



NEW ZEALAND'S EXCHANGE
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NZX Submission on S&P/NZX New Zealand Indices Consultation on Foreign Exempt Listing Eligibility

NZX Limited (**NZX**) submits this response to the S&P Dow Jones Indices' (**S&P DJI**) consultation document on the eligibility of foreign exempt listings (**Foreign Exempt Issuers**) for inclusion into New Zealand Indices (**Consultation Document**).

We thank S&P for the opportunity to comment on this proposal, and for taking the time to discuss the Consultation Document with us on 23 May and providing a response to our queries relating to the consultation in a follow-up email we received later that day.

Nothing in this submission is confidential.

Response to consultation

NZX supports the proposed changes to the S&P/NZX New Zealand Indices eligibility factors put forward by S&P Dow Jones Indices. The inclusion of Foreign Exempt Issuers within the proposed indices will result in greater consistency with the composition of S&P indices internationally, as well as provide for a more accurate representation of the diversity of issuers listed on NZX's markets.

[Do you agree with the proposed changes to the eligibility factors?](#)

We are in favour of the proposed changes to the eligibility factors. The proposal to include Foreign Exempt Issuers will enable each affected index to more appropriately represent the diversity of companies currently listed on NZX's markets, and more accurately reflect the market segment that the index seeks to track. We understand from our discussion with you that the hypothetical inclusion of these Foreign Exempt Issuers within the March 2023 rebalances did not lead to any additional Issuers dropping out of the Indices (beyond the changes that occurred due to the application of the existing methodology).

We also understand from you that issuers with a primary listing on both the ASX and NZX (previously known as 'Dual Listed Issuers') will be treated as New Zealand Listed Issuers under the index methodology, and the term Dual Listed Issuer will be removed from all S&P/NZX indices methodology going forward. We support this treatment, which is consistent

with the changes made to the NZX Listing Rules in 2018 to remove 'Dual Listed Issuers' as a definition that applies to such entities.

We believe that it is appropriate to consider listed issuers with a primary listing on NZX as NZX primary listed Issuers (regardless of whether the issuer also maintains a primary ASX listing), as this will provide for an accurate representation of the role these companies play within NZX's markets.

[If any of the proposed changes are adopted, do you agree with the proposed implementation date?](#)

We are agreeable with the proposed implementation date of 18 September 2023 for the proposed changes to take effect.

[Do you have any other comments or feedback regarding the proposed changes outlined above?](#)

We wish to thank S&P DJI for consulting on its initiative to adapt the indices to better represent the New Zealand market's composition and accurately depict market performance. We look forward to the development and enhancement of the indices through these proposed changes.

However, NZX would propose that the consultation be extended as we believe that the market has not had sufficient time to review and submit feedback and that some parties may have been excluded from the notification of the consultation. In addition, NZX proposes that in addition to the S&P distribution list, the broader market is informed of the proposed changes.

Closing comments

We thank S&P DJI again for the opportunity to provide our submission to this initiative. Please do not hesitate to contact us should you have any questions or need additional clarification.

Yours faithfully,



Jasveet Sandhu
Corporate Solicitor
Policy and Regulatory Affairs
NZX Limited