

Issuer Training Modules – Trading Halts and Suspensions

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Welcome to the NZ RegCo NZX Listing Rules Training Modules. This module covers trading halts and suspensions of securities quoted on NZX. It is likely to take you 30 minutes to complete this module.

As a general principle, action by NZX which interrupts the scheduled trading on NZX's markets will be kept to a minimum. That means that NZX will seek to facilitate ongoing trading in quoted securities. This training module provides an overview of trading halts and suspensions, when they might be used, and the process that issuers and advisers should follow to apply for one.

Let's get started!

☰ Part 1: What Is a Trading Halt

☰ Part 2: Procedure for Requesting a Trading Halt

Part 3: Situations When NZX or NZ RegCo May Apply a Trading Halt

Part 4: Extended Periods - Suspension of Quotation

Part 5: Examples of When NZX or NZ RegCo May Suspend Trading in an Issuer's Securities

Part 6: Procedure for Requesting a Suspension, and NZ RegCo Lifting a Suspension

End of Module: Further Information is Available

Conclusion

Part 1: What Is a Trading Halt



What Is a Trading Halt?

A trading halt is a temporary halt in the trading of the market or in the trading of particular quoted securities.

Trading halts may be applied to assist issuers to manage their continuous disclosure obligations or to give the market an opportunity to consider material information, including through administrative trading halts which are automatically applied for every announcement flagged as Price Sensitive.

Trading halts may also be used in other situations where trading needs to be halted to ensure the fair, orderly and transparent operation of the markets, for example while an issuer undertakes a capital raise.

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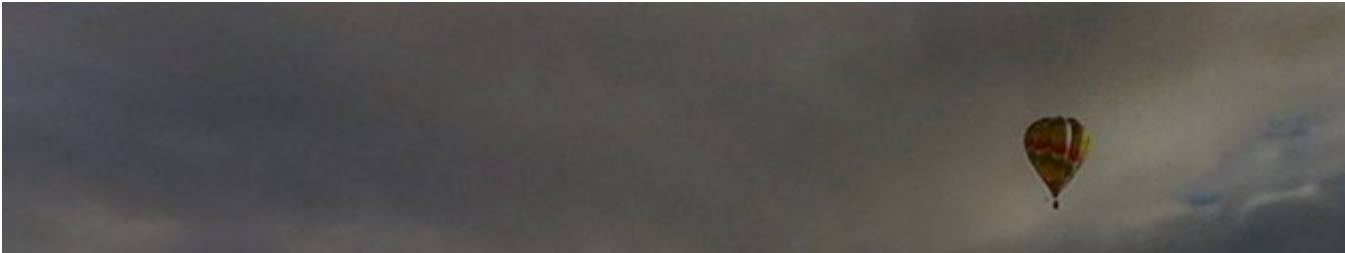
When Can a Trading Halt Be Applied?


A man in a dark suit and red tie stands on a floor that is a large-scale financial chart. He has his hand to his chin in a thoughtful pose. The chart features various colored lines (green, blue, purple) and dashed grid lines. The background is a dark, muted grey.



Under Listing Rule 9.9.1, NZX has the power to apply a trading halt either at the request of an issuer or at NZX's discretion. In practice, that decision is made by NZ RegCo.

CONTINUE





What Is the Difference Between a Trading Halt and Suspension?

Trading halts and suspensions are separate tools that are used in different circumstances. They are also treated differently in NZX's trading system. During both a trading halt and a suspension, orders submitted to the trading system will not trade.

Click the headings to view more.

Timing Difference —

While a trading halt can usually only be imposed for up to two business days, a suspension may be imposed for a longer period. NZ RegCo will generally impose a trading halt for longer than two

business days if required to facilitate an accelerated offer. Issuers wishing to obtain a trading halt for longer than two business days in other circumstances are encouraged to discuss these circumstances with NZ RegCo prior to applying for a trading halt.

Difference in Relation to the Order Book —

During a trading halt, the order book is not purged and market participants may withdraw orders, amend orders or place orders in the halted security. However, no orders will be matched while the halt remains in place.

During a suspension, the relevant securities are placed into a 'suspend' state and participants can withdraw orders but cannot amend orders or place orders for the suspended security. Any existing orders in the order book for the suspended securities will be purged after market close of the date the suspension is applied.

CONTINUE





Examples of When a Trading Halt Might Be Appropriate

The following are examples of when it may be appropriate for an issuer to request a trading halt (noting that every request will be considered on a case-by-case basis).

Click on each arrow to view more.

Material information leaks ahead of an announcement by the issuer or there are indications that material information may have leaked ahead of such an announcement (for example because there is an unexplained pattern of trading occurring), requiring a trading halt until the issuer is in a position to respond to that leak;

There has been a significant or sudden increase in trading volumes or movement in the price of the issuer's quoted securities which cannot be explained by reference to announcements from the issuer or by information generally available to the market. This may require a trading halt to enable the issuer to assess whether there is a false market in its quoted securities and whether any disclosure by the issuer is required;

There is information in the public domain that an issuer needs to respond to. This could be because the issuer needs to confirm, deny or clarify information that has been released by another party, or explain the impact of that information on the issuer to avoid the development or subsistence of a false market in the issuer's quoted securities, or to ensure it is in compliance with its continuous disclosure obligations. In situations where an issuer must respond to information released by a third party it may need time to consider the likely impact before a response can be provided;

A book build is being undertaken for an offer for issue or sale of the issuer's quoted securities. Where such book builds are being undertaken a trading halt may be necessary to maintain a fair, orderly and transparent market in the issuer's quoted securities;

An entity has just become aware of an adverse event that is material information and the issuer is not in a position to make an announcement about the event to the market promptly and without delay;

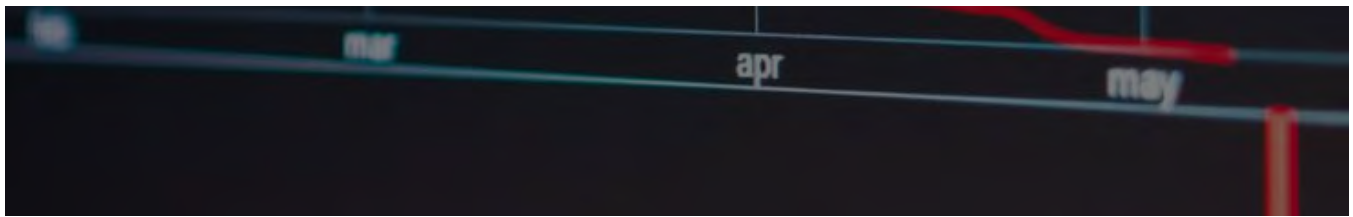
An issuer has an obligation to disclose material information, or is aware that it will very shortly have an obligation to disclose material information (for example because a proposal will become complete or information will become sufficiently definite) but is not yet able to release that information; or

The board of an issuer in financial distress has decided to appoint an administrator, and the issuer is not in a position to make an announcement promptly and without delay about the appointment to the market.

