Law Council
OF AUSTRALIA

Business Law Section

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By email: policy.submissions@asic.gov.au

Dear Ms Hussein,

Submission on ASIC Consultation Paper 328

The Corporations Committee of the Business Law Section of the Committee of Australia (the **Committee**) welcomes the opportunity to provide this submission to ASIC in response to Consultation Paper 328 *Initial public offers: Relief for voluntary escrow arrangements and pre-prospectus communications* (**CP 328**).

Annexure 1 to this letter contains our specific submissions in response to each of the Australian Securities and Investments Commission's (**ASIC**) questions concerning its proposals.

As an overarching comment, the Committee is strongly supportive of the grant of relief of the kind proposed and is confident that doing so will save IPO candidates from incurring unnecessary costs associated with the preparation of relief applications and ASIC filing fees as well as freeing up ASIC staff for other activities.

However, the Committee does not think there is a need to impose complex conditions on the proposed voluntary escrow relief when, in most cases, the relief will not be technically required so long as the escrow arrangements are put in place before the company becomes subject to the takeover provisions. Accordingly, in the Committee's view the relief should be framed quite simply and be generally available (or if conditions must be imposed then those be limited to conditions that are substantively essential, which, given ASIC's policy concerns, would be limited to a requirement that the escrow deed must contain the standard exception to allow the acceptance of takeover bids or sale into successful schemes of arrangement on usual terms)..

In respect of the proposed relief for voluntary escrow arrangements (the proposals in category B), the Committee is strongly in favour of the general relief outlined in proposal B1 and has made a further suggestion for relief in the interests of orderly markets in connection with escrow arrangements.

The Committee also generally agrees with the balance of the proposals in this category, subject to some suggested changes that, in the Committee's view, would better align the relief to market practices concerning voluntary escrow which is necessary to ensure that

these devices may continue to be used to support IPO activity in Australia. We note that the Committee does not agree with the imposition of any maximum limit as described in proposal B3, for the reasons detailed below in the Annexure.

In respect of the proposed relief for pre-prospectus communications (the proposals in category C), the Committee agrees that clarity around these communications is welcomed and has made some suggestions so that proposed relief better aligns with current practice. In particular, we would like to see this relief extended to a wider group of stakeholders (to encompass communications with persons such as advisers), and for the relief to continue indefinitely (to accommodate for IPOs processes which are delayed or put on temporary pause, which is increasingly common given market volatility).

The Committee would be pleased to discuss this submission if that would be helpful. Please contact Shannon Finch, Chair of the Committee at shannonfinch@jonesday.com or (02) 8272 0500, or Adam D'Andreti at adandreti@gtlaw.com.au or (02) 9263 4375, if you require further information or clarification.

Yours faithfully,

Greg Rodgers
Chair, Business Law Section

Proposal	Question	Law Council Response
Relief for voluntary escrow arrangements		
B1 We propose to use ASIC's modification powers in Chs 6 and 6C to grant conditional relief from the takeovers provisions: see s655A(1)(b) and 673(1)(b). Under this relief, certain entities (see proposal B2) would not have a relevant interest in securities merely because they required certain security holders to enter into voluntary escrow arrangements.	B1Q1 Do you agree with our proposal to grant relief for voluntary escrow arrangements? If not, why not?	**We agree with proposal B1.** We have also included a suggestion for an additional measure on joint holder escrow relief that, in the words of paragraph 10 of the Consultation Paper "facilitates a fair, orderly and transparent market by aligning the interests of the particular restricted parties with the interests of other holders". This appears in Annexure 2 to this document. For companies seeking to IPO, the proposed relief would also assist with the marketing of IPOs where the proposed relief is relevant, which we anticipate to be of particular importance to the IPO market once we pass this period of increased volatility and uncertainty.
B2 We propose to provide the voluntary escrow relief to: (a) public companies undertaking an IPO; (b) professional underwriters; and (c) lead managers.	B2Q1 Do you have any comments on our proposal to provide relief to public companies, professional underwriters and lead managers?	**We do not have any objection to providing relief to those persons described in proposal B2.** However, the Committee recommends that ASIC add clarification in the instrument that where joint underwriters or lead managers enter into the escrow arrangement, they will not be deemed by that fact alone to be associates (which would be an additional consideration in relation to substantial holding reporting)
B3 We propose to impose a limit on the total percentage of escrowed securities that a listed company can have on issue at the time of admission to a prescribed financial market, as a condition of our relief. This limit would either be:	B3Q1 Which of the maximum limits should be the total permitted percentage of escrowed securities (including securities under listing rule escrow arrangements) under the relief for voluntary escrow arrangements? Please explain why.	**We do not agree with imposing either of the suggested maximum limits in proposal B3.** By capping the number of escrowed securities that an entity can have on issue at 50% or 75%, ASIC would be effectively imposing a higher free float requirement than the 20% threshold imposed by ASX under Listing Rule 1.1, Condition 7. The Committee is of the view that

