Corporate Finance Liaison
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 CHESS Depositary Interests*
• Clarify foreign company is responsible for disclosure
Fundraising issues

Sunsetting 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
<table>
<thead>
<tr>
<th>Company</th>
<th>Issues</th>
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<tbody>
<tr>
<td>Paul Choiselat</td>
<td>• alleged false disclosure of interests</td>
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<tr>
<td>Mariner Corporation</td>
<td>• alleged reckless announcement of bid for Austock</td>
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<tr>
<td>Northwest Resources</td>
<td>• cancellation of substantial parcel of shares</td>
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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
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