ANNUAL REPORT 2019

NEW ZEALAND MARKETS DISCIPLINARY TRIBUNAL

CONTENTS

3 TRIBUNAL CHAIR'S REPORT

8 MEMBERS

10 STATEMENTS OF CASE, FINDINGS AND PENALTIES

30 SPECIAL DIVISION CHAIR'S REPORT

35 DIRECTORY

This report covers the period 1 January 2019 to 31 December 2019.

TRIBUNAL CHAIR'S REPORT

TRIBUNAL CHAIR'S REPORT

INTRODUCTION

It is difficult in the present radically changing and changed World to think back and reflect on last year. This report attempts to provide that perspective and fairly reflect on what occurred prior to COVID-19, lockdowns, working from home and physical distancing.

I do, though, wish to take this opportunity to extend my best wishes to you all, to your families, businesses and colleagues. Let us first and foremost protect our health and the welfare of those around us and those less fortunate than us. He tangata, he tangata, he tangata.

NZ MARKETS DISCIPLINARY TRIBUNAL

The NZ Markets Disciplinary Tribunal (*Tribunal*) is an independent body established under the NZ Markets Disciplinary Tribunal Rules (*Tribunal Rules*).

The Tribunal's principal role is to determine whether there has been a breach of the NZX Participant Rules, the NZX Listing Rules, the NZX Derivatives Market Rules, the Clearing and Settlement Rules of New Zealand Clearing Limited or the Fonterra Shareholders' Market Rules (together the *NZX Market Rules*) in matters referred to it by NZX Limited (*NZX*). If a breach of the NZX Market Rules is established, the Tribunal must determine what, if any, penalties should be imposed.

The Tribunal serves in an adjudicative role. It is not an inspectorate of market conduct. That role is performed by NZX Regulation (*NZXR*) and the Financial Markets Authority (*FMA*).

THE 2019 YEAR

2019 was marked by a continued increase in referrals to the Tribunal and a wider array of referrals, often with complex components.

The increase in the number of referrals to the Tribunal I noted in my report last year has continued in 2019, with ten matters being referred by NZX, up from three referrals in 2017 and seven referrals in 2018. 2019 again saw a spread of complex referrals, including two matters of a nature not previously considered by the Tribunal (which are detailed further in the body of this report and briefly below under Referrals).

Seven of the ten matters referred to the Tribunal in 2019 related to breaches of the NZX Market Rules which occurred in 2017 and 2018. The Tribunal has acknowledged in the past that complex matters are likely to require a longer investigatory timeframe before referral. Many of the recent referrals have fallen into the category of complex cases. Where the alleged breach is more straightforward, the

Tribunal encourages NZXR to expeditiously refer matters so that the regulatory guidance given in the Tribunal's decisions can be promptly provided to the market.

The consideration of continuous disclosure breaches had been prevalent in the Tribunal's work in past years, but no such breaches were referred by NZX in 2019. The reduction in such referrals may be a sign of an improved rule set and increased market education by NZXR. The Tribunal will continue to note such referrals and any pattern of general conduct.

REFERRALS

The Tribunal received two referrals from NZX during 2019 regarding breaches of a nature not previously considered by the Tribunal – a breach of the periodic reporting requirements by an issuer whose half year reporting did not comply with NZ IFRS and a foreign exempt issuer who did not release information to NZX at the same time as it was released to its home exchange. These decisions are discussed below. Through its decisions on these matters, the Tribunal hopes that it has been able to enhance market education and ultimately issuer compliance.

Seven of the ten referrals in 2019 involved settlements. Under the Tribunal Rules, where NZX has decided to refer a matter to the Tribunal, NZX and the relevant issuer or market participant may, without prejudice, negotiate a proposed settlement and jointly submit it in writing to the Tribunal for approval. The settlement procedure is intended to expedite matters where a breach of the Rules is accepted by both parties to have occurred and the parties have agreed on the penalties to be imposed. Even if a settlement has been reached, the division of the Tribunal constituted to hear and determine the matter must still be satisfied that the penalties agreed to by the parties are appropriate. During 2019, the Tribunal declined to approve a proposed settlement because it was not satisfied that the penalties agreed to by the parties were appropriate in the circumstances of that case.