CONTINUE



Trading Halts and Continuous Disclosure



As illustrated by the examples, an issuer may request a trading halt in relation to meeting its continuous disclosure obligations in certain circumstances. Although the continuous disclosure rules require an issuer to release material information promptly and without delay upon becoming aware of it, subject to limited exceptions, the circumstances may require an issuer to request a trading halt until such time as an announcement can be prepared and released.

NZ RegCo expects and encourages issuers to request a trading halt whenever an issuer is not able to release material information under Listing Rule 3.1 promptly and without delay. The trading halt will ensure no trading occurs prior to the release of the relevant information.



(i) Further commentary on the use of trading halts in this context is provided within NZX's Guidance Note on Continuous Disclosure.

CONTINUE

Part 2: Procedure for Requesting a Trading Halt



NZ RegCo Consideration of a Trading Halt

1

Prior to granting a trading halt, NZ RegCo will consider the information provided by the issuer in support of a request and will not grant a trading halt unless it is satisfied that it is in the best interests of the market.

2

Trading halt requests should not be used as a tactic to delay the release of material information and therefore NZ RegCo will consider all requests on a case-by-case basis. NZ RegCo encourages early engagement on trading halt requests where possible.

CONTINUE



Procedure for Requesting a Trading Halt



Trading halt requests should be made in writing to NZ RegCo using the templates

available.

Click on each arrow to view more.

If NZ RegCo agrees to grant a trading halt, it will advise the issuer and apply a trading halt to the issuer's quoted security at the agreed time. NZX will also release an announcement notifying the market of the trading halt, which will be accompanied by the issuer's written trading halt application.

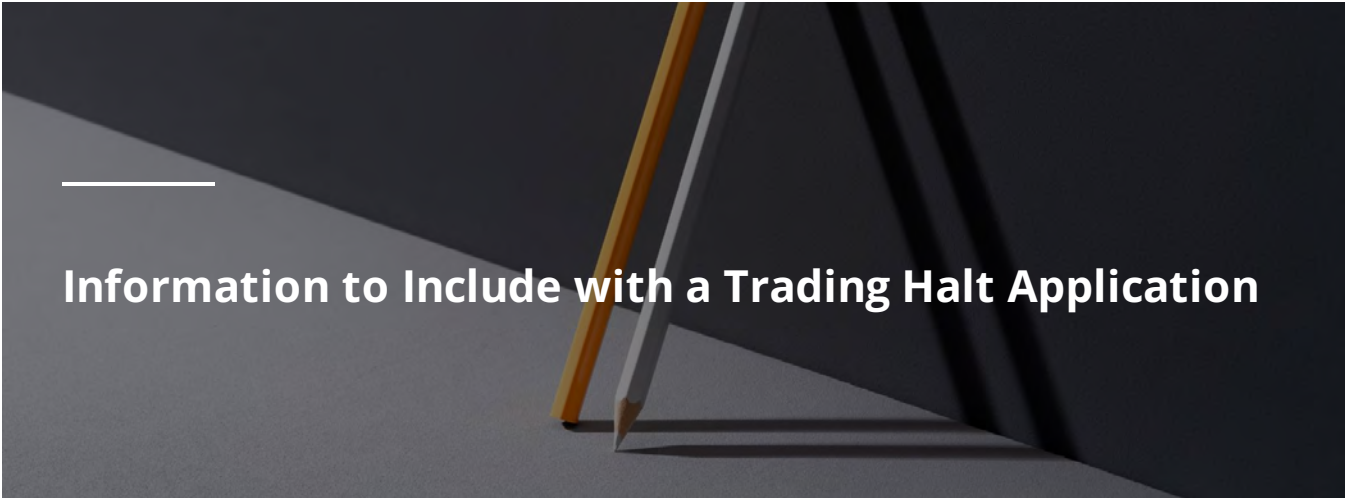
If possible, issuers are advised to contact NZ RegCo well in advance of the event to which the halt relates. Given the time critical nature of a trading halt, issuers should consider calling NZ RegCo before submitting a request in writing so that NZ RegCo can begin to consider the issues as soon as possible.

Template application letters are available here

[LEARN MORE](#)

[CONTINUE](#)





Information to Include with a Trading Halt Application

A trading halt application must include:

- 1 the securities for which the trading halt is sought, as some issuers have multiple quoted securities such as equity and debt;
 - 2 when the trading halt should commence (immediately or at a later date);
 - 3 the reasons for the trading halt, including the impact of the relevant event on fair, orderly and transparent markets;
 - 4 how long the trading halt will last;
 - 5 the event that is expected to end the trading halt;
-

6

other information necessary to inform the market about the trading halt; and

7

confirmation that the issuer is not aware of any reason why the trading halt should not be granted.

In giving the reasons for the halt, it is not sufficient to simply say that an announcement is pending. The request must state the general nature of the matter to be announced (including if it is about an agreement or transaction, the general nature of the agreement or transaction).

If certain information related to the reason for applying for a trading halt is commercially sensitive or is not required to be disclosed to market, issuers should discuss this directly with NZ RegCo at the time of applying for the trading halt.

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Example Reasons for Trading Halts



WHY?

