



ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 125

Share and interest purchase plans

August 2019

About this guide

This guide is for:

- ASX-listed companies, their advisers and investors involved in offers of shares under share purchase plans; and
- ASX-listed managed investment schemes, their advisers and investors involved in offers of interests under interest purchase plans.

It explains the conditional relief we have given to allow offers of shares or interests to existing holders without a prospectus or a Product Disclosure Statement (PDS).

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This guide was issued in August 2019 and is based on legislation and regulations as at the date of issue. In April 2026, we made minor updates to reflect the repeal and remaking of some ASIC legislative instruments and latest ASIC style and drafting practices.

Previous versions:

- Superseded Regulatory Guide 125 *Share purchase plans*, issued June 2009, reissued March 2010
- Superseded Policy Statement 125 *Small offers of shares to existing shareholders by listed companies: Share purchase plans*, issued March 1997, rebadged as a regulatory guide July 2007

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

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A Overview

Key points

We have given relief under [ASIC Corporations \(Share and Interest Purchase Plans\) Instrument 2019/547](#) to allow:

- ASX-listed companies to offer shares to existing holders under a share purchase plan without a prospectus; and
- ASX-listed managed investment schemes to issue interests under an interest purchase plan to existing holders without a Product Disclosure Statement (PDS).

Our relief is subject to certain conditions: see RG 125.8 and Section B.

Meaning of ‘purchase plans’

- RG 125.1 For the purposes of this guide, a purchase plan is a plan for the offer of:
- shares to existing shareholders of a company listed on ASX; and/or
 - interests to existing members of a managed investment scheme listed on ASX.

Note: In this guide, we refer to these offerees as ‘holders’.

- RG 125.2 All references to purchase plans in this guide refer collectively and exhaustively to these offers. The conditions and rationale of relief for each offer under ASIC Instrument 2019/547 are substantially the same. The relief does not extend to offers of options.
- RG 125.3 Purchase plans give existing holders a convenient means of obtaining additional shares or interests in the issuer. These securities are priced at a discount to the market price during a period before the offer and without brokerage fees.

Our approach to relief from Ch 6D and Pt 7.9

- RG 125.4 Generally, an offer of shares or interests requires a disclosure document under Ch 6D or Pt 7.9 of the *Corporations Act 2001* (Corporations Act). This requirement ensures that investors have access to all the information required to make an informed investment decision.

Note: In this guide, references to sections (s), chapters (Chs) and parts (Pts) are to the Corporations Act.

- RG 125.5 When the amount to be raised from each investor under a purchase plan is capped, the cost of preparing, printing and distributing a prospectus or a PDS for that offer may be quite high compared to the amount being raised.
- RG 125.6 Without relief from the disclosure requirements of Ch 6D and Pt 7.9, it is unlikely that purchase plans would be offered. This would disadvantage retail investors, who are the most likely to participate in purchase plans and who may be excluded from other fundraising opportunities such as institutional placements.

Our relief for purchase plans

- RG 125.7 We have used our exemption powers under s741(1) and 1020F(1)(a) to give conditional relief from Ch 6D and Pt 7.9 to ASX-listed companies and ASX-listed managed investment schemes offering purchase plans to existing holders: see [ASIC Instrument 2019/547](#).

Conditions of relief

- RG 125.8 If the conditions set out in ASIC Instrument 2019/547 are met, offers of quoted shares or interests to existing holders under a purchase plan do not require a disclosure document. The conditions include:
- (a) subject to particular conditions applicable to some custodians (see RG 125.26), a registered holder must not be issued more than \$30,000 worth of shares or interests in any consecutive 12-month period;
 - (b) offers must be made only to registered holders of shares or interests in the same class;
 - (c) if an issuer chooses to issue shares or interests under a purchase plan to a registered holder who is a custodian (as defined in ASIC Instrument 2019/547) for the beneficiaries of that custodian:
 - (i) the custodian must certify in writing to the issuer that certain conditions have been met;
 - (ii) the custodian must provide the issuer with particulars of the relevant beneficiary wishing to participate in the purchase plan offer and the existing interests of the beneficiary in the relevant securities; and
 - (iii) the issuer must be reasonably satisfied that, in any consecutive 12-month period, the total application price of the shares or interests to be issued to, or for the benefit of, any beneficiary is not more than \$30,000 (excluding shares or interests applied for by the custodian on behalf of a beneficiary but not issued);
 - (d) each offer must be made on similar terms and conditions and on a non-renounceable basis;

- (e) the issuer must have complied with its continuous disclosure and financial reporting obligations;
- (f) the issuer must lodge a cleansing notice with ASX;
- (g) the issue price must be less than the market price during a specified period (determined by the issuer) in the 30 days before either the date of the offer or the date of the issue; and
- (h) the written offer document must include certain disclosures, including:
 - (i) the method used to calculate the issue price;
 - (ii) the relationship between the issue price and the market price; and
 - (iii) the risk that the market price may change between the date of the offer and the date when the shares or interests are issued.