Proposal	Question	Law Council Response
(a) up to 50% of all securities in the listed company; or (b) up to 75% of all securities in the listed company. The limit would include securities subject to listing rule escrow arrangements.		there is no commercial justification or benefit in proposing *any* such restrictions. This may have the effect that some IPO transactions cannot be successfully executed (since it cannot always be guaranteed that an offer size representing more than 20% of shares on issue can be achieved). Also as a consequence of the mismatch between the proposed limits, and the ASX free float requirement, it would be possible that less than all of the shares of founders, sponsors or other major shareholders are made subject to voluntary escrow. This would not support future IPO transaction activity in Australia, given the importance of escrow in aligning the interests of new investors and existing holders (and the confidence that this provides to investors to participate in IPO transactions). Such a restriction may also have a distortive effect on the IPO market. Some entities *will not* be required to rely upon the proposed relief of the kind described in Proposal B2. This occurs where the party receiving the benefit of the escrow restriction (typically the issuer) enters into the escrow deed *before* Chapter 6 applies to the listing entity and does not subsequently increase its relevant interest. Most commonly this is the case where the escrow restriction is in favour of the issuer, it is executed prior to lodgement of the prospectus (at which point in time the relevant interest arises) and the issuer is an already existing company (i.e. no new holding company is interposed at the point of completion of the IPO). An issuer in that situation which had voluntary escrow over 80% of its shares would only be subject to ASX's 20% free float requirement and not the proposed higher threshold of 25% or 50%.

Proposal	Question	Law Council Response
		We do not think it would be appropriate for different entities to be subject to different free float thresholds merely because one entity needs to rely on ASIC's relief and the other does not. The limits could also give rise to unintended complications, depending on the relevant circumstances. For example, the proposal appears to suggest that the threshold would be tested "at the time of admission". In some IPOs (for example, where settlement occurs on a deferred and conditional trading basis) the time of admission could be before the completion of the IPO when (because the new shares have not yet been issued) the escrowed securities may exceed 75%/80%. Similarly, it is unclear whether the maximum thresholds would apply to convertible securities and therefore. whether they would count toward the threshold when issued (i.e. at the time of admission), or only on conversion. The Committee considers that if ASIC does consider that a limit is needed, it should be based on the undiluted share capital as at the time of completion of the IPO. Furthermore, although we acknowledge ASIC's long-held concerns that escrow arrangements may act as a deterrent to takeovers, we query whether the existence of escrow has ever made any practical difference to the market for control of ASX listed entities (particularly given the requirement to include a release of the escrow restriction where at least half of the non-escrowed shareholders accept the bid or the scheme is otherwise passed with the requisite majorities). Additionally, if a listed entity did have escrowed shareholders who together held more than 75% of shares, those holders would be in a position to determine the success of a vote on a scheme of

Proposal	Question	Law Council Response
		arrangement or the outcome of a takeover bid *regardless* of the existence of an escrow restriction (given the voting approval thresholds applicable to schemes and the compulsory acquisition requirements which apply to takeover bids). Accordingly, the Committee urges ASIC *not* to impose any limits on the number of escrowed securities that a listed company can have on issue as at completion of the IPO.
B4 We propose to allow escrowed securities to be transferred when: (a) the transfer does not involve any change in the beneficial ownership of the escrowed securities; (b) the transfer does not extend the duration of the original voluntary escrow arrangements; and (c) the transferee agrees to inherit the same restrictions on voting and disposal under the original voluntary escrow arrangements.	B4Q1 Should the voluntary escrow relief allow for transfer of some or all of the escrowed securities in the circumstances described in proposal B4?	**The relief should allow for transfer of all of the escrowed securities in the circumstances prescribed in proposal B4.** The Committee does not object to the permitted transfer concept (as expanded) provided the relief instrument operates if the "permitted transfers" contained in the escrow agreement are consistent with those in the instrument (see response to B4Q2 Below).
	B4Q2 Should we consider permitting the voluntary escrow relief to continue in any other situation where the original restricted security holder no longer owns or holds the beneficial interest in the securities?	**The relief should continue to other situations where the original restricted security holder no longer owns or holds the beneficial interest in the securities.** The circumstances described in proposal B4 and B5 are narrowly described. There are a number of other circumstances that would involve a change in the beneficial ownership of the escrowed securities, that are viewed as standard permitted transfers (and which ASIC has in the past accepted in granting this relief), to which the relief should also apply. These include: (a) The transfer (in one or more transactions) of any or all of the escrowed securities to an “Affiliate”