Example reasons for trading halts include:

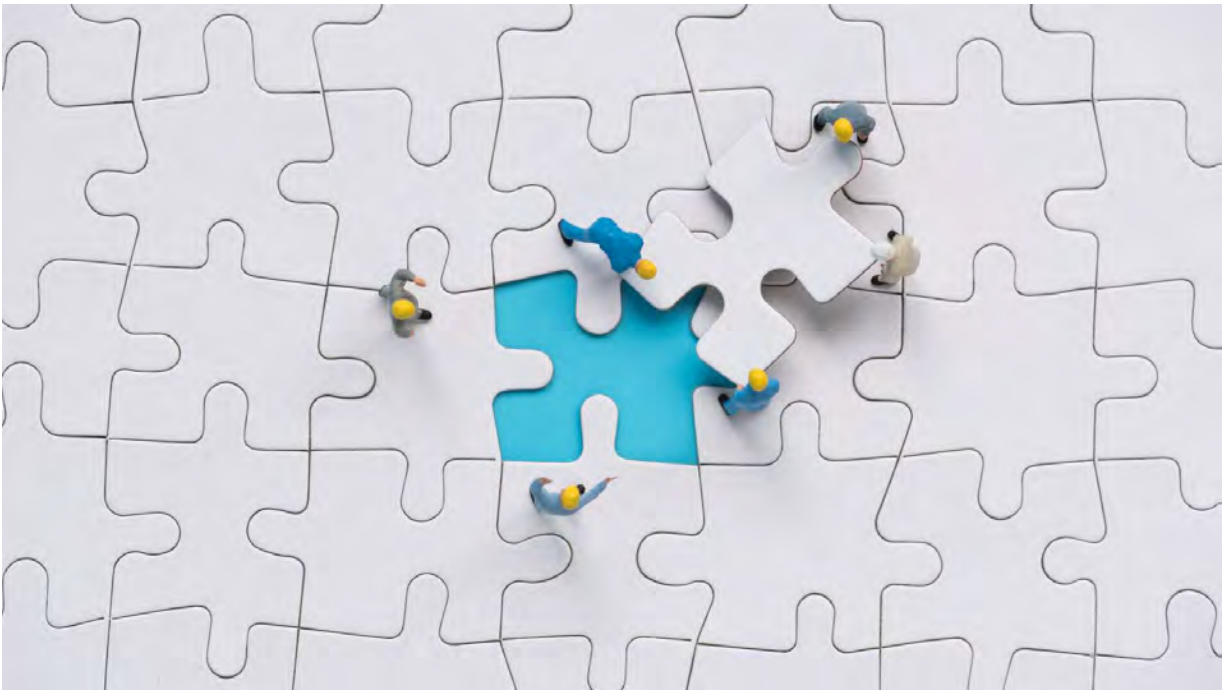
Click on each tab to view more.

EXAMPLE ONE

EXAMPLE TWO

EXAMPLE THREE

ISSUER Limited has requested the trading halt in light of media speculation regarding ISSUER Limited and its potential interest in TARGET Limited. ISSUER Limited considers the trading halt appropriate to enable ISSUER Limited to consider and respond to the media speculation.



EXAMPLE ONE

EXAMPLE TWO

EXAMPLE THREE

ISSUER Limited has been made aware of [details of potential Material Information]. ISSUER Limited has sought a trading halt while it considers the information and prepares a response for market release.



EXAMPLE ONE

EXAMPLE TWO

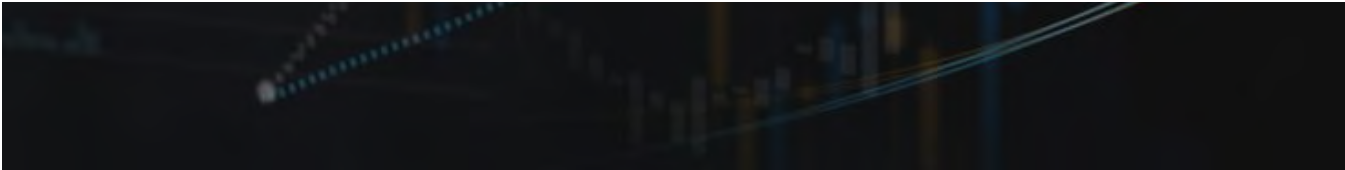
EXAMPLE THREE

ISSUER Limited has requested a trading halt to facilitate a fair, orderly and transparent market while it is conducting [information including size and structure of underwritten/non-underwritten capital raise].



CONTINUE

Template of Trading Halt Application Document



Click on each arrow to view more.

Template for NZX only listed issuer trading halt request

[A copy of this request, including the 'Reasons for trading halt', will be released by NZ RegCo over the NZX market announcement platform]

[Listed issuer letterhead]

[Date]

To: NZ RegCo
11 Cable Street
Wellington
New Zealand

By email: issuer@nzregco.com

Request for trading halt: *[Issuer name]* (NZX Code: *[insert]*)

We request a trading halt be applied to our financial products (*[insert codes for specific financial products which trading halt should be applied to]*) under NZX Listing Rule 9.9.1(a) and set out below details of the request as per the rules of NZX.

We would like the trading halt to commence *[immediately OR from the commencement of trading on # - delete non-applicable, add date if required]*.

Reasons for trading halt, including impact of event on fair orderly or transparent markets: *[insert]*

How long we want the trading halt to last and why: *[insert]*

The event we expect to happen that will end the trading halt: *[insert]*

Other information necessary to inform the market about the trading halt or that NZ RegCo has requested: *[insert or delete line as applicable]*

We confirm that we are not aware of any reason why the trading halt should not be granted.

Yours sincerely

[name]

[title]

Template for ASX NZX dual listed entity trading halt request

[A copy of this request, including the 'Reasons for trading halt', will be released by ASX and NZ RegCo over the ASX and NZX market announcement platforms]

[Listed entity letterhead]

[Date]

To:	ASX Limited	NZ RegCo
	20 Bridge St	11 Cable St
	Sydney NSW 2000	Wellington
	Australia	New Zealand
	TradingHaltsNZ@asx.com.au	issuer@nzregco.com

Request for trading halt: *[Entity name]* ASX Code *[insert]* NZX Code *[insert]*

We request a trading halt to be applied to our securities *[insert codes for specific securities/financial products to which the trading halt should be applied]* under ASX Listing Rule 17.1 and NZX Listing Rule 9.9.1(a) and set out below details of the request as per the rules of each of ASX and NZX.