Rationale for relief

- RG 125.9 We consider that the benefits of this conditional relief for investors (such as savings on brokerage) and issuers (such as savings on the costs of preparing, printing and distributing disclosure documents) outweigh the disadvantages and risks of not having a prospectus or a PDS.
- RG 125.10 We also consider that the risks of not having a prospectus or a PDS are limited because:
- (a) the amount that may be invested by each holder in a 12-month period under the offer is restricted;
 - (b) the offer price must be at a discount to the market price during a specified period; and
 - (c) the issuer must comply with its continuous disclosure obligations and other conditions that apply to our relief.
- RG 125.11 Similar to the rights issues disclosure regime in s708AA, our relief for purchase plans is conditional on an issuer complying with its continuous disclosure obligations and notifying the market of certain excluded information by lodging a cleansing notice with ASX.
- RG 125.12 The conditions of our relief are designed to ensure that while offerees under a purchase plan will not receive a prospectus or a PDS:
- (a) they will have access to information through continuous disclosure and market pricing due to quotation of the issuer;
 - (b) the offer will be at a discount to the market price during a given period before the offer or issue; and
 - (c) there is a limit to the amount that can be offered to investors without a prospectus or a PDS.

Case-by-case relief for entities listed on other markets

- RG 125.13 We will consider extending our relief to cover entities listed on markets other than ASX on a case-by case or individual basis, based on an assessment of the liquidity of the market, and its supervision and disclosure regime.

B Conditions of relief

Key points

Our relief under [ASIC Instrument 2019/547](#) is subject to conditions relating to:

- the maximum amount that can be raised under the relief (see RG 125.14–RG 125.18);
- the identity of the offerees (see RG 125.19–RG 125.26);
- quotation of the issuer and continuity of quotation (see RG 125.27–RG 125.30);
- market disclosure of information by the issuer (see RG 125.35–RG 125.42);
- the issuer—including that there are no contraventions of, or exemptions or determinations under, the Corporations Act (see RG 125.43–RG 125.47);
- the pricing of the offer (see RG 125.48–RG 125.49); and
- disclosure in the offer document (see RG 125.50–RG 125.51).

Monetary limit of \$30,000

- RG 125.14 Under [ASIC Instrument 2019/547](#) the value of shares or interests that can be issued to holders is restricted. Generally, no registered holder may be issued shares or interests with an application price totalling more than \$30,000 in any consecutive 12-month period (excluding shares or interests applied for but not issued).

Certification, or representation, by applicant

- RG 125.15 Subject to particular conditions for some custodians (see RG 125.22), and for applicants applying through an electronic payment facility (see RG 125.16), registered holders must certify to the issuer at the time of application that the total price does not exceed \$30,000 for:
- (a) shares or interests that are the subject of their application; and
 - (b) any other shares or interests in the class received by the holder under the purchase plan or any similar arrangement in the 12 months before the application (excluding shares or interests applied for but not issued).
- RG 125.16 When a person applies for shares or interests through an electronic payment facility, the part of the offer document containing instructions on how to apply must include:
- (a) a unique identifier that must be provided by the holder when making a payment using the facility; and

- (b) a prominent statement that the holder, by making an application, represents to the issuer that they have complied with the matters set out in the certification in RG 125.15.

RG 125.17 When completing the certification in RG 125.15, or making the representation in RG 125.16, the registered holder must aggregate all shares or interests issued to them under purchase plans in the previous 12 months, whether directly as the registered holder or in a joint capacity: see RG 125.19–RG 125.26.

Stapled securities

RG 125.18 Specific conditions apply to shares or interests that must, under the terms on which they are traded, only be transferred together with one or more other shares or interests or other financial products (stapled securities). The \$30,000 limit applies to the stapled security as if its component shares, interests or products constituted a single security. The limit does not apply to any of those components separately.

