**Our Work**

- Grant relief, review documents, provide guidance and undertake surveillance in relation to:
  - control transactions;
  - fundraising;
  - related party transactions; and
  - corporate governance
Fundraising – Policy and project update
Hybrids and other bonds

- Hybrid Securities
  - continued focus on disclosure of features and risks
  - analysis of sales processes
- Corporate Bonds
  - Treasury work on vanilla bonds
- Australian Government Bonds
  - commenced May 2013
Fundraising: Debentures

• Unlisted debentures
  – CP 199 reform to strengthen regulation
  – APRA consultation - ‘at call’ products
  – review of unlisted debenture issuers

• Charities
  – CP 207 Charitable investment fundraisers
Fundraising: Electronic disclosure

• Project to review:
  – RG 107: Electronic prospectuses
  – CO 00/44: Electronic disclosure documents, electronic application forms and dealer personalised applications
• Intention to reflect the current law and practices as well as technological advances
• Consultation expected mid 2013
Fundraising: Further Corporations focus

- Emerging market issuers
- ASX rules for Mid-Caps
Corporate Governance
New policy: Operating and financial review

- RG 247: Effective disclosure in an operating and financial review
- Guidance has been provided to promote better communication of useful information to investors, and to assist directors in complying with s299A
- Focus on quality not quantity
Executive remuneration

• Remuneration reports and the two-strike rule:
  – monitoring the rules
  – AGM results of companies
  – market impact
Employee share schemes

• Project to consult and refresh our policy in:
  – CO 03/184: Employee share schemes
  – RG 49: Employee share schemes
• Key consultation issues will include:
  – performance rights
  – scope of the classes of employees (contractors and casual employees)
  – requirements for trusts, contribution plans and loan arrangements
Related party transactions

• Requirements for preparing explanatory statements for related party transactions:
  – value the benefits
  – disclose existing interests
  – Director’s recommendations
  – explain the alternatives

• Applications for abridgement of time of the lodgement period
Continuous disclosure

• Updated ASX Guidance Note 8
• Continuous disclosure – working with the ASX
• ASIC’s approach to enforcement
  – Information Sheet 151
JORC Update
ASX amendments to Chapter 5 of Listing Rules and the new JORC Code

- JORC Code 2012 edition will apply from December 2013
- Implementation – new or old rules apply – no “cherry-picking”
- Key changes – strict requirements
- Consistent with our policy in RG 170: Prospective financial information, there must be reasonable grounds for forecasting a production target
- ASIC focus – predictive and investment-inducing statements about future matters
Takeovers – Policy and project update
Takeovers policy review

• RG policy update following ASIC Consultation Paper 193 relating to:
  – relevant interest and substantial holding notices
  – exceptions to the s606 prohibition
  – takeover bids
  – compulsory acquisitions and buy-outs
• Expected release: mid 2013
Independent expert reports in control transactions

- Item 7 of section 611 transactions
- “Fair” in ASIC Regulatory Guide 111
- The right approach – comparing the fair market value of the company shares pre-transaction on a control basis, with the fair market value of company shares post-transaction on a minority basis
Further policy update
Other ASIC initiatives

- Enforcement outcomes report
  - ASIC Report 336: Enforcement outcomes: July to December 2012 released April 2013
  - Information sheet 172 Cooperating with ASIC
- High frequency trading (HFT) and dark liquidity
  - background – market developments
  - consultation and report
- Registered managed investment scheme constitutions
  - update our policy in Regulatory Guide 134: Managed investments: Constitutions
Questions

Next meeting: late 2013