We would like the trading halt to commence *[immediately OR from the commencement of trading on # - delete non-applicable, add date if required]*.

Reasons for trading halt: *[insert]*

How long we want the trading halt to last: *[insert]*

The event we expect to happen that will end the trading halt: *[insert]*

Other information necessary to inform the market about the trading halt or that ASX or NZ RegCo have requested: *[insert or delete line as applicable]*

We confirm that we are not aware of any reason why the trading halt should not be granted.

Yours sincerely

[name]

[title]

CONTINUE



Outline of the Trading Halt Process

Applying the Trading Halt

Click on each plus icon to view more.





Issuers or advisers may contact NZ RegCo to discuss a trading halt by phone or email. This must be followed by a written application using the standard template, in a format that NZ RegCo can release to market.



If approved, NZ RegCo will confirm the trading halt is in place. NZX will release a “halt on” memorandum over the issuer’s ticker as Price Sensitive, with the issuer’s trading halt application attached. The halt on memorandum confirms the time that the trading halt was applied.



If due to urgency the issuer's written application is not available when NZ RegCo applies the trading halt, the issuer's application may be released to market as a second announcement.

CONTINUE

Lifting the Trading Halt

Click on each arrow to view more.



The event that triggers lifting of the trading halt will be an announcement by the issuer, or the expiry of the period of time for which the halt was stated to apply. The relevant announcement should also confirm to the market that upon release of the announcement the issuer expects that NZ RegCo will remove the trading halt. The issuer should also contact NZ RegCo to confirm, in advance, when this announcement will be provided to the market so that NZ RegCo can ensure the trading halt is removed.



Where the trigger for release of the trading halt is an announcement by the issuer, trading will usually resume 15 minutes after the issuer's announcement, the same timeframe that applies for administrative trading halts. NZX will then release a "halt off" memorandum over the issuer's ticker, confirming the time that trading will resume.



If the event that was expected to occur to enable the issuer to release the announcement to trigger lifting of the trading halt has not occurred prior to expiry of the trading halt period, the issuer may wish to contact NZ RegCo to seek an extension of the trading halt or request voluntary suspension of the issuer's securities until such time as the issuer is in a position to make the relevant announcement.

CONTINUE

Example Halt on Memo



Click on each arrow to view more.



NZX Limited
Level 1, NZX Centre
11 Cable Street
PO Box 2959
Wellington 6140
New Zealand
Tel +64 4 472 7599

www.nzx.com

Memorandum

To: Market Participants
From: NZX Product Operations
Date: DATE
Subject: ISSUER Limited ("XYZ") — Trading Halt of Securities

Message:

NZ RegCo has approved a trading halt application from ISSUER Limited ("XYZ"). Trading in XYZ equity securities was halted at 3.00pm.

Please see the attached trading halt application from XYZ for further information.

Please contact NZX Product Operations on +64 4 496 2853 or productoperations@nzx.com with any queries.

ENDS



NZX Limited
Level 1, NZX Centre
11 Cable Street
PO Box 2959
Wellington 6140
New Zealand
Tel +64 4 472 7599

www.nzx.com

Memorandum

To: Market Participants
From: NZX Product Operations
Date: DATE
Subject: ISSUER Limited ("XYZ") – Trading to resume at 2.00pm

Message:

NZ RegCo advises that, following the announcement released by ISSUER Limited ("XYZ") at 1:45pm, trading in XYZ ordinary shares will resume at 2.00pm.

Please contact NZX Product Operations on +64 4 496 2853 or productoperations@nzx.com with any queries.

ENDS

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If NZ RegCo Declines an Application