Offers to registered holders

RG 125.19 Our relief under [ASIC Instrument 2019/547](#) only applies to offers to registered holders of shares or interests in the class, whose address is in a place where it is lawful and practical (in the reasonable opinion of the issuer) for the issuer to offer shares or interests to those people.

RG 125.20 To be able to rely on our relief, the issuer can only make offers to people who are recorded in the register of members as at a date determined by the issuer.

RG 125.21 When two or more people are recorded in the register of members as jointly holding shares in the company, or interests in the managed investment scheme, they are taken to be a single registered holder and any offer should be made to them jointly for the purposes of our relief.

Offers to a registered holder that is a custodian

RG 125.22 When a registered holder is a custodian that holds shares or interests on behalf of a beneficiary (whether directly or indirectly through one or more interposed custodians), an issuer can only issue shares or interests totalling more than \$30,000 in any consecutive 12-month period to that custodian if, on application for the shares or interests, the custodian certifies in writing:

- (a) that the custodian holds shares or interests in the class (directly or indirectly) on behalf of one or more beneficiaries;

Note: Beneficiary in this context means a client of a custodian or a member of an investor directed portfolio service (IDPS)-like scheme, a self-managed superannuation fund (SMSF) or a superannuation master trust. The phrase ‘holds shares or interests’

means holds legal title. Shares or interests acquired through an IDPS-like scheme, an SMSF or a superannuation master trust are taken to be held on behalf of the member who gave the instruction to acquire the securities.

- (b) the number of beneficiaries;
- (c) the name and address of each beneficiary for whom the custodian applies for shares or interests;
- (d) for each beneficiary:
 - (i) the number of shares or interests that the custodian holds (directly or indirectly) on behalf of that beneficiary;
 - (ii) the number, or dollar amount, of shares or interests the beneficiary or another custodian has instructed the custodian to accept on behalf of the beneficiary; and
 - (iii) that the application price for the shares or interests applied for on their behalf, and any other shares or interests in the class applied for on their behalf under a similar arrangement in the previous 12 months (excluding shares or interests applied for but not issued), does not exceed \$30,000;
- (e) that a copy of the written offer document was given to each beneficiary; and
- (f) when the custodian holds shares or interests on behalf of a beneficiary indirectly, through one or more interposed custodians—the name and address of each interposed custodian.

Note: In certifying the above matters, the custodian may rely on information provided to it by the beneficiary or any interposed custodian.

RG 125.23 The term ‘custodian’ is defined in [ASIC Instrument 2019/547](#) to apply to:

- (a) custodians that hold an Australian financial services (AFS) licence that allows them to perform custodial or depository services or to operate IDPS accounts;
- (b) custodians that are otherwise exempt from holding an AFS licence with a specific custodian or depository authorisation or that are relying on the AFS licence of their ‘master custodian’ under reg 7.6.01(k) of the Corporations Regulations 2001;
- (c) trustees of SMSFs and superannuation master trusts;
- (d) responsible entities of IDPS-like schemes; and
- (e) registered holders of shares or interests noted on the company or managed investment scheme’s register of members as holding the shares or interests on account of another person.

RG 125.24 The issuer must also be reasonably satisfied that, in any 12-month period, the total application price of the shares or interests issued to any beneficial owner is not more than \$30,000 (excluding shares or interests applied for by

the custodian on behalf of a beneficiary but not issued), whether those shares or interests are issued to the beneficiary in their own right as a registered holder, or to the custodian.

- RG 125.25 If the issuer is not satisfied with the certification by the custodian (for whatever reason), the issuer cannot issue shares or interests to the custodian on behalf of the beneficiary.
- RG 125.26 The offer is made to the custodian as the registered holder (not to the beneficiary directly). The terms of the relief do not require custodians to participate on behalf of their beneficiaries. This means it is at the discretion of the custodian whether to extend the offer to its beneficiaries.

Quotation and continuity of quotation

- RG 125.27 Relief under [ASIC Instrument 2019/547](#) is limited to companies and managed investment schemes that are admitted to the official list of ASX. The purchase plan offer must be for a class of shares or interests that is quoted. This is because investors in these shares and interests have access to:
- (a) information released under the continuous disclosure regime (requiring the release of price-sensitive information); and
 - (b) the current market price of the shares or interests.

Suspension of trading

- RG 125.28 Our relief does not apply if trading in the class of shares or interests is suspended. This is because, when trading is suspended, investors do not have the benefit of a current market price of the shares or interests.
- RG 125.29 Our relief also does not apply if shares or interests in the relevant class have been suspended from trading for more than five days in the shorter of:
- (a) the previous 12 months; or
 - (b) the period of quotation of the securities.
- RG 125.30 This is consistent with s708A, 1012DA, 708AA and 1012DAA.

