

Haydar Tuncer

From: s 22
Sent: Friday, 4 March 2022 2:12 PM
To: s 22
Subject: RE: Update to research arrangements - ASIC queries [SEC=OFFICIAL]

Hi s 22

Thank you for your email. We will consider the information provided and come back to you if we have further queries.

Kind regards

s 22

s 22

From: s 22 <[redacted]@asic.gov.au>
Sent: Wednesday, 23 February 2022 11:09 AM
To: s 22 <[redacted]@cgf.com>
Cc: s 22 <[redacted]@cgf.com>; s 22 <[redacted]@cgf.com>; s 22 <[redacted]@cgf.com>; s 22 <[redacted]@cgf.com>; s 22 <[redacted]@cgf.com>

Subject: Update to research arrangements - ASIC queries [SEC=OFFICIAL]

Hi s 22

Thank you for providing the updated Staff Trading Policy and Managing Conflicts of Interest – Research Policy (Research Policy).

We have considered the information provided and set out following matters for your consideration:

Staff Trading Policy

- 1. The term ‘Authorised Approver’ referred to at page 6 is not defined in the Staff Trading Policy. Please advise who is considered to be an ‘Authorised Approver’.

s 22

Research Policy

We refer to [Regulatory Guide 264](#) *Sell side research* (RG 264) at paragraph 50 which provides the following guidance on the content of a research analyst declaration:

- (a) to the best of the research analyst’s knowledge, they are not in receipt of inside information and the research does not contain inside information; and*
- (b) no other part of the licensee has made any attempt to influence the research.*

- 2. We expect Canaccord to consider if the Research Analyst Certification in section 6(g) at page 6 of the Research Policy is consistent with ASIC’s guidance at RG 264.50 (extract below). Please also advise ASIC of any proposed changes to the Research Analyst Certification required by an authoring research analyst.

Research analyst declaration

RG 264.50 Before the publication and release of research, the research analyst(s) who prepared the report should provide a declaration to the licensee’s compliance or another control function that:

- (a) to the best of the research analyst’s knowledge, they are not in receipt of inside information and the research does not contain inside information; and
- (b) no other part of the licensee has made any attempt to influence the research.

s 22

[Redacted content]

3. Please clarify whether Canaccord’s compliance or another control function will review/ approve the Research Analyst Certification after it is submitted on the ‘Blue Matrix’ system.

s 22

4. We note the following example disclosure in section 6(p) at page 10: ‘Canaccord Genuity, and its associates, hold an options position in [company]’. We do not consider this example provides adequate disclosure of the extent of the interest held in the company.

We refer you to the guidance in [Regulatory Guide 79](#) *Research Report providers: Improving the quality of investment research* at paragraph 161 which states that ‘disclosure will generally need to cover both the existence and the extent of the interest’.

To assist our understanding of the enhancements proposed for research report disclosures, we request further detailed information on Canaccord’s intended approach to disclosing the quantum of shares and options holdings held by Canaccord and its associates.

s 22

[Redacted text block containing multiple lines of blacked-out content]

s 22

s 22

Please provide a response to these matters by 5pm on Friday 4 March 2022.

Kind regards

s 22

s 22

Senior Manager s 22

Australian Securities and Investments Commission

Level 7, 120 Collins Street, Melbourne, 3000

Tel: s 22

@asic.gov.au



ASIC

s 22

From: s 22 @asic.gov.au>

Sent: Monday, 14 February 2022 10:45 AM

To: s 22 @cgf.com>

Cc: s 22 @cgf.com>; s 22 @cgf.com>; s 22 @asic.gov.au>;

s 22 @asic.gov.au>; s 22 @asic.gov.au>; s 22 @cgf.com>

Subject: Update to research arrangements - ASIC queries [SEC=OFFICIAL]

Hi s 22

Thank you for your email.

We have considered the information provided and as discussed set out a few queries below.

Excel spreadsheet provided on Wednesday 9 February 2022 (Spreadsheet)

1. Please advise whether the shares listed in the Spreadsheet were the only type of security held by research analysts in companies they covered (prior to the recent restriction).

s 22

2. For the security subject to escrow arrangements please advise whether Canaccord intends to acquire this security when it is released.

Enhanced research disclosure

3. How were the enhancements required for disclosure in research communicated to relevant staff? If applicable, please advise the date when this communication occurred.

s 22

4. Are the enhancements to research disclosure communicated to staff set out in any document such as policy or procedure ? If so, can ASIC be provided a copy of all relevant documentation?

s 22

Research analyst holdings

5. Please detail the **controls** and **internal monitoring** in place to ensure that research analysts do not become aware of inside information (and subsequently trade on this inside information) regarding:

- a) upcoming changes to research (including initiation, cessation or changes to price targets and/or recommendations) by colleagues in the Research team; or
- b) proposed capital raising transactions involving Canaccord.

s 22

6. How will the holdings acquired by Canaccord on 4 February 2022 be disclosed in research?

s 22

We look forward to your response. Please let us know if you have any questions.

Kind regards

s 22

s 22

FOI 090-2022

Senior Manager s 22

Australian Securities and Investments Commission

Level 7, 120 Collins Street, Melbourne, 3000

Tel: +s 22

[@asic.gov.au](mailto:asic.gov.au)



ASIC

s 22

S 22

S 22