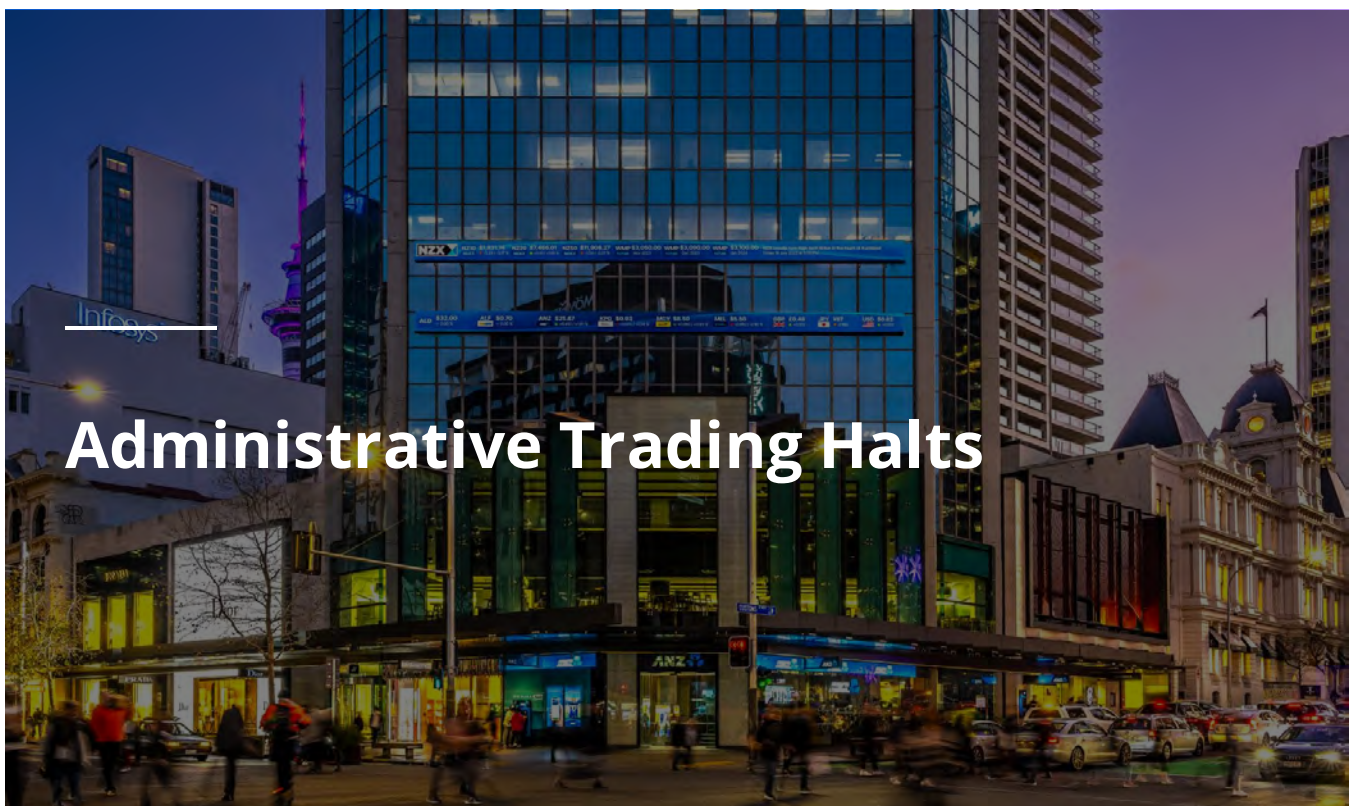


If NZ RegCo declines to grant a trading halt request, it will advise of the decision and be available to answer questions or to assist

with Listing Rule related guidance.

CONTINUE

Part 3: Situations When NZX or NZ RegCo May Apply a Trading Halt



NZX applies administrative trading halts automatically when an issuer releases an announcement that is flagged as “Price Sensitive” during trading hours or in the 15 minutes leading up to open of trading. This includes

announcements that have been tagged as including “material information” by the issuer itself when being submitted in MAP, and by default for announcements in prescribed categories (for example, financial results).

In these cases, NZX will apply a 15 minute administrative trading halt from release of the relevant announcement.

The purpose of these administrative trading halts is to allow the market to assess the information that has been released. During this time market participants are able to manage orders in the relevant quoted securities.



Administrative trading halts are routine, and NZX does not release a memorandum notifying the market of an administrative trading halt.

CONTINUE



NZ RegCo Initiated Trading Halts – Non-Administrative

NZ RegCo may also apply a trading halt at its discretion for other reasons to ensure fair, orderly and transparent markets. While NZ RegCo has broad discretion under the Listing Rules to do this, these non-administrative trading halts are applied in limited circumstances that include:

Click on each arrow to view more.

where there are significant movements in trading volumes and/or prices where the trading behaviour in relation to an issuer's securities does not appear to be linked to information available to the market in relation to that issuer. NZ RegCo may apply a halt so that enquiries can be made of the issuer to determine the reasons for the trading behaviour and whether an announcement is required;

if NZ RegCo becomes aware that a third party, such as the Takeovers Panel, the Financial Markets Authority or the Commerce Commission, will release an announcement containing information that will be material to an issuer's securities. NZ RegCo will, wherever possible, consult with the issuer concerned prior to applying a trading halt. However, if the issuer cannot be contacted, NZ RegCo may exercise its discretion and apply a trading halt until the issuer has been able to prepare and release an announcement in response to the third party's announcement;

if NZ RegCo becomes aware that an issuer may be aware of material information that has not been released to the market, NZ RegCo may apply a halt so that enquiries can be made to determine whether disclosure of information is required.

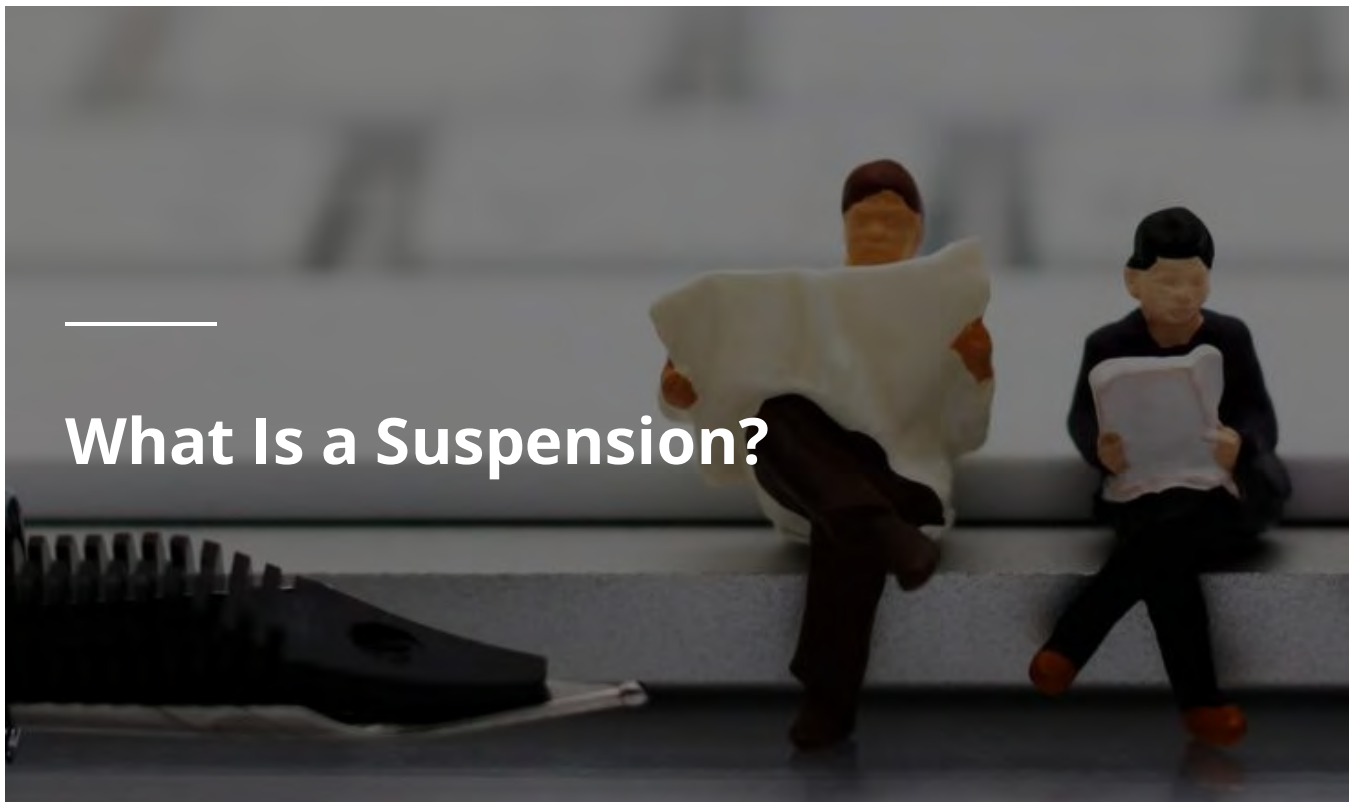
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i In addition to the specific examples outlined above, NZ RegCo may exercise its discretion to apply a trading halt in other situations where it is necessary for the fair, orderly and transparent operation of its markets.

