



Review underway into capital raising settings

27 JULY 2022 – NZX is undertaking a targeted review and public consultation of its capital raising settings to support further development and integrity of New Zealand’s capital markets.

Updated Listing Rules have been in place since 2018 and NZX has previously signalled it would review the settings for capital raising.

NZX Chief Executive Mark Peterson says the targeted review follows a period of heightened capital raising activity due to COVID-19, including temporary adjustments to rule settings.

“We are aware of some differences in our settings compared to other markets and it’s important to ensure our rules are comparable. In light of this, it’s an appropriate time to conduct a targeted review of NZX’s capital raising settings. We are also seeking feedback on whether to enable additional listing pathways,” Mr Peterson says.

“We have already been engaging closely with the market in preparing this consultation and sought extensive feedback. The proposals are subject to full public consultation.”

NZX is seeking feedback on whether to:

- Enhance existing shareholder protections, including a requirement that the allocation policies for the shortfall from a pro rata offer first considers existing shareholders
- Permit accelerated non-renounceable entitlement offers subject to certain limits to align with ASX and to ensure structures being used in the market have appropriate shareholder protections
- Allow greater flexibility within thresholds for share purchase plans to support retail participation in offers
- Require increased disclosure in relation to capital raising decisions by boards at the time offers are being conducted, in particular how the interests of existing shareholders have been considered and treated under the offer
- Consider whether additional guidance can be provided to issuers to support board decision making through capital raising processes
- Consider the introduction of bespoke regimes for the listing of Special Purpose Acquisition Companies (SPACs) and dual-class share structures.

Consultation material can be found at: <https://www.nzx.com/regulation/nzx-rules-guidance/consultation>

ENDS

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About NZX

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NZX operates New Zealand’s equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand’s only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client’s assets. Learn more about us at: www.nzx.com