Proposal	Question	Law Council Response
		or an "Affiliated Fund" of the holder provided that such Affiliate or Affiliated Fund agrees to enter into a deed on the by the same terms and conditions of the deed entered into with the holder; ***Note 1:*** "Affiliate" means any other person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the holder or controller and, for the purposes of this definition, a general partner is deemed to control a limited partnership of which it is the general partner and, a company, trust, general or limited partnership or fund advised or managed directly or indirectly by a person or any of their Affiliates will also be deemed to be controlled by such person; ***Note 2:*** This would also apply in the circumstance of a controller of the holder (if any) transferring its controller interests to its Affiliates or and Affiliated Fund. ***Note 3:*** the Affiliate concept is an appropriate reflection of the reality of many holding structures and is and will remain a typical exception in escrow deeds which don't require relief. That is to say, the Committee believes that the conditions should take into account that voluntary escrow is a *commercial* device to assist in marketing an IPO (rather than a market integrity measure imposed by ASX) and given that it is market practice for exceptions to be expressed as broadly as outlined above, any relief should facilitate that.

Proposal	Question	Law Council Response
		(b) granting of an encumbrance of the securities in favour of a bona fide third-party financial institution; (c) transfer of the securities on the death or incapacity of the original restricted security holder; and/or ***Note 1:*** it appears that ASIC's position, in this situation, is that escrow should fall away and the Company therefore would no longer need the benefit of the relief. However, we note that this exception is typical and should be included, as there could be significant holdings where the market would expect the escrow to continue notwithstanding the death or incapacity of the significant holder. (d) any other dealing as required by any applicable law. In each case provided that the transferee agrees to abide by the same restrictions on disposal as the original holder. In addition, there is a well-established practice (at least in sponsor-led IPOs) whereby part of the escrowed shareholding may be released from escrow restrictions following the publication of the next set of financial results of the issuer in circumstances where share price performance has exceeded a stated target (known as 'early partial release'). Given that such arrangements result in restrictions being lifted earlier than might have otherwise been the case, we see no reason in principle why such arrangements ought also not to be contemplated by the relief. It is very important these conditions be expressed in terms that the *form* of the escrow deed include those

Proposal	Question	Law Council Response
		exceptions rather than that any transfers which subsequently occur only be in accordance with those carve outs (to put it another way, the issuer or other persons reliant on the relief should not lose the benefit of the relief if a transaction is entered into in the future by the escrowed holder or controller which is in breach of the deed).
B5 We propose that, to meet the requirement in proposal B4, the transfer (of legal title) must be: (a) by the beneficial owner to a trustee or nominee who will hold the escrowed securities solely on behalf of the existing beneficial holder; (b) to a new trustee or nominee who will hold the securities solely on behalf of the existing beneficial owner; or (c) to the beneficial owner who will obtain legal title to the securities and maintain its existing beneficial interest.	B5Q1 Do you agree with our list of circumstances in which transfer will meet the conditions of our relief?	**As above, the circumstances in proposal B4 are in the Committee's view too narrow and therefore the list of circumstances in proposal B5 are similarly too narrow.** In particular, this formulation would restrict flexibility around allowing the transfer of securities to affiliates (as described above in our response to B4Q2).
B6 We propose to grant conditional relief to facilitate voluntary escrow over securities issued: (a) under or in connection with the IPO; or (b) before the IPO to a promoter, seed capitalist, vendor or service provider.	B6Q1 Should the relief only apply to the circumstances in proposal B6? If not, please outline any other circumstances the legislative relief ought to apply to and provide reasons for your submission.	**We agree the relief should apply to the circumstances in proposal B6, but recommend that in respect of existing securities, relief is not restricted to the issue of securities to certain categories of people.** We welcome the clarity that the relief will extend to previously issued shares as well as to new shares (contrary to the current position expressed by ASIC in Regulatory Guide 5 at paragraph [263]).