- If NZ RegCo exercises its discretion and applies a trading halt to an issuer's securities, NZ RegCo will attempt to consult with the issuer or provide prior notice to the issuer concerned, unless the delay involved in consulting with the issuer or providing such notification may prejudice the interests of other participants in the market. Where NZ RegCo does not consult with the issuer or provide prior notice to the issuer concerned, it will do so as soon as practicable after the trading halt has been applied;
- If NZ RegCo exercises its discretion and applies a non-administrative trading halt to an issuer's securities, it will release a memorandum notifying the market of the trading halt.

CONTINUE

Part 4: Extended Periods - Suspension of Quotation



What Is a Suspension?

Click on the flip cards to reveal.



A suspension of quotation can be distinguished from a trading halt because it relates to the quotation of an issuer's securities rather than a halt in trading, and because a suspension may be applied for longer than two business days.



A suspension is usually applied in more serious situations where a trading halt is not appropriate or where trading in securities is not expected to resume. Sometimes a trading halt may be replaced by a suspension.



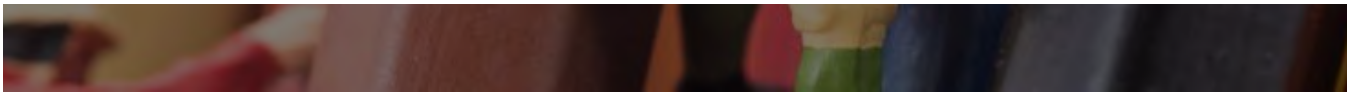
There is no time limit on when a voluntary suspension must end.

Issuers should note that certain simplified disclosure offers or offers of securities of the same class as existing quoted securities under the Financial Markets Conduct Act 2013 may not be made where trading in the relevant class of quoted securities has been suspended for more than a total of five trading days during the 3 months before the offer is made. Issuers who are considering raising capital following a suspension are encouraged to take advice as to the relevant requirements in this respect.

CONTINUE

When Can a Suspension Be Applied?





NZ RegCo has discretion under Listing Rule 9.9.3(b) to apply a suspension if it deems such action is appropriate and to ensure the fair, orderly and transparent operation of its markets. A suspension is likely appropriate when a two day trading halt is not long enough (unless a trading halt for more than two days is required for an accelerated offer or in other circumstances approved by NZ RegCo).

Whilst an issuer might request that NZ RegCo apply a suspension, such requests will be granted at the discretion of NZ RegCo. NZ RegCo may also impose a suspension on its own initiative.

CONTINUE

Part 5: Examples of When NZX or NZ RegCo May Suspend Trading in an Issuer's Securities



Maturity of Debt

Where Securities Are Maturing or Delisting

Where a security is to mature or is to be delisted, a suspension will be applied to allow trades to settle prior to the maturity or delisting date. Applying a suspension in these circumstances facilitates the maturity or delisting of securities.



For example, where a trust deed specifies a record date for a final payment, a suspension will apply from the ex date of entitlement until the delisting date so that holders' positions do not change in the intervening period.

CONTINUE

Conduct or Financial Difficulty

Where an Issuer Breaches Periodic Reporting Rules

Click on the flip cards to reveal.



NZ RegCo will usually suspend an issuer who fails to publish its full year or half year results announcement report or annual report by the respective due dates, if the report is over five business days late;



NZ RegCo will apply a suspension until the relevant information has been released to the market.

CONTINUE

Where an Issuer Is Placed in Liquidation or Receivership

Click on each arrow to view more.



NZ RegCo may also apply a suspension in circumstances where an issuer is subject to an insolvency event, such as the appointment of a liquidator or receiver and there is sufficient uncertainty as to the state of the issuer as a going concern;



