

Summary

This Practice Note explains:

- the circumstances when an issuer may need to request a trading halt in its financial products;
- and how issuers should apply for trading halts.

Relevant Listing Rules: 9.9

Under Rule 9.15.1 of the NZX Listing Rules (**Rules**), NZX Limited (**NZX**) may act by and through NZX Regulation Limited (**NZ RegCo**) in performing any function or discharging any power set out in the Rules. References in this Practice Note to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

Refer also to:

- [NZX Guidance Note *Trading Halts and Suspensions*](#)
- [NZX Guidance Note *Continuous Disclosure*](#)

A trading halt is a temporary halt in the trading of the market or in the trading of particular quoted financial products. Trading halts are a tool that can be used, when necessary, to ensure that NZX's markets are fair, orderly and transparent.

In what circumstances might an issuer submit a trading halt application?

A trading halt may be needed when:

- an issuer is completing an off market bookbuild
- an issuer is undertaking an off market placement
- a substantial shareholder has informed an issuer that the shareholder is completing an off market sell down through a bookbuild
- an issuer needs a short period of time to prepare a statement to correct speculation or rumours in the market
- an issuer has unexpectedly received or recognised information that will likely be material and the issuer needs a short period of time to assess that information and prepare an announcement to the market.

Trading halts are not intended to be used by issuers to manage their commercial interests, or as a tactic to delay the release of material information.

Further explanation about why a trading halt may be required in these circumstances is included in the NZX Guidance Note [Trading Halts and Suspensions](#). Issuers must at all times consider their continuous disclosure requirements.

Timing and contact details for a trading halt application

If an issuer is aware in advance that it will need a trading halt, ~~NZX-NZ RegCo~~ encourages either applying for the halt early, or providing a draft trading halt application to ~~NZX~~NZ RegCo. Early engagement will ensure ~~NZ RegCoX~~ has time to assess, and raise any questions on, the trading halt application. In all instances, ~~NZ RegCoX~~ invites issuers to call before sending an application if there are any questions or concerns.

Timing	How to make application
Intra-trading day trading halt, required immediately For example, receipt of unexpected material information or correction of market speculation	Please call NZ RegCo to apply verbally for the halt, and to have the halt implemented. A formal trading halt application <u>using the template form</u> should then follow by email <u>for release to market by NZ RegCo</u> .
Pre-planned trading halt, required from pre-market open For example, off market bookbuild or placement	Please email the draft trading halt application in advance, and provide the final application no later than the evening of the trading day prior to the day the once the issuer is aware the halt is required <u>(for example, the night before or morning of)</u> .
Unexpected trading halt, required from pre-market open For example, sell down by substantial shareholders	Please email the final trading halt application, preferably no later than one hour prior to market open. If the matter giving rise to the trading halt application arises within the 30 minutes prior to market open, issuers should call NZ RegCo to apply verbally for the halt and then submit a formal trading halt by email.
Trading halt applications should be emailed to NZ RegCo at issuer@nzregco.com <small>mailto:</small>	
<u>NZ RegCo will publish the final trading halt application to market if the trading halt is granted.</u>	
For urgent applications, please call NZ RegCo on 04 495 2825	

Issuers that are also listed on the ASX should be aware that applications for a trading halt are subject to the dual listed entity Trading Halt Request Process. The trading halt application must be provided to NZX and ASX simultaneously, using the template letter available ~~that~~ (<https://www.nzx.com/regulation/nzx-rules-guidance/nzx-mo-announcements/practice-notes> ~~can be found here~~). As NZX's markets open before the ASX markets, issuers should consider whether a phone call to NZ RegCo is also required.

Please be aware that NZX and ASX will each individually consider a trading halt request.

What information should be included in the trading halt application?

Information to include in a trading halt application

General Information

- The reasons for requesting a trading halt (for example to allow a bookbuild to be conducted or to prepare a correction) and why, but for the halt, the event would impact a fair, orderly or transparent market
- When the trading halt is requested to begin, and why
- What financial products the trading halt is requested to apply to
- How long the trading halt is requested to last, and why
- The event that is expected to end the trading halt (for example, announcement of the results of a bookbuild)
- Confirmation that the issuer is not aware of any reason why the trading halt should not be granted (or further information if the issuer is ~~are~~ aware of any reason)
- ~~A statement for inclusion in NZX's market announcement as to the reasons for the halt~~
 - ~~Whether the reasons for the halt are confidential or commercially sensitive and should not be released to the market~~

Further information to include in a trading halt application in specific circumstances

<p>To allow a bookbuild or placement to be conducted off market</p>	<ul style="list-style-type: none"> • The size of the bookbuild or placement expressed in figure size and as a percentage of total market capitalisation of the issuer • Outline what involvement the issuer will have in the process • Whether participants in any bookbuild will be bound by confidentiality agreements <ul style="list-style-type: none"> • Any arrangements that will be in place to protect against insider trading (if any)
<p>To a prepare an announcement to correct market speculation</p>	<ul style="list-style-type: none"> • Outline of the what the speculation is • Source of the speculation (if known)
<p>To determine materiality of information or pending the release of a material announcement</p>	<ul style="list-style-type: none"> • An outline <u>or summary</u> of the information <u>that the issuer is considering in possession of the issuer, but not yet publicly available</u> • The reason the issuer cannot immediately provide <u>a full announcement about the this</u> information to the market

Please note that the above information is a guide only and NZ RegCo may have additional queries even if this information is provided in full.

Template trading halt application letters

NZ RegCo has provided template trading halt application letters for Issuers listed only on NZX, and also issuers listed on NZX and ASX.

~~• Issuers listed only on NZX (found here); and Issuers dual listed on NZX and the ASX (found here).~~
Template application letters are available on NZX.com (<https://www.nzx.com/regulation/nzx-rules-guidance/nzx-mo-announcements/practice-notes>) and NZX MAP (<https://map.nzx.com/static/forms/>)

- NZ RegCo will publish the final trading halt application to market if the trading halt is granted.

Process on receipt of a trading halt application

Applying the trading halt

Upon receipt of a trading halt application, NZ ~~RegCo~~ will consider the application and may request additional information about the application. When all relevant information has been provided, NZ ~~RegCo~~ will make its decision on the application. NZ ~~RegCo~~ will then confirm ~~by email~~ to the applicant whether the halt has been approved and, if approved, that the halt has already been placed or will be placed at the requested time.

~~NZX will release an announcement confirming the trading halt to the market, which includes the issuer's trading halt application. This announcement will confirm the time the trading halt was applied. An issuer should consider whether it will release an announcement to the market as to why the trading halt was requested.~~

~~In urgent situations, NZX may release an announcement confirming the trading halt to the market, with the issuer's trading halt application to follow in a separate announcement once available. - NZX will release a memorandum confirming the trading halt to the market, which will only include the statement the issuer has provided in its application for the trading halt.~~

~~Halt on announcements released over an issuer's ticker code by NZX will be released with a "P flag", in addition to being marked as a third party announcement.~~

Lifting the trading halt

NZX expects that an issuer will release a further announcement providing all material information to the market, should this be relevant, before trading resumes. This announcement should also confirm to the market that upon release of the announcement the issuer expects that NZX 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. Once this announcement is released, the trading halt will be removed and NZX will release ~~a memorandum~~ an announcement to the market confirming ~~when trading will resume~~ the time that trading will resume.

Trading halt applications must be emailed to NZ RegCo at issuer@nzregco.com
For urgent applications, please call NZ RegCo on 04 495 2825