Proposal	Question	Law Council Response
		However, in respect of existing securities, we recommend that the relief is not tied to securities issued to a particular class of persons (in this case, to a promoter, seed capitalist, vendor or service provider). There is uncertainty over the scope of these terms, and limiting the relief to certain people would exclude other groups that could merit relief (such as employees). There is no clear policy rationale for carrying into the instrument concepts used in the ASX Listing Rules in relation to mandatory escrow. Contrary to ASX-imposed escrow, voluntary escrow exists purely for commercial reasons, and there should not be a need to assess whether an existing holder falls into one of those categories in order to rely on the relief (this proposal also runs counter to the objective of reducing red tape).
B7 We propose to retain the conditions and requirements for voluntary escrow relief, which are currently set out in Table 11 of RG 5. In summary: (a) the escrow arrangement must restrict disposal and not voting; (b) the escrow arrangement must allow the holder to accept into a successful takeover bid and allow the securities to be transferred or cancelled as part of a merger by scheme of arrangement; Note: We will define a 'successful bid' as one where 50% of the bid-class securities that are not subject to escrow, and to which	B7Q1 Do you agree with the proposed conditions and requirements?	**We agree with the proposed conditions and requirements subject to the additional point made in Annexure 2.**
	B7Q2 What concerns (if any) do you have with the proposed circumstances and conditions to be imposed?	**We do not have any concerns about the proposed circumstances and conditions.**
	B7Q3 Are there any other conditions that ought to apply to voluntary escrow relief?	**We do not have any conditions to add.**

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the offers under the bid relate, have been accepted. This applies to a full or a proportional bid. (c) the escrow arrangement must terminate no later than: (i) two years after the date of entry into the arrangement with a listed company; and (ii) one year after the date of entry into the arrangement with a professional underwriter or professional lead manager; (d) if the securities that are subject to escrow are issued under a prospectus, the company must disclose the details of the voluntary escrow; and (e) an entity relying on this relief will still acquire a relevant interest (under s671B) as a result of entering into the escrow arrangement. They must notify the relevant company and the market, and include relevant documents in the notice given to the relevant market operator.		
Relief for communications about an IPO before lodging a disclosure document		
C1 We propose to use ASIC's modification powers (in s741(1)(a) of the Corporations Act) to grant relief to allow	C1Q1 Do you agree with proposal C1? If not, please explain why.	**We agree with proposal C1 however, in our view, it should apply to a broader set of people.** See response to C1Q2 below.

Proposal	Question	Law Council Response
companies to communicate factual information about a planned IPO to security holders and employees before the company lodges a disclosure document.	C1Q2 Should factual communications to any other persons be permitted under the proposed relief? If so, please explain why.	**Factual communications about the IPO should also be permitted under the proposed relief to all persons engaged by the company to do work in connection with the IPO**, being: (a) the underwriter or lead manager as well as any sub-underwriters or co-managers; (b) the company's advisers (such as lawyers, accountants, tax advisers, PR advisers etc.); and (c) any other experts (such as remuneration consultants, IP or IT consultants and typesetters), and their respective employees and contractors (together, the **Working Group**) This would reflect the reality that there are disclosures of information made to such persons and avoid any doubt about whether providing information about the IPO could amount to an inadvertent breach of s 734. Also, while not specifically addressed in the proposal, the Committee notes that the relief should apply to communications *made by* the entire company group (if applicable) to the people mentioned above, (i.e. it should not be limited to communications made by the TopCo or current parent Company).
C2 We propose to require a company that relies on our relief to: (a) make the exempted communications in writing; and (b) update recipients of the exempted communications if the information	C2Q1 Do you agree with the proposed requirements of relief, set out in proposal C2?	**We do not agree with proposal C1 to the extent that it limits relief to *written* communication.** Again, there would not be any policy benefit in creating uncertainty about whether verbal communications (which are capable of being construed as advertisements or publications relating to an offer) have the benefit of this relief. The entity would still have the obligation to provide updates if the information