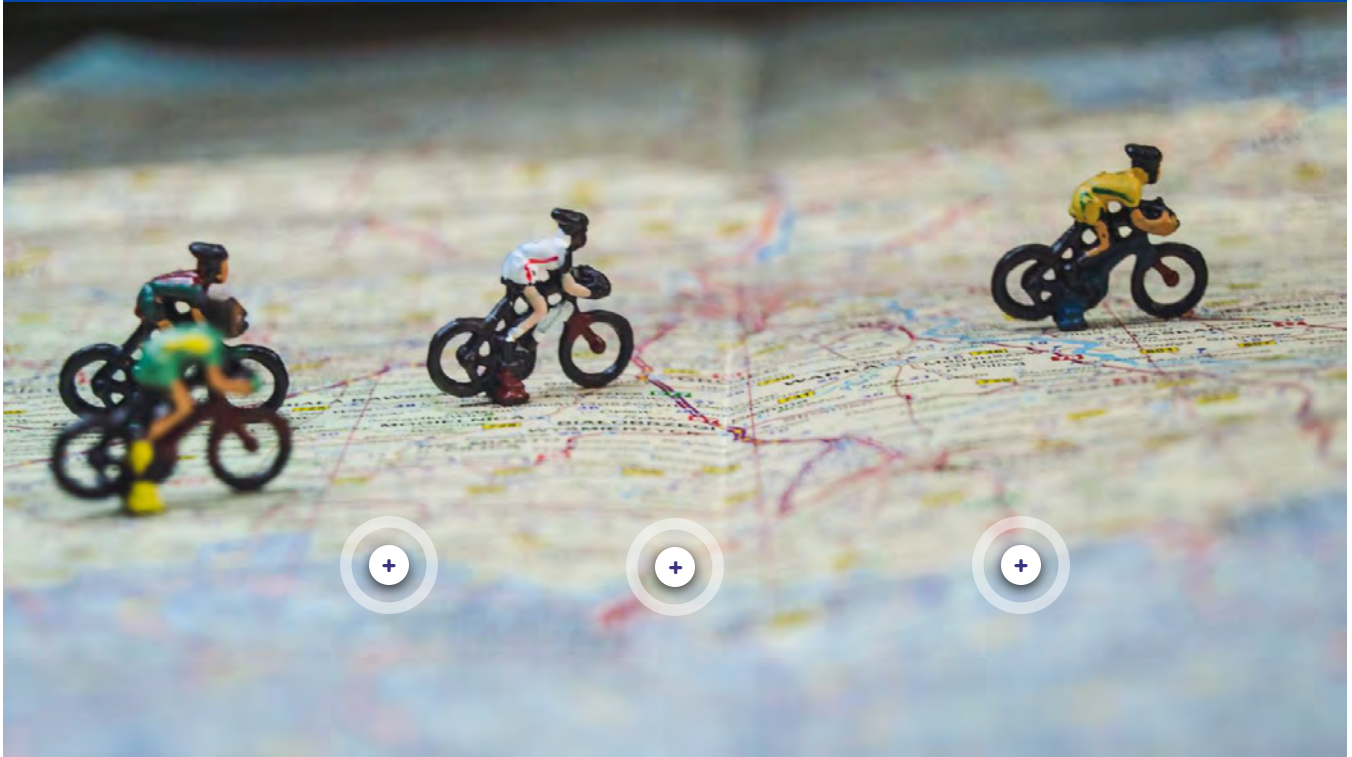
NZ RegCo encourages issuers and their advisers to contact NZ RegCo to discuss such issues as early as possible.

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Takeover Activity

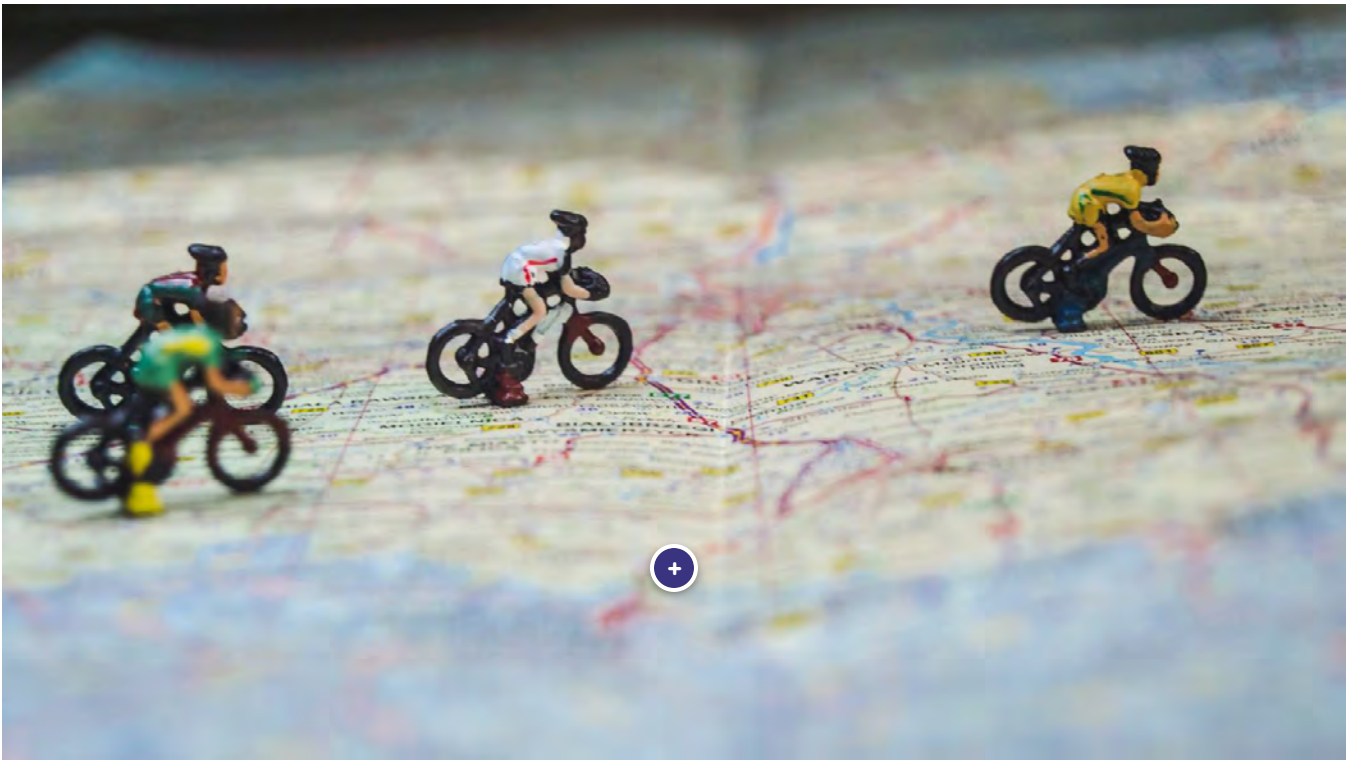
Where an Issuer Receives a Compulsory Acquisition Notice

Click on each plus icon to view more.

