Corporate Finance Liaison
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

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?