



## LISTED COMPANIES ASSOCIATION

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Office of General Counsel  
[regulatorypolicy@asx.com.au](mailto:regulatorypolicy@asx.com.au)

Attn Cliff Richards

Dear Sirs

### **CHES Replacement: New Scope and Implementation Plan**

The Listed Companies Association Inc (LCA) represents all issuers listed on NZX as a voluntary industry body and forum for discussion and information sharing with members on regulatory and related matters. Our members include the 57 NZX issuers also listed on ASX as fully listed entities or under the foreign exempt listing regime. The views expressed in this submission do not purport to represent the views of every member but reflect a useful discussion earlier this week including some of the largest of the dual listed companies.

LCA is always pleased to see advances in efficiency of stock exchanges. We recognise that improvements in process flow through to benefits for shareholders and for issuers, as investing in our Australasian markets becomes progressively easier and therefore more attractive. The CHES replacement is no doubt long overdue, and we see significant opportunities in the proposed upgrade. There are though many unanswered questions which give our members cause for concern. As these reforms impact on how our members' shareholders interact with the market – and listed issuers themselves – this is of significant interest to us.

At a high level, these unanswered questions include:

- ownership of data (currently owned by issuers and held on their behalf by registries) – this raises not only significant legal concerns for us, but also concerns about the potential for adverse disruption in interactions between shareholders and issuers;
- access by third parties or shareholders themselves to the data;
- related to this, how the critical privacy of shareholder data can be maintained;
- from a dual listed issuer's perspective, the duplication of the shareholder data and matching updates. The potential exists for misalignment of data requirements between ASX and NZX resulting in either Listing Rule breach and/or duplication of cost;
- ultimately, how the CHES replacement project can drive innovations in clearing, settlement and registry services that benefit issuers and their shareholders, and conversely avoid inhibiting the benefits of competitive tension in those relevant markets;



- whether the replacement of CHES and other associated reforms will result in increased costs to issuers, or whether we can expect to see efficiency gains and commensurate cost reductions.

The CHES Replacement Plan is strong on detail around numerous issues but notably lacking a business case explaining the strategic objectives, changes in scope compared to the current processes and importantly the costs and benefits from an issuer's perspective. There is no indication of anticipated changes required to be made to the ASX Listing Rules or the views of the various relevant Australian regulators. Given the more than two year history of this project we find that surprising.

We have also engaged with various parties in Australia who share the concerns expressed above and will no doubt be making their own more specific responses to the Plan proposal. Our purpose at this point is to ask that LCA be included in future communications so that we can assist in developing the Plan generally and specifically address the concerns of dual listed issuers.

Kind regards

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Chairman

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