



Corporate Finance Liaison



ASIC

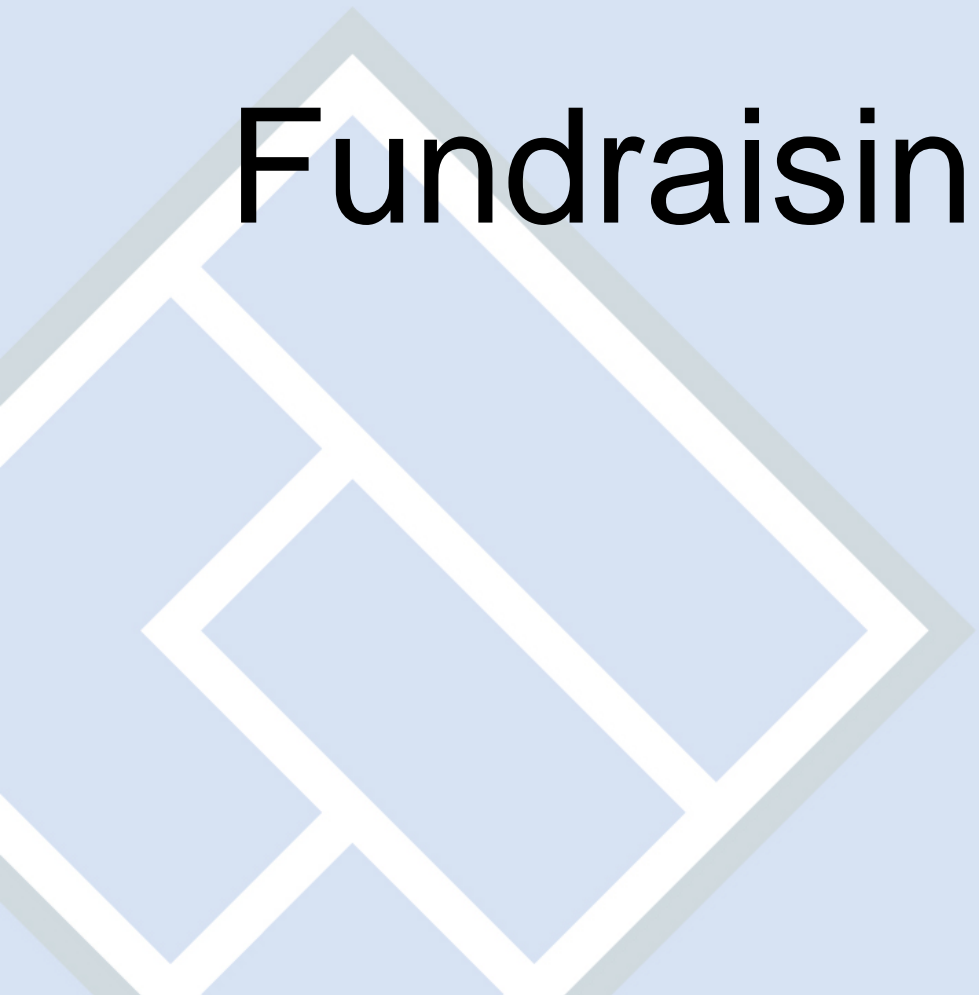
Australian Securities &
Investments Commission

November 2013

ASIC wide issues & statistics

- Senate Inquiry
- ASIC Stakeholder Survey
- ASIC Report 371 *Overview of decisions on relief applications (February to May 2013)*
- Lodgement statistics

Fundraising Issues



Hybrids

- ASIC Report 365 *Hybrid Securities*
- Need for effective prospectus disclosure
- Use of non-prospectus selling documents
- ASIC continues to work with issuers, educate investors and monitor advertising

Emerging market issuers

- ASIC Report 368 *Emerging Market Issuers*
- Challenges for EMIs include:
 - Complex ownership
 - Risk management/corporate governance
 - Reliable information
- Transparent disclosure & investor education

Forecast financial information

- Forecasts in prospectuses – ASIC focus
- ASIC Regulatory Guide 170: *Prospective Financial Information*
- Disclosure of assumptions
- Forecasts in continuous disclosure announcements

Electronic disclosure

- Electronic distribution of disclosure documents
- CP 211 *Facilitating electronic offers of securities: Update to RG 107* (June)
- Updated guidance to reflect market practice & technology
- Publish late 2013/early 2014

Unlisted debentures & charities

- Unlisted debentures – ASIC has made recommendations to Treasury
- Charities – review of exemptions for debentures and managed investment schemes

Mining & Exploration - JORC

- New ASX listing rules and JORC code effective December 2013
- ASX JORC FAQs
 - Transition
 - Competent persons
 - Exploration targets
 - Production targets

<http://www.asxgroup.com.au/asx-mining-reporting-faqs.htm>

Pro rata rights offers

- Disclosure:
 - control effects and underwriting
 - *Coppermoly* Panel decision
- Section 615 nominees