Proposal	Question	Law Council Response
previously provided is no longer accurate or up to date.		previously provided was no longer accurate. Additionally, common current relief provided by ASIC speaks of "statements communicated" and does not refer to statements "in writing". We consider this is appropriate in circumstances where, to obtain the benefit of the relief, such statements may not include the advantages, benefits or merits of the IPO (given other proposed conditions of the relief). Accordingly, the risk of investor harm is low to non-existent. In relation to proposal C2(b) specifically, the requirement to update recipients is not part of current standard relief provided by ASIC. The Committee's view this requirement is not needed because it is already covered by the company's general obligations not to mislead or deceive.
	C2Q2 Do you support any additional conditions to mitigate the risks of misinformation and drip-feeding of information about an IPO? If so, please include details of any measures you support to achieve this objective.	**We do not propose any additional conditions.**
C3 We propose to require companies relying on the relief to only communicate the permitted content in Table 1 to employees and security holders. The relief is conditional on the company not providing any communication of the advantages, benefits or merits of the IPO.	C3Q1 Do you agree with the proposed permitted content of exempted communications, as set out in proposal C3? If not, please outline your concerns with the proposed circumstances and restrictions.	**We agree with the proposed permitted content subject to the following additions being made:** (a) Employees and the Working Group should be permitted to receive the pathfinder prospectus. This is what happens in practice (as employees are involved in verification and drafting the prospectus and advisers assist with drafting the prospectus); (b) The permitted communications to security holders should include any communication

Proposal	Question	Law Council Response
		about a FloatCo or analogous structure (currently Table 1 in the consultation paper only contemplates communications about a SaleCo structure); (c) communications about a potential or expected price range for the sale securities with selling shareholders should also be deemed 'factual' communications for the purposes of the relief. The Committee's view is that, in practice, it would be very difficult to discuss a proposed sale facility with selling shareholders without communicating about a potential or expected price for those securities, even if the implication of the discussion is a benefit of the IPO. We think It would be helpful if ASIC could clarify its view on these types of communications in the relief instrument and note that in the past ASIC has granted this relief on conditions consistent with those proposed to be included in this relief instrument (including that pathfinder prospectuses not be shared with retail investors); (d) the permitted communications should include communications to employees or securityholders in relation to treatment or restructures of *existing* remuneration or incentive arrangements, or securities including options. The current drafting in Table 1 appears to only apply to "proposed offers" and "employees", which may have the unintended effect of excluding communications about existing plans, as well as communications to ex-employees.

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		The Committee also suggests that the ASIC relief cover communications regarding the use of powers of attorney, or a request for a securityholder to enter into a power of attorney, in respect of matters concerning any sale facility, corporate restructure in connection with the IPO, approvals under any existing shareholders agreement in connection with the IPO or any required corporate actions.
	C3Q2 Are they any other conditions we should impose on companies that rely on this relief?	**We do not propose any additional conditions.**
C4 We propose to require a company that relies on our relief to: (a) make the exempted communications in writing; and (b) update recipients of the exempted communications if the information previously provided is no longer accurate or up to date.	C4Q1 Should the relief allowing a company to make exempted communications apply for a specific amount of time?	**We do not think that the exempted communications should need to be made in writing (see response to C2Q1 above) nor be subject to a time limit.** It is common practice for IPO transactions to start and then pause for a period of 12-18 months (due to e.g. market conditions or for other commercial reasons). Companies should not lose the benefit of the proposed relief simply because the timetable of the transaction has changed to push it beyond the proposed 6 month period. Since the proposed relief applies purely factual information about the IPO (and not to the merits of investing in the offer), there should be no harm in allowing the relief to continue indefinitely from a policy standpoint.
	C4Q2 If your answer to question C4Q1 is: (a) yes, do you consider relief for a period of up to six months from the first exempted communication appropriate? If not, what is the appropriate time period and why?	**The relief should apply indefinitely.** See response to C4Q1 above.