Seven of the ten referrals in 2019 resulted in the Tribunal publicly censuring the relevant issuer or market participant. The trend toward naming an issuer or market participant who has breached the NZX Market Rules is likely to continue given the increased seriousness of the matters being referred to the Tribunal. The Tribunal Procedures provide guidance on when the Tribunal should exercise its power to publicly censure an issuer or market participant who has breached the NZX Market Rules. The name of the issuer or market participant is likely to be published by the Tribunal when:

a) the impact of the breach has, or has the potential to, cause the public to be harmed and/or has, or has the potential to, damage public confidence in the sector; and/or
b) the issuer or market participant has been involved in repeated breaches and shown disregard for the NZX Markets Rules; and/or
c) the issuer or market participant committed a breach that falls within penalty band 2 (a moderate breach) or penalty band 3 (a serious breach).

Two referrals in 2019 related to issuers who had not met their periodic disclosure requirements by filing their annual reports after they were due. While this type of breach has historically been prevalent in the Tribunal's work, it had not considered such a breach since 2016. In both cases, the issuer had recently migrated from the NZAX Market and, although they each had the benefit of a class waiver giving them an extra month to comply with the NZX Listing Rules, they were unable to meet the deadline. The Tribunal hopes that this is an anomaly and has stressed in its decisions that meeting the periodic reporting requirements is a fundamental obligation under the NZX Listing Rules and all issuers must organise themselves to ensure they meet the reporting deadlines.

Details of the referrals received during 2019 and the Tribunal's decisions are set out on pages 10 to 29 of this report.

NZX REGULATION

Under the Tribunal Rules, NZXR has the power to issue fines of up to $10,000 for minor breaches of the NZX Market Rules. NZXR issued two such Infringement Notices in 2019, down from five in 2018 (see here).

NZXR published its Oversight & Engagement Report 2020 on 28 February 2020. This report includes information on NZXR's investigation and enforcement activity undertaken during 2019 and was provided to the Tribunal in connection with NZX's annual regulatory reporting requirements under the Tribunal Rules. The Tribunal recommends reference to the report to understand how NZXR identifies non-compliance with the NZX Market Rules and determines what enforcement action to take, including referrals to the Tribunal. The NZXR report also highlights NZXR's areas of enforcement priority for the coming year.

On 31 March 2020, NZX announced a proposal to structurally separate NZX's commercial and regulatory roles so that a new wholly-owned subsidiary of NZX will perform the regulatory functions currently undertaken by NZXR (which is currently an operating unit within NZX) in support of NZX's obligations as a market operator and as operator of the designated settlement system. The proposed entity will be:

- structurally separate from NZX's commercial and operational activities;
- governed by a separate board, with an independent Chair (and the majority of members independent of the NZX Group); and
- targeting to operate on a cost-neutral basis (it will not be expected to generate profit for NZX).

NZX says that implementation of the proposal is some months away, with amendments required to be made to the NZX Market Rules (see here). I have been advised by NZX that the proposal is not intended to affect the structure or the role of the Tribunal, which will remain an independent body.

MEMBERS

The Tribunal has members appointed by NZX to represent issuers, market participants, clearing participants, derivatives participants and the public, as well as a legal category. The members of the Tribunal all have significant experience and bring a wealth of knowledge to the matters on which they are asked to adjudicate.

Succession planning has been at the forefront of my recent discussions with NZX given that the terms of several long-standing members end within the next three years. In light of this, NZX appointed three new members in December 2019 - Kirsty Campbell, Nicola Greer and Kristy McDonald ONZM QC. Five Tribunal members were also re-appointed by NZX for three-year terms commencing in July 2019 (Geoff Brown, Richard Keys, Richard Leggat, Chris Swasbrook and myself).