Other fundraising issues

- Crowd sourced equity fundraising – CAMAC Discussion Paper
- FoFA and stamping fees – ASIC Market Supervision Update (Issue 38)

Mergers & Acquisitions



Takeovers Regulatory Guides

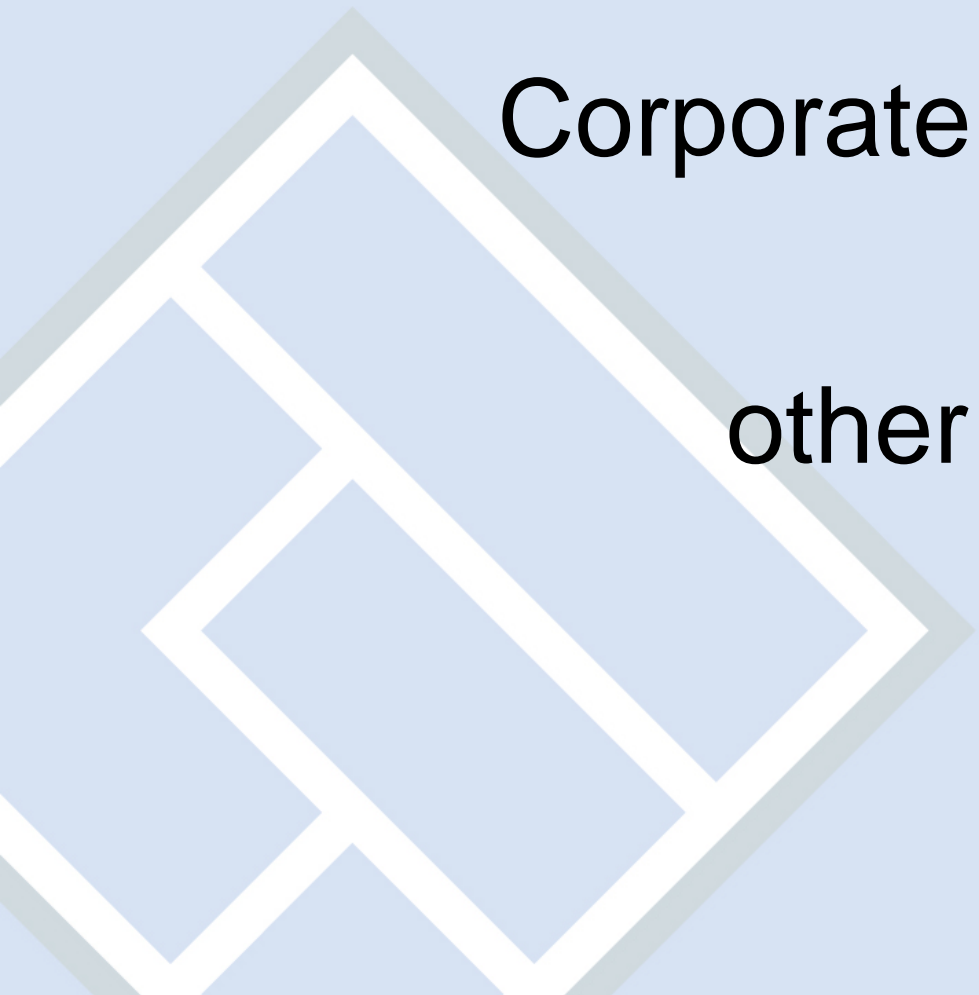
- Four new guides released in June (Regulatory Guides 5,6,9 and 10)
- 11 new class orders (CO 13/518 – CO 13/528)
- Key changes and clarifications:
 - Joint bids
 - Termination of underwriting
 - Financial accommodation: s609(1)
 - Acceptance facilities

Takeovers Enforcement

- Identifying matters that warrant enforcement action
- Pro rata rights offers – *Laneway* Panel matter
- Substantial holding disclosure

Independent expert reports

- Item 7 of section 611 transactions: ASIC Regulatory Guide 111
 - should compare shares pre-transaction on a control basis, with the shares post-transaction on a minority basis
- Convertible notes
 - Full fairness assessment required
- Independence of experts: ASIC Regulatory Guide 112



Corporate Governance & other matters

Employee incentive schemes

- ASIC Consultation Paper 218 *Employee incentive schemes* released in November
- Fundamental settings will not change, expand scope of relief
- Issues:
 - Type of financial products
 - People who can be made offers
 - Non-executive directors
 - Unlisted bodies
 - Lodgment requirements
 - ASIC determination power

Confidential information

- Analyst briefing review
- Transaction review
- Report findings in first half 2014

Stapled securities

- ASIC Consultation Paper 217 *Presentation of financial statements by stapled entities*
- Combined financial reports for stapled securities.
- Submissions close 30 November

Next meeting

- Structure of liaison meetings
- Next meeting May 2014
- Questions?