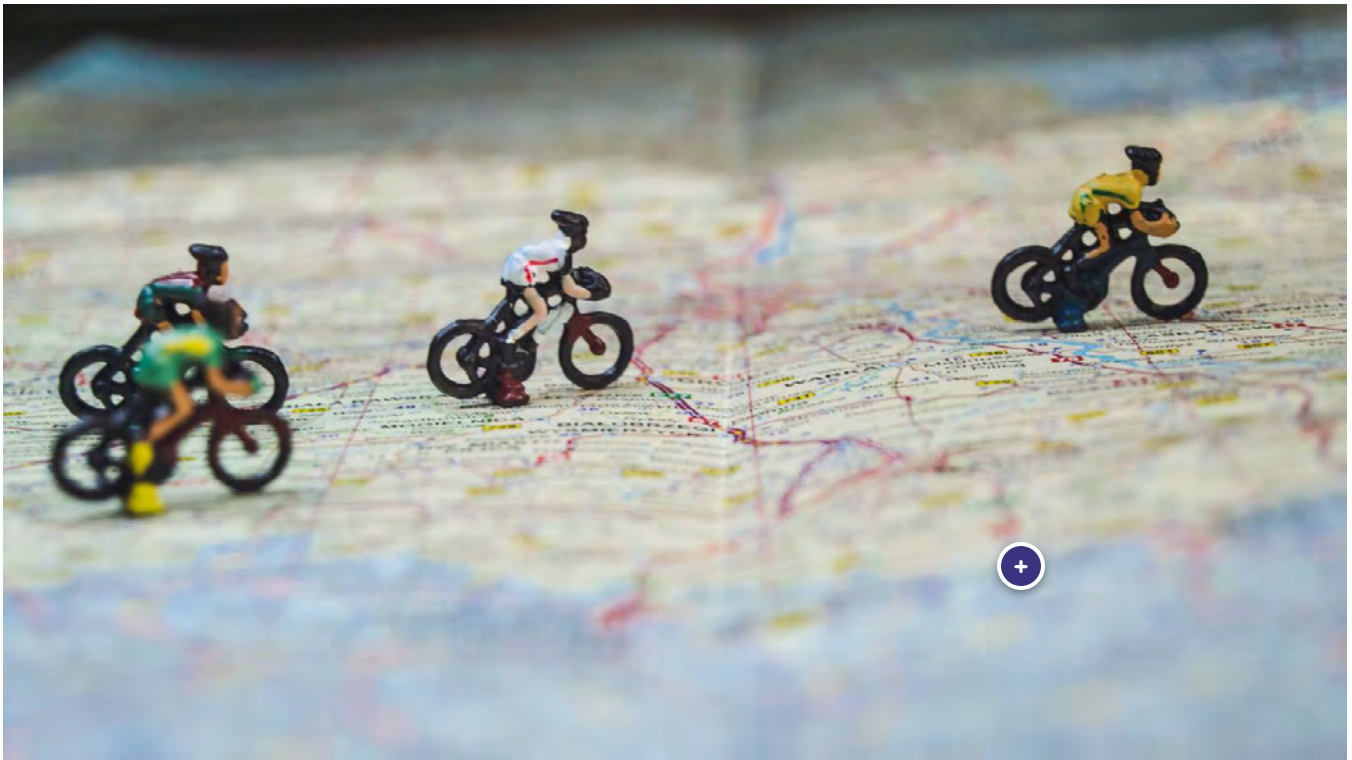




NZ RegCo will generally suspend an issuer's securities five business days after it receives a compulsory acquisition notice under the Takeovers Code.



NZ RegCo generally interprets this to mean five business days after an issuer receives a notice that the 90% threshold has been reached and that the offeror intends to compulsorily acquire all remaining shares in the issuer.



The suspension will remain in place until the issuer is delisted at the request of the offeror.

CONTINUE

When an Issuer Has Entered Into a Scheme of Arrangement to Effect a 100% Control Transaction

NZ RegCo will generally suspend an issuer's securities at least two business days prior to the record date for the effective date of implementation of a scheme of arrangement that is akin to a takeover offer for all of an issuer's equity securities.



A suspension from on or before the ex date of entitlement ensures that holders' positions do not change when determining entitlements under the scheme of arrangement.



CONTINUE

Non-Payment of Annual Listing Fees

Where an Issuer Does Not Pay Its Annual Listing Fees

Issuers must pay all relevant fees under the NZX Fee Schedule in a timely manner. If an issuer does not pay its annual listing fee within 30 business days after the due date, NZX will suspend quotation of the issuer's securities.



CONTINUE

Part 6: Procedure for Requesting a Suspension, and NZ RegCo Lifting a Suspension



All applications for suspension are published to market. The same template as is available for trading halts should be used for a suspension application with all necessary consequential amendments made.

- If NZ RegCo agrees to grant the application, it will advise the issuer and suspend trading of the issuer's relevant quoted securities at the agreed time. NZX will also release an announcement notifying the market of the suspension, which will be accompanied by the issuer's suspension application.
- If the suspension is imposed by NZ RegCo, a memo will be released to market confirming the suspension.

CONTINUE



Information to Include with an Application for Suspension



All applications for suspension will be published to market.

The application must include:

- 1 the exact securities for which the suspension is sought (as some issuers have multiple quoted securities);
- 2 when the suspension should commence (immediately or at a later date);
- 3 the reasons for the suspension, including the impact of event on fair, orderly and transparent trading of markets;
- 4 how long the suspension will last;
- 5 the relevant event that is expected to end the suspension (if applicable);
- 6 other information necessary to inform the market about the suspension; and
- 7 confirmation that the issuer is not aware of any reason why the suspension should not be granted.

CONTINUE



Lifting a Suspension

- i Usually, a suspension will be lifted upon resolution of the issue that led to the suspension.**

Some suspensions may never be lifted and will stay in place until the relevant issuer is delisted and its securities cease to be quoted.

CONTINUE

End of Module: Further Information is Available



Other Information to Assist Issuers

The NZX Listing Rules and guidance material is available online at

[LEARN MORE](#)

Guidance Notes are available on trading halts and suspensions, and also continuous disclosure. NZ RegCo has also published a Practice Note on trading halts.



**NZ RegCo is available to discuss or
provide guidance using
email issuer@nzregco.com**

CONTINUE

Conclusion

Well done! You have completed
the NZX Issuer Training Modules –
Trading Halts and Suspensions

Let's start the test.

[GO TO TEST](#)