



Consultation Paper

Listing Guidance – Spread and Reverse Listings

6 March 2026



Introduction

NZX is proposing amendments to its Guidance Notes that provide guidance to candidates for listing, including proposed changes to the:

- Spread Guidance Note, summarised in section 1 of this Consultation Paper, and
- Backdoor and Reverse Listing Guidance Note (**Reverse Listing Guidance Note**), summarised in section 2 of this Consultation Paper.

The changes to the Spread Guidance Note are designed to illustrate further flexibility in the manner in which an applicant seeking to have their securities Quoted on the NZX Main Board can satisfy the NZX Listing Rule (**Rule**) requirement to have sufficient spread upon listing.

The changes to the Reverse Listing Guidance Note are to align with recent legislative amendments that enabled prospective financial information (**PFI**) to be provided on a voluntary, non-GAAP basis.

We are also taking this opportunity to consult on how the Qualifying Financial Product (**QFP**) regime¹ should apply to issuers who have not included tier 1 financial statements in a Profile document or published financial statements that comply with the Rules. This feedback will inform the design of further consultation on a Direct Listings Guidance Note.

The proposed amendments are summarised in this Consultation Paper and outlined in the Spread Guidance Note and Reverse Listing Guidance Note Exposure Drafts (**Exposure Drafts**).

NZX considers that the Rule requirements referred to in the Spread Guidance Note and Reverse Listing Guidance Note remain appropriate and is not proposing any Rule amendments in relation to this review.

Consultation Process

We are interested in hearing general feedback on the proposed amendments, and in addition we have posed specific consultation questions at the end of each section of this Consultation Paper.

We invite interested parties to provide their views on the proposals described in this Consultation Paper and contained in the Exposure Drafts by emailing a written submission to policy@nzx.com. Alternatively, if you would prefer to provide a verbal submission, please email NZX Policy to arrange a time to speak with us.

The closing date for submissions is **5.00pm Friday 3 April 2026**.

NZX may publish the submissions it receives, so please clearly indicate in your submission if you do not wish for your submission to be published, or identify any part of your submission which contains confidential information.

¹ The QFP regime refers to clause 19 of schedule 1 of the FMC Act, which allows a listed issuer to make an offer of the same class of Quoted Securities without requiring disclosure under Part 3 of the FMC Act, on the basis of certain conditions including that the issuer is complying with its continuous disclosure and financial reporting obligations.

Contact information

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1 Additional guidance in relation to liquidity facilities

1.1 Background

The NZX Listing Rules (**Rules**) require applicants seeking to have Equity or Fund Securities² Quoted on the NZX Main Board to demonstrate to NZX that they will have appropriate spread upon listing. In this context, spread refers to the distribution of ownership between persons who own securities in an Issuer.

The Rules allow two ways for an applicant to demonstrate it will have appropriate spread. An applicant must ensure that NZX is satisfied that on Quotation:

- (a) at least 20% of the applicant's securities on issue will be held by at least 100 Non-Affiliated Holders³ with each such holder having a minimum holding (being of at least \$1,000 in value),⁴ or
- (b) an applicant will have an appropriate spread of Equity Security holders, or Fund Security ownership, to ensure a sufficiently liquid market in the relevant class of securities.⁵

The spread requirement is an eligibility requirement for Listing and Quotation, rather than an ongoing requirement.

1.2 Rationale for the Proposals

NZX is proposing to amend the Spread Guidance Note to provide further detail on how an applicant may demonstrate it has appropriate spread to ensure a sufficiently liquid market (referred to limb (b) above) including by establishing a liquidity facility, along with general hygiene amendments.

NZX considers that a liquidity facility could be a useful pathway for applicants to meet the spread requirement, particularly for those looking to come to market by way of direct listing with a concentrated ownership structure. A liquidity facility allows applicants to increase their spread on market and drive liquidity in their securities in the long term.

While a liquidity facility could be relied on currently under the Rules to satisfy the spread requirement, NZX considers that published guidance will assist applicants in understanding how a liquidity facility could be structured in a way that meets NZX's expectations.

The key proposed changes to the Guidance Note are described below.

1.3 Liquidity Facility Agreement

NZX recognises that a liquidity facility arrangement is commercial in nature, and the structure of a liquidity facility arrangement will depend on the unique circumstances of each applicant. This

² Issuers of Fund Securities are required to meet the Spread Requirements where the issuer is not a Continuous Issuer, being an issuer that in the ordinary course of business continuously offers financial products.

³ A Non-Affiliated Holder is defined in the Rules as any person other than a person, or a group of persons, who hold 10% or more in a class of financial products, have the power to appoint one or more director of an issuer, or any other person or group who NZX declares to be a Non-Affiliated Holder.

⁴ Rule 1.1.1(b)(ii)(A) for Equity Securities and Rule 1.4.1(b)(ii) for Fund Securities.

