

## NSX MARKET INSIGHTS

### UPDATE 1/19 – JANUARY 2019

Happy New Year and welcome to the first issue of NSX Market Insights for 2019. This issue is for the period October to December 2018 and covers:

- an overview of surveillance **queries issued** and **enforcement action** taken;
- an overview of **listing applications declined** by NSX;
- **participant updates**; and
- **Trading Calendar**

## 1. SURVEILLANCE ACTIVITIES

### Companies de-listed

In the period from October to December 2018, there were no companies de-listed from the Official List.

### Disclosure queries

Throughout the period October to December 2018, 12 public queries were issued to listed entities as follows:

Price Query	Awareness Query	Continuous Disclosure Query	Periodic Disclosure Query	General Query	Total
1	2	4	2	3	12

Disclosure queries are raised when the Exchange identifies information in the public domain relating to an issuer, where that information has not formally been announced to the market via the Exchange. The key themes observed across all company queries include:

- unexplained substantial change in price;
- new information found online which was not disclosed to the market;
- a significant change in financial reporting without explanation or a supporting announcement; and
- a significant change in business activities.

Issuers are reminded that in the event that an announcement cannot be lodged due to (exceptional) circumstances or time constraints, a trading halt must be requested to ensure that the market is appropriately informed.

### Companies suspended from official quotation

In order to maintain a fair, orderly and transparent market, the Exchange may place the securities of a company in a trading halt or suspend the securities from official quotation.

In the period from October to December 2018, 5 issuers remained in suspension due to an ongoing breach of a Listing Rule and 3 issuers were suspended due to voluntary request or failure to lodge the financial reports in a timely manner.

## 2. ISSUER UPDATES

### Listing applications declined

NSX continues to closely scrutinise applicants for listing against the requirements of the Listing Rules and the framework set out in the Suitability [Practice Note](#). Throughout the period October – December 2018, 6 listing suitability submissions were declined for reasons including:

- The absence of an existing and appropriate connection to Australia at the time of listing;
- Current or proposed Directors that don't have appropriate experience with governance practices necessary for a listed entity;
- The inclusion of modified opinions or emphasis of matter comments within historical audited financial statements; and
- Business models that are ill-defined or premature.

Issuers are reminded that suitability for listing must be maintained throughout the life of the listing. If an issuer fails to be suitable at any point post-admission, that issuer may be suspended or de-listed.

### JORC Application

Issuers are reminded that any announcements in relations to a Public Report Concerning a company's Exploration Target, Exploration Results, Mineral Resources or Ore Reserve must comply with the JORC Standard and signed off by a Competent Person. Practice Note for JORC can be found at- [link](#)

Any Exploration Results must be accompanied by a completed Table 1, template can be found at- [link](#)

### Major Financial Reporting Changes

Issuers are reminded that both full-year and half-year reports at 31 December 2018 must comply with new accounting standards on revenue recognition and financial instrument values. ASIC guidance on new accounting standards can be found at- [link](#).

## 3. PARTICIPANT UPDATES

### ASIC Reviews allocations practices in equity raising transactions

On 20 December 2018, ASIC published the findings from ASIC's review of allocations in equity raising transactions and associated conflict of interests in allocation decisions. Recommendations on improvements to licensee practices in the conduct of allocations can be found at - [link](#)

### **Market Integrity Rules**

NSX Participants are reminded that ASIC Market Integrity Rules (Securities Markets) 2017 have been in force since 5 November 2018. - [link](#)

From 6 May 2019, All NSX participants must comply with ASIC Market Integrity Rules (Securities Markets – Capital)2017- [link](#)

### **Trade Acceptance Service**

NSX has received approval from ASX Ltd (ASX) for its application for the Trade Acceptance Service (TAS) for clearing and settlement of trades executed on NSX cash equity market. Market announcement can be found at- [link](#)

### **New Participant**

NSX Welcomes FinClear Execution Limited as a participant. FinClear joins Canaccord and StateOne Stockbroking as one of three new brokers connecting to the NSX in the last 12 months.

## **4. TRADING CALENDAR**

### **Trading and Settlement Calendars**

Public holidays and the trading hours for 2019 can be found in the Trading Calendar 2018/2019 practice note- [link](#).