Note: In calculating whether securities or financial products have been suspended for more than five days, we take the view that:

- (a) 'five days' should be read as 'five trading days'; and
- (b) shares and interests are not suspended during a trading halt.

Case-by-case relief when trading suspended

- RG 125.31 We will consider granting case-by-case or individual relief to permit an issuer to offer a purchase plan even when the shares or interests have been

suspended for more than five days if it appears that the securities are adequately priced, and the market is fully informed.

- RG 125.32 To determine whether the securities or other financial products appear to be adequately priced, and the market is fully informed despite the suspension, we will consider all the circumstances of the case, including:
- (a) *the length of the suspension*—generally, the longer the period, the greater the level of scrutiny we will apply in granting relief;
 - (b) *the reason for the suspension*—we will consider whether the suspension was voluntary or whether it was imposed as a result of failing to comply with the ASX Listing Rules or suspected market misconduct;
 - (c) *the period of time that has elapsed since the suspension*—generally, the more recent the suspension, the greater the level of scrutiny we will apply in granting relief;
 - (d) *the announcements made to the market since the suspension*—we will be more likely to grant relief when disclosure to the market since the time of the suspension, either in the form of continuous disclosure announcements or unqualified financial reporting disclosure, has been timely and otherwise in accordance with the entity’s legal obligations. We expect that disclosure after the suspension would address the reasons for the suspension and, where appropriate, detail steps taken to avoid similar suspensions in the future;
 - (e) *the recent history of disclosure*—an entity that has contravened disclosure requirements in the previous 12 months will need to explain why the shares or interests are adequately priced and why the market is fully informed despite this non-compliance; and
 - (f) *any other relevant circumstances that support the underlying policy*.

RG 125.33 An application for case-by-case relief should address:

- (a) generally, whether the shares or interests are adequately priced by the market and whether the market is fully informed; and
- (b) specifically, each of the factors listed in RG 125.32.

RG 125.34 As the five-day suspension period is effectively refreshed every 12 months, the application should concentrate on events that have taken place during that period.

Lodging a cleansing notice

RG 125.35 Under [ASIC Instrument 2019/547](#), holders being offered shares or interests must have access to information:

- (a) that can be excluded from the continuous disclosure notices under the ASX Listing Rules; and
- (b) that investors and their advisers would reasonably require and expect to find in a disclosure document.

RG 125.36 This information (contained in a cleansing notice) must be lodged with ASX by the issuer. The timing of lodgement depends on the circumstances of the purchase plan.

Note: These notices are also required for share and interest placements and rights issues conducted without a disclosure document: see s708A, 1012DA, 708AA and 1012DAA.

Standalone purchase plans

RG 125.37 Where an offer under a purchase plan is made as a standalone offer (i.e. it is not offered in conjunction with a placement), a cleansing notice must be lodged with ASX within a 24-hour period before the offer is made.

RG 125.38 The cleansing notice must:

- (a) state that the issuer will be issuing shares or interests without disclosure to investors under Pt 6D.2 or Pt 7.9;
- (b) state that the notice is being given in accordance with [ASIC Instrument 2019/547](#);
- (c) state that, as at the date of the notice, the issuer has complied with:
 - (i) the provisions of Ch 2M as they apply to the issuer; and
 - (ii) s674; and
- (d) set out any information that is excluded information as at the date of the notice (or that there is no such information) in accordance with the requirements of:
 - (i) s708A(7) and (8), as if the notice were a notice under s708A(5)(e) with respect to shares; and
 - (ii) s1012DA(7) and (8), as if the notice were a notice under s1012DA(5)(e) with respect to interests.

RG 125.39 Excluded information is information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the listing rules of the relevant market operator to whom the notice must be given; and
- (b) that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses, and prospects of the body; or
 - (ii) the rights and liabilities attaching to the relevant securities.

- RG 125.40 Excluded information only needs to be included in a cleansing notice to the extent that it is reasonable for investors and their professional advisers to expect to find the information in a disclosure document.

Purchase plans conducted with a placement

- RG 125.41 An issuer need not issue a further cleansing notice for a purchase plan when:
- (a) a purchase plan offer follows a placement; and
 - (b) the issuer has lodged a cleansing notice under s708A(6) or 1012DA(6) not more than 30 days before the purchase plan offer.

