

NSX MARKET INSIGHTS

UPDATE 3/19 – JULY 2019

1. NOMINATED ADVISER UPDATES

Annual Statements

NOMADs will soon be receiving Annual Statements which includes how professional development is demonstrated and undertaken throughout the year and conflict management policies.

2. ISSUER UPDATES

New Listings

4th March 2019 - Technology Real Estate company 789 Holdings Limited (NSX:789) announced its listing on the National Stock Exchange after successfully completing its \$2.5 million capital raising with an initial market capitalisation of \$10 million - [link](#).

30th April 2019 - NSX listed Beroni Group Ltd has started trading on the OTCQX market under the symbol "BNIGF." As the first NSX listed company to be quoted on OTCQX, Beroni joins an impressive list of international companies on the OTC market which provides access to the US capital markets - [link](#).

Listing Applications

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](#).

In assessing suitability for listing, NSX consider a range of factors including:

- the existence of a clearly defined business model; and
- investment strategies that are likely to be understood by, and resonate with, Australian Investors.

Likely successful listing applications should include:

- a business model and structure that is investible by Australian investors;
- a demonstrable purpose for listing and the use of funds proposed to be raised; and
- An existing, sufficient, appropriate and compelling presence and connection to Australia at the time of listing.

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 after admission, that issuer may be suspended or de-listed.

Major Financial Reporting Changes

Issuers are reminded full-year reports at 30 June 2019 must comply with new accounting standards. These new accounting standards may significantly affect how and when revenue can be recognised, the values of financial instruments (including loan provisioning and hedge accounting), reported assets and liabilities relating to leases, accounting by insurance companies, and the general identification and recognition of assets, liabilities, income and expenses. The standards also introduce new disclosure requirements.

New accounting standards that will significantly affect reported results of many companies include:

- AASB 9 Financial Instruments (applies from years commencing 1 January 2018);
- AASB 15 Revenue from Contracts with Customers (applies from years commencing 1 January 2018);
- AASB 16 Leases (applies from years commencing 1 January 2019);
- AASB 17 Insurance Contracts (applies from years commencing 1 January 2021); and
- Amendments to standards to apply the new definition and recognition criteria in the Conceptual Framework for Financial Reporting (applies from years commencing 1 January 2020).

ASIC guidance on new accounting standards can be found at - [link](#).

3. DISCLOSURE REMINDERS

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;
- a significant change in financial reporting without explanation or a supporting announcement; and
- general financial disclosure addressing audit matters.

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.

4. PARTICIPANT UPDATES

24th May 2019 - National Stock Exchange of Australia available on Refinitiv. This NSX announcement sees Refinitiv completing its real-time market data and company announcements development and integration project for the NSX, which will in turn create a platform of opportunities for connectivity, placing NSX listed securities in reach of global investors, and form the heart of its product distribution infrastructure.

Market Integrity Rules

ASIC Market Integrity Rules (Securities Markets – Capital) 2017 ([link](#)) came into effect for all NSX Participants on 6 May 2019.

All NSX Participants have been granted a class waiver from the surplus liquid funds reporting requirement whilst the NSX Business Rules are being updated. Participants are required to submit the Risk based

return reports via email to
nsxmail@newc.bentleys.com.au.

ASIC released the **Consultation Paper 314** on 27th June 2019 seeking feedback on proposed market integrity rules for securities and futures market operators and market participants to promote the resilience of their critical systems. Please review the consultation paper ([link](#)) and proposed rule amendments ([link](#)) and submit your comments to ASIC before 9th August 2019.

5. GENERAL UPDATES

8th July 2019 - National Stock Exchange of Australia signs updated terms to the capital raising mandate with CPS Capital Group Pty Ltd for a proposed share placement of up to \$10 million with attaching options – [link](#).

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