parties, the company must have at least 350 shareholders.

If more than 75% of the company's shares are held by related parties, the company must have at least 400 shareholders.

It is not necessary to have the required spread before the listing application is made. Typically, approval for listing is granted subject to the company meeting the shareholder spread requirement through the offer of shares associated with the listing application.

3. Board Structure

The Board must have at least three Directors of which two must reside within Australia. In addition, the Company must have a Company Secretary who also must reside in Australia. A Director can also act jointly in the capacity of Company Secretary.

Though not a listing requirement, it is recommended by the Listing Guidelines that the Board should meet at least on a quarterly basis.

Directors are required to declare their shareholding in the company by initially disclose by lodging an Appendix 3X, and any changes in shareholding by lodging an Appendix 3Y. Should the Director resign then a final disclosure, Appendix 3Z is required to be lodged.

4. Ongoing reporting

Financial reporting is required on a half yearly and annual basis in Australia. These reports are required to be audited and issued within a set deadline after the end of each period, within two months for the Appendix 4D- half yearly and Appendix 4E- annual preliminary reports and three months for the final audited annual report.

Certain companies that are listed under a listing category for companies without a track record of revenue or profit are required to also prepare and file quarterly cash flow statements. These reports, Appendix 4C, are due within one month from the end of the quarter and is not required to be audited.

In addition, mining and oil & gas exploration companies are required to file quarterly reports on activities including changes in tenement interests, issued and quoted securities. These reports, Appendix 5B, are due within one month from the end of the quarter and is not required to be audited.

5. Continuous Disclosure

Once the company becomes aware of any material information or events that affect it, that any reasonable person would expect to have a material effect on the price or value of the company's securities, the company must provide such information to the ASX for disclosure to the general market.

6. Shareholders Meetings

The Company must hold its Annual General Meeting within five months from the end of its financial year. The Notice of Meeting, once approved by the ASX must be sent to all shareholders with 28 days' notice.

The Company is also able to hold additional Extraordinary General Meetings throughout the year. The Notice of Meeting must also be approved by the ASX and the shareholders are required to be provided 28 days' notice.

7. Capital Raising

The Company must obtain shareholder approval to raise any additional capital, by way of shareholder resolution at a General Meeting of the shareholders.

The exception is under ASX Listing Rule 7.1, whereas the Company's Board is able to allocate up to 15% of the total securities on issue as additional securities through a capital raise. The issues of these securities can be at a price set by the Board, without any pricing limitations. Any shares issued in this manner, is required to be ratified at the next General Meeting of shareholders, whereby the 15% allocation capacity is then "reset" to enable further securities to be issued in this manner.

8. Dual listing – recognition of comparable obligations

A company that is already listed on a foreign exchange can also list on ASX. It can do this as a full ASX Listing or as an ASX Foreign Exempt Listing.

A company that dual lists on ASX as a full ASX Listing must generally comply with all of the ASX Listing Rules in the same way as an Australian company. However, ASX may in limited circumstances exempt companies already listed on a major stock exchange from compliance with specific ASX listing rule requirements.

A company that dual lists on ASX as an ASX Foreign Exempt Listing must comply primarily with the rules of its foreign home exchange and is exempt from complying with most of ASX's Listing Rules. The continuous disclosure rules do not apply to an ASX Foreign Exempt Listing, but it must immediately release on ASX any information that it publicly releases on its home exchange. Other than for certain New Zealand companies, very high financial thresholds apply for a company to be admitted as an ASX Foreign Exempt Listing.