Defective cleansing notice

- RG 125.42 If a cleansing notice is defective, and the issuer becomes aware of the defect within 12 months after the shares or interests are issued under the offer, the issuer must give ASX a notice that corrects the defect. This notice must be given within a reasonable time after the issuer becomes aware of the defect.

Conditions relating to the issuer

No exemptions or orders

- RG 125.43 During the 12-month period before the day on which the relevant shares or interests were issued, the issuer, or directors or auditors of the issuer, must not have been covered at any time by:
- (a) an exemption under s111AS or 111AT; or
 - (b) an order under s340 or 341 (other than an excluded order as set out in [ASIC Instrument 2019/547](#)).

- RG 125.44 This is so that investors can be more confident that the market is fully informed about the relevant shares or interests and that there is a reliable market price for them.

No contravention of certain provisions of the Corporations Act

- RG 125.45 A determination must not be in force in relation to the issuer:
- (a) for share purchase plans—under s708AA(3) or 708A(2); or
 - (b) for interest purchase plans—under s1012DAA(3) or 1012DA(2).
- RG 125.46 Similarly, the issuer must have complied with s674 and Ch 2M, and must state this in the relevant cleansing notice.

RG 125.47 This is to ensure that full and timely disclosure has been made by the issuer over the previous year.

Pricing of the offer

RG 125.48 The issue price must be less than the market price during a specified period (determined by the issuer) in the 30 days before either the date of the offer or the date of the issue.

RG 125.49 ASX Listing Rule 7.2 requires that the issue price under a purchase plan is at least 80% of the volume-weighted average market price for securities in that class, calculated over the last five days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made.

Disclosure in the offer document

RG 125.50 The written offer document must contain the following information:

- (a) the method used to calculate the issue price and the time when this price will be determined;
- (b) a statement describing the relationship between the issue price and the market price; and
- (c) disclosure of:
 - (i) the risk that the market price may change between the date of the offer and the date when the shares or interests are issued to an applicant under the arrangement; and
 - (ii) the effect this would have on the price or value of the shares or interests that the applicant would receive.

RG 125.51 We expect the issuer to make clear disclosure in the offer document if it reserves the right to scale back entitlements. This is to ensure that offerees understand that they may not receive the full amount of shares or interests for which they have subscribed.

Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services Note: This is a definition contained in s9.
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the exchange market operated by ASX Limited
beneficiary	Has the meaning given in ASIC Instrument 2019/547
Ch 6D (for example)	A chapter of the Corporations Act (in this example numbered 6D)
cleansing notice	A notice confirming to the market that all excluded information has been disclosed to the market. Excluded information is defined in the Corporations Act in: <ul style="list-style-type: none"> • s708AA(8) and 708A(7) for share purchase plans; and • s1012DAA(8) and 1012DA(7) for interest purchase plans
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
custodian	Has the meaning given in ASIC Instrument 2019/547
holder	A shareholder of an ASX-listed company or a member of an ASX-listed managed investment scheme
IDPS	An investor directed portfolio service as defined in ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669
interest purchase plan	An offer to existing holders of interests in a managed investment scheme listed on ASX
PDS	A Product Disclosure Statement—a document that must be given to a retail client for the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act Note: See s9 for the exact definition.
prospectus	A disclosure document that is lodged under Pt 6D.2 of the Corporations Act
Pt 6D.2 (for example)	A part of the Corporations Act (in this example numbered 6D.2)

Term	Meaning in this document
s708A (for example)	A section of the Corporations Act (in this example numbered 708A)
share purchase plan	An offer to existing holders of shares in a company listed on ASX
SMSF	A self-managed superannuation fund

Related information

Headnotes

capital raising, cleansing notice, disclosure relief, interest purchase plan, PDS, placement, Product Disclosure Statement, prospectus, purchase plan, share purchase plan

Legislative instruments

[*ASIC Corporations \(Share and Interest Purchase Plans\) Instrument 2019/547*](#)

[*ASIC Corporations \(Employee Incentive Schemes - Ongoing Relief\) Instrument 2025/169*](#)

[*ASIC Corporations \(Sale Offers That Do Not Need Disclosure\) Instrument 2026/94*](#)

Legislation

Corporations Act 2001, Chs 2M, 6D; Pts 6D.2, 7.9; s111AS, 111AT, 340, 341, 674, 708AA, 708A, 741, 1012DAA, 1012DA, 1020F

Corporations Regulations 2001, reg 7.6.01