⁵ Rule 1.1.1(b)(ii)(B) for Equity Securities and Rule 1.4.1(b)(iii) for Fund Securities.

is reflected in the proposed guidance, where we have included minimum criteria NZX would expect to see in an agreement, along with how the liquidity facility should be disclosed in an applicant's Profile document.

We have not proposed prescriptive terms for a liquidity facility agreement, as NZX understands applicants require flexibility to negotiate the terms of the agreement with their liquidity provider.

We summarise below the proposed minimum criteria for a liquidity facility agreement, that will be reflected in the Spread Guidance Note.

Sell-side liquidity

NZX expects that a liquidity facility would, at a minimum, provide sell side liquidity in an applicant's securities where liquidity is not otherwise available. This ensures that the applicant's securities become available to purchase, supporting the increase in the applicant's spread and a sufficiently liquid market.

A liquidity facility agreement could also include the provision of buy-side liquidity, however NZX would not expect this when assessing whether a liquidity facility will result in a sufficiently liquid market, as buy-side liquidity does not directly support an increase in spread of security holders.

Duration and size of liquidity facility

NZX considers that a liquidity facility should operate for at least a 6-month period to ensure that there is sufficient opportunity for the number of holders of an applicant's securities to increase.

Alternatively, it might be appropriate for a liquidity facility to be of a certain size to facilitate a rapid increase in the number of holders in the applicant's Quoted Securities.

These duration and size considerations will be considered on a case-by-case basis, with the primary consideration being whether a liquidity facility is appropriately structured to encourage an increase in spread in the applicant's security holders to support a sufficiently liquid market.

Conflict management arrangements

NZX expects that a liquidity facility agreement will provide for appropriate conflict management arrangements to ensure the liquidity facility is operated independently and without influence from the applicant. These arrangements may include (but are not limited to) terms requiring that the:

- provider of the liquidity facility must not involve or consult the applicant on any decisions to sell or buy the applicant's securities,
- applicant must not influence in any way the trading decisions of the liquidity facility provider; and
- liquidity facility provider must keep appropriate records of all transactions undertaken in accordance with the liquidity facility.

Appropriate conflict management arrangements will also support the applicant in ensuring compliance with legislative requirements, particularly the market manipulation or insider trading provisions in the Financial Markets Conduct Act 2013 (**FMC Act**). It will be the responsibility of the applicant to ensure that the operation of a liquidity facility complies with all relevant legislative requirements.

1.4 Disclosure of liquidity facility in Profile document

NZX expects any applicant who is seeking Quotation in reliance on a liquidity facility to satisfy the spread requirement to disclose the operation of the liquidity facility in its Profile document that is required to be prepared under the Rules.⁶ Such disclosure should include:

- how the liquidity facility provider will be facilitating liquidity in the applicant's Quoted Securities (i.e., whether the provider will be providing sell-side only liquidity or whether it will be both sell and buy side);
- the term of the engagement with the liquidity facility provider (including whether there is an option for the applicant to extend this term, and how any extension will be announced if taken up); and
- any key parameters of the liquidity facility, for example whether transactions will be undertaken on-market through the Trading System and whether there are volume limits in relation to the liquidity facility.

NZX considers the disclosure of key terms of a liquidity facility arrangement is important information for prospective investors.

1.5 Legal requirements for a liquidity facility

NZX has noted in the proposed Spread Guidance Note that applicants should consider the broader legal requirements when considering whether the structure of their liquidity facility arrangement is appropriate. For example, some liquidity facility arrangements are structured in a way that require an applicant to issue the liquidity facility provider securities on an ongoing basis. This structure may trigger "offer for sale" restrictions in the FMC Act and require disclosure under Part 3.⁷

Although NZX is not responsible for enforcing legislative requirements, NZX considers it appropriate to remind applicants of their broader obligations within the Spread Guidance Note.

Consultation Questions – Spread

1. Do you agree that a liquidity facility is an appropriate way for an applicant to demonstrate that they have an appropriate spread of security holders to support a liquid market in its Quoted Securities?
2. Do you foresee any structures being unable to meet NZX's expectations outlined in the Spread Guidance Note?
3. Are there any other factors NZX should consider when considering whether a liquidity facility provides a sufficiently liquid market?

⁶ Rule 1.13.2(c) and 1.15.2(e).

⁷ Part 2 Schedule 1 FMC Act.

2 Update to Guidance on Profile requirements for Reverse and Backdoor Listings

2.1 Background

Recent legislative changes made it optional for issuers to provide Prospective Financial Information (**PFI**) in a product disclosure statement for an initial public offer of equity securities.⁸ These included changes to allow an issuer who elects to include PFI, to provide PFI that is not GAAP compliant.⁹ NZX supported these changes which open the pathway to listing and align New Zealand's settings with comparable international counterparts, including Australia.

These legislative changes have prompted NZX to propose updates to the Reverse Listing Guidance Note to:

- (a) clarify NZX's expectations in relation to prospective financial information (**PFI**) for Profiles for reverse listing transactions to align with recent legislative changes, and
- (b) update NZX's approach to the circumstances in which an issuer who is undertaking a reverse or backdoor listing may use the qualifying financial product (**QFP**) regime.

NZX does not have a bespoke Guidance Note in relation to the content requirement for Profiles generally. The guidance provided in the Reverse Listing Guidance Note in relation to Profile requirements is specific to the reverse listing context, and is not intended to provide guidance in relation to Profiles for direct listings (particularly in relation to the availability of the QFP regime, discussed in more detail below).

We are intending to develop stand-alone guidance in relation to direct listings, and are seeking initial feedback in relation to the availability of the QFP regime to inform the design of consultation materials for a Direct Listings Guidance Note.

The proposals on which we are consulting are described below.

2.2 Clarifying amendments in relation to PFI

The Rules require a Profile to include, unless NZX determines otherwise, the information required in a product disclosure statement as if the financial products for which Quotation is sought are being offered in a regulated offer under the FMC Act.¹⁰ The Reverse Listing Guidance Note provides that NZX does not require PFI in a Profile for reverse listings.

NZX is proposing to update the Reverse Listing Guidance Note to reflect recent legislative changes to allow issuers to provide partial PFI, or PFI that is not compliant with GAAP. We are proposing that when PFI is in a Profile, it should be prepared in a manner consistent with the relative requirements of the Financial Market Conduct Regulations 2014 (**FMC Regulations**), and in particular clause 39A of Schedule 3, which requires a summary of the principal assumptions on which the PFI is based.

⁸ Clause 39A(1) of schedule 3, Financial Markets Conduct Regulations 2014.

⁹ Clause 39A(2)(d) of schedule 3, Financial Markets Conduct Regulations 2014.

¹⁰ Rule 7.4.1(a)(ii).

We consider that this change is appropriate as it aligns NZX's requirements for a Profile for a reverse listing with the legislative requirements for a product disclosure statement, promoting further flexibility for issuers while ensuring that the investors receive an appropriate standard of information.

2.3 Update in relation to availability of the QFP regime

The Guidance Note currently provides that where PFI is not included in a Profile for a reverse listing, NZX will restrict (by way of listing condition) the post-transaction issuer from using the QFP regime until it published consolidated full or half year audited historical financial statements under Rule 3.5. This condition is designed to ensure that investors have access to robust financial information in relation to the post-transaction issuer before that issuer conducts a secondary capital raise without a product disclosure statement.

NZX considers that the inclusion of PFI in a reverse-listing Profile may no longer be an appropriate criterion to determine whether the QFP regime should be available, as PFI is no longer required by legislation to comply with GAAP. NZX is proposing to update the Reverse Listing Guidance Note to clarify that it may impose a condition limiting the use of the QFP regime until the post-transaction issuer has published consolidated financial statements under Rule 3.5.

This change to guidance only relates to reverse listings, where investors have limited access to financial information in relation to the post-transaction issuer, in the absence of published financial statements.

2.4 Approach to availability of QFP for direct listings

NZX intends to develop a stand-alone Direct Listing Guidance Note, which will include guidance on the requirements for direct listing Profiles. We are interested in views from submitters as to whether the condition outlined above restricting use of the QFP regime is appropriate in a direct listing scenario, noting that direct listings do not have the same challenges in relation to the availability of financial information about the issuer.

NZX understands that the legislative 3-month restriction on the availability of the QFP regime after Quotation is intended to ensure there is an appropriate level of price discovery, such that further restrictions in relation to the publication of financial statements is unnecessary.¹¹ However, we also understand that there may be scenarios where an issuer comes to market through a direct listing with tier 2 financial statements, and in such cases there may be an argument that robust financial information is not available to the market until such a time that issuer publishes tier 1 half or full year financial statements that comply with the requirements of the Rules.

We are conscious of the need to balance the benefits to the market to enable further flexibility in relation to access to the QFP regime, while ensuring there is market confidence to enable informed investment decision making in the absence of a product disclosure statement.

¹¹ Clause 19(1)(b) of schedule 1, FMC Act.

We are seeking the market's view on this point before we begin developing the consultation materials for a bespoke Direct Listing Guidance Note.

Consultation Questions – Reverse Listings and Profiles

1. Do you agree with NZX's intended approach to apply a listing condition on a post-transaction issuer in the reverse listing scenario limiting its use of the QFP regime until it publishes consolidated half or full year financial statements? If not, please provide detail on reasons for your view, including how investors can access robust financial information in relation to the post-transaction issuer.
2. Do you think that the same condition restricting the use of QFP is appropriate for direct listing applicants where a Profile does not contain financial information that meets the requirements of the FMC Regulations (i.e., tier 1 financial statements)? Or do you think the legislative 3 month stand-down from use of the QFP regime provides sufficient time for price discovery post-Quotation?

