



Corporate Finance Liaison



ASIC

Australian Securities &
Investments Commission

May/June 2014

Welcome

- Lodgement statistics
- Compared to previous two years:
 - prospectuses slightly down (includes secondary capital raisings)
 - slight increase in bidder's statements
 - decline in Part 5.1 schemes

Fundraising issues

ASIC review of documents

- Investment Overview
- Due diligence inquiries

Electronic prospectuses

- Regulatory Guide 107 *Fundraising: Facilitating electronic offers of securities*

Fundraising issues

Complex products

- MoneySmart website/Investor quiz
- ASIC Report 384 *Regulating Complex Products*

CDIs

- Consultation Paper 220 *Fundraising: Facilitating offers of CHESSE Depository Interests*
- Clarify foreign company is responsible for disclosure

Fundraising issues

Sunseting class orders

- Most class orders sunset after 10 years
- This year: disclosure class orders for foreign companies

Enforcement action

- Former director of Aluminex Resources pled guilty to providing false and misleading information to ASX
- Sentenced to 14 months jail, minimum 5 months

Mergers and Acquisitions

Independent experts

- Reviews of the independence of experts

Abuse of takeover exceptions

- Concerns about reliance on s611 exceptions in some cases – e.g. rights issues, underwriting etc.

Professional fees

- ASIC expects explanatory statements for scrip schemes to disclose a breakdown of professional fees

Takeovers enforcement

Paul Choiselat

- alleged false disclosure of interests

Mariner Corporation

- alleged reckless announcement of bid for Austock

Northwest Resources

- cancellation of substantial parcel of shares

Mergers and Acquisitions

Substantial holder notices

- Continued focus by ASIC

Corporate Governance

Director share trading

- Roundtable on director share trading
- Encourage the “front page” test to be used

Confidential information

- ASIC Report 393
- Capital raisings – heavy reliance on advisers and concerns about soundings
- Further work on sell-side analysts

Corporate Governance

Employee share schemes

- Responses to ASIC consultation
- High level support for proposals but some divergent views on specific issues

Collective action

- Review of RG128 and [CO 00/455] on collective action by institutional investors
- Consultation later this year

Other issues

- Audit quality (Info Sheet 196) & auditor resignation proposal
- Senate Inquiry and FSI
- Deregulation initiatives
- Costs savings for relief applications
- Self-service Lodgement Kiosks