



NZX Limited  
Wellington

Attention: Megan Mcluskie

Dear Sir/Madam,

**Submission on proposed amendments to the Trading Halts and Suspensions Guidance Note**

This submission is made on behalf of the Listed Companies Association Inc (**LCA**).

The objectives of the LCA include “[t]o prepare and make submissions or representations on behalf of listed companies to any commission, committee, board, court, tribunal or other body or person in respect of any matter or proceedings which concerns listed companies”.

The current Executive Committee of the LCA comprises representatives from listed companies and law firms (listed in the Appendix). In addition, this submission has been reviewed and is supported by the issuers listed on both the NZX and ASX listed in the Appendix to this letter.

It is submitted that NZX and ASX should seek to align their policies in respect of trading halts, and co-ordinate their implementation, more closely when dealing with dual listed issuers. The main cause for concern is situations where trading can continue on one platform while trading is halted on another. This could lead to some investors being disadvantaged relative to others, exposing the relevant dual listed issuers to criticism, and undermining the transparency of, and confidence in, capital markets. Particular matters of concern are:

- (a) A request for a trading halt must be made to each of NZX and ASX separately. If either exchange declines the request then the effect of this is that a halt should not be applied in respect of the other exchange. It would be preferable for a joint ASX/NZX approach to be taken to consider a trading halt application by a dual listed issuer and, if an application is granted, for a halt to then occur on both markets at the same time and for the same period of time.
- (b) NZX is prepared to grant a trading halt to apply immediately after an announcement has been made, to allow time for the market to understand the implications of an announcement (beyond the routine administrative trading halt of 10 minutes for dual listed issuers). However, ASX’s policy is not to grant a trading halt after an announcement has been made (beyond ASX’s equivalent of the routine administrative trading halt, which it calls the “notice received” or “NR” session state). It is not clear to us why a different policy approach is adopted between the two exchanges but, as a result, a dual listed issuer cannot benefit from NZX’s approach.
- (c) As noted above, the routine administrative trading halt imposed by NZX when a “price sensitive” announcement is made is a period of not greater than 10 minutes for a dual listed issuer. ASX’s approach is a standing trading halt of “at least” 10 minutes for material announcements (we understand that in practice it can be 20 minutes long). There are two areas where greater alignment and co-ordination would be beneficial.

First, there is no guarantee that NZX and ASX will reach the same view on whether something is price sensitive. As discussed above, it would be helpful if ASX/NZX took a joint approach to determining whether a release is price sensitive, or alternatively if NZX would notify issuers if they have determined that a release is price sensitive so that a dual listed issuer could seek to ensure that ASX is taking the same approach. Secondly, there is the potential for the length of the trading halts to be different: NZX's policy is to halt for no more than 10 minutes, and ASX's is at least 10 minutes. Again, it would be helpful if NZX and ASX could co-ordinate to ensure that the periods they select are aligned, or alternatively if NZX would notify issuers of the period of the administrative trading halt so that dual listed issuers can seek to ensure that ASX is taking the same approach.

We appreciate that NZX cannot take all of these steps without the co-operation of ASX. However, it would be beneficial for dual listed issuers, and transparency and confidence in capital markets generally, if further steps were taken to facilitate alignment between both markets on these points.

Yours faithfully,

Paul Ridley-Smith  
Chairperson

## **Appendix**

### **Current LCA Executive Committee**

Chairperson	Paul Ridley-Smith, General counsel and Company secretary, Contact Energy Limited
Treasurer	Grant Niccol, Fletcher Building Limited
Secretary	Takeshi Ito, Group Company Secretary & Legal Counsel, Millenium & Copthorne Hotels New Zealand Limited
Members	John Blair, General Counsel, Air New Zealand Jason Boyes, Head of Legal, Infratil Limited Gerald Fitzgerald, Partner, Kensington Swan Chris Gordon, Partner, Bell Gully Shehnaz Hajati, Deputy Company Secretary, Contact Energy Limited Don Holborow, Partner, Simpson Grierson Sarah Miller, Black Letter Consulting Limited Roger Wallis, Partner, Chapman Tripp Gillian Williams, Assistant Company Secretary, Fletcher Building Limited Joe Windmeyer, Partner, Russell McVeagh

### **Dual NZX and ASX listed issues who support this submission**

Auckland International Airport Limited  
 Chorus Limited  
 Fletcher Building Limited  
 Fisher & Paykel Healthcare Corporation Limited  
 Gentrack Group Limited  
 Infratil Limited  
 Meridian Energy Limited  
 Metlifecare Limited  
 Mighty River Power Limited  
 New Zealand Oil & Gas Limited  
 Sky City Entertainment Group Limited  
 Sky Network Television Limited  
 Spark New Zealand Limited  
 Summerset Group Holdings Limited  
 Tower Limited  
 Xero Limited  
 Z Energy Limited