Danny Chan and Trevor Janes' membership terms end this May, having both served 8 years as members of the Tribunal. Jo Appleyard's term also ends in June this year, having served nine years on the Tribunal. I would like to thank Jo, Danny and Trevor for their contribution to the Tribunal over many years. They have each brought substantial experience and expertise to the Tribunal and I have been grateful for their contribution.

SPECIAL DIVISION

James Ogden was appointed as Chair of the Special Division following the end of Dame Alison Paterson's term on the Tribunal in May 2019.

James has provided excellent stewardship of the Special Division and I am grateful for his steady control of an important part of the Tribunal's function.

RESOURCING

As required by the Tribunal Rules, the Tribunal confirms that it believes it has adequate resources available to it to undertake its role under the Tribunal Rules and that NZX has continued to provide all the assistance which the Tribunal requires to undertake its role.

The NZX Discipline Fund accounts (which are included in the NZXR Oversight & Engagement Report 2020) indicate that there is an accumulated surplus of $338,248 as at 31 December 2019.

I am particularly grateful for the support the Tribunal receives from Deputy Chair, Nick Hegan, and both its Executive Counsel. Rachel Batters, the lead Executive Counsel, provides advice and support for the Tribunal with commitment and considerable insight.

I thank all of the members of the Tribunal for their work this year.

LOOKING FORWARD

I wish to reinforce to all those reading this report that in the coming year, the Tribunal will ensure that all referrals of alleged breaches that occur during the current turmoil are considered in their full context. All of our members appreciate the unprecedented environment we currently face and the pressure that brings to bear on all when we have to react to fast paced changes in business, the economy and consequently the market.

Nga mihi, kia kaha

Rachael Reed QC | CHAIR
24 April 2020

MEMBERS

MEMBERS

MEMBERS OF THE TRIBUNAL AS AT 31 DECEMBER 2019

LEGAL

Rachael Reed QC (Chair), Sir Terence Arnold QC, Deemple Budhia, Rachel Dunne, Kristy McDonald ONZM QC* and Simon Vodanovich

LISTED ISSUER

Jo Appleyard, Kirsty Campbell*, Nicola Greer*, Trevor Janes, James Ogden and Susan Peterson

MARKET PARTICIPANTS

Nick Hegan (Deputy Chair), Matt Blackwell, Geoff Brown and David Lane

MEMBERS OF THE PUBLIC

Danny Chan, Richard Keys, Richard Leggat, Chris Swasbrook, Mariëtte van Ryn and Len Ward

CLEARING PARTICIPANTS

Geoff Brown and David Lane

DERIVATIVES PARTICIPANTS

Matt Blackwell and Nick Hegan

Rachel Batters and Stephen Layburn act as Executive Counsel to the Tribunal.

MEMBERS OF THE SPECIAL DIVISION AS AT 31 DECEMBER 2019

James Ogden (Chair), Matt Blackwell, Mariëtte van Ryn and Len Ward

Rachel Batters acts as Executive Counsel to the Special Division.

* Appointed to the Tribunal on 9 December 2019.

STATEMENTS OF CASE, FINDINGS AND PENALTIES

NZMDT 1/2019 NZX V INTL FCSTONE FINANCIAL INC (*FCSU*)

Division: Rachel Dunne (Division Chair), Matt Blackwell and Geoff Brown

Memorandum of Counsel filed: 18 March 2019

Settlement Agreement dated: 18 March 2019

Date of Determination: 8 April 2019

Rules Breached: New Zealand Clearing Limited (*CHO*) Clearing and Settlement Rules 3.12.1 and 4.2.3 (1 December 2017 version) and Procedures 3.13.2 and 4.2.2 (4 December 2017 version)

FACTS:

FCSU