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	(b) no, should the relief apply indefinitely?	
	C4Q3 Is it preferable that the relief apply to each exempted communication, and therefore no end date apply?	**The relief should apply indefinitely on and from the time it is first relied upon.** See response to C4Q1 above.
	C4Q4 Please outline any unintended consequences you have identified may arise as a result of ASIC: (a) limiting the duration of the relief; (b) allowing the relief to apply indefinitely; or (c) drafting the relief to apply to each specific communication about an offer, such that a specific relief end date is unnecessary.	**We have not identified any unintended consequences (apart from that described in our response to C4Q1 above).** We would only add that it would involve somewhat of an artificial exercise if the relief were to apply to discrete communications. In many cases it may be unclear whether a communication is an "advertisement" or "publication" falling within the terms of s 734. In any event, we do not see any benefit in seeking to apply the relief in this way.
	C4Q5 Please provide details of appropriate strategies to deal with any consequences identified in question C4Q4.	**We have not identified any unintended consequences (apart from that described in our response to C4Q1 above).**

Annexure 2 – B1 Additional Issue: Joint holder escrow relief

The Commission's proposals on escrow relief have historically focused on the entity undertaking the IPO, underwriters and lead managers. The Corporations Committee believes that there is one instance in respect of which relief should be granted to joint holders of escrowed securities.

Where there is more than one significant holder of securities subject to escrow, an issue arises at the time of escrow release which has the potential to create disorderly markets.

That issue is that individual conduct by holders at that time of escrow release is materially less desirable than collective conduct. Examples of this issue are as follows:

- Sale on-market at the time of escrow release by any party holding a material stake is likely to have a significant negative impact on the market price of the securities (and on-market sales by multiple parties more so).

- Sale by block trade will facilitate a more orderly market, however, if not all escrowed holders participate in that sell-down, the clearing price of any bookbuild will be depressed (because bookbuild participants will price in the risk of market overhang and uncertainty of what other large previously escrowed holders will do with their stock).

- On the date of escrow release, individual security holders will be incentivised to "front-run" each other because of the risk that sales by others will soak up buying demand and depress the market price of the security.

In other words, significant market dislocations can result from escrow release where there are multiple large escrow holders. This has implications for all holders of securities at the time of escrow release and also the potential for an impact on IPO pricing.

Sophisticated equity capital markets outside Australia have developed lock-up and tag mechanisms to address this issue. For example, in the United Kingdom numerous deals have had these arrangements, including ones involving Worldpay, ConvaTec, Ascential, McCarthy & Stone, Virgin Money and Merlin Entertainment. The tag provides the opportunity for all significant escrowed parties to tag along with the first-mover at the time of escrow release (ie sell the same proportion of escrowed securities into the block trade or other disposal implementation route). The lock-up provides a meaningful further escrow on all securities not covered by that first sale and tag (eg 60-90 days).

Each of these measures is designed to facilitate orderly markets.

The problem with implementing these mechanisms within the Australian regulatory environment is that they will cause the escrowed holders to have both a relevant interest in each other's shares and an association from the time of IPO right through to the date of final escrow sell-down. And the problems that causes are many. For example, it means that those holders will collectively have a 3% creep limit between them (so again there will be an incentive to front-run each other each 6 months) and that those that have holdings below 20% are limited in acquiring more securities. In addition, where their positions are individually below 5% they will have substantial holding notification obligations that they would not have had both in respect of their own interests where still below 5% and also in respect of changes to the relevant interests of the other escrowed security holders with the locked-up and tagged group.

To address the issue, the Corporations Committee asks the Commission to do the following:

1. Provide relevant interest relief for *joint holders of escrowed securities* who enter into lock-up and tag arrangements solely in respect of escrow release in the interests of orderly markets at that time.
2. Provide association relief in respect of these arrangements.
3. Add back an initial substantial holder notification obligation that requires the escrowed holders to notify the arrangements once at IPO and then again each time there is a sell-down in escrowed securities that are the subject of the arrangements so that the market is fully informed about the securities under escrow and the terms and conditions of the escrow arrangements.

Nothing in the above relief would change the individual substantial holding notifications of each holder. The relief would simply remove an impediment to entry into arrangements which protect the post-escrow release market experience.

The Committee appreciates that the relief would only apply where there are in fact multiple large escrowed holders in an IPO. Accordingly, if the Commission is more comfortable giving that relief on an "on-application" basis, that would be equally helpful provided some discussion of the availability of the relief is telegraphed in the discussion or implementation paper that is issued by the Commission in response to this Consultation Paper.

As a final comment, the Committee thinks that providing the relief suggested above (or providing an indication that ASIC would consider granting relief on a case-by-case basis) will assist in marketing for future IPOs where this type of relief is relevant, noting that due to the high degree of market volatility and economic disruption caused by COVID-19, anything that may support the future IPO market would be of assistance.

To the extent that the Commission would benefit from discussion with members of the Corporations Committee and other market participants on this subject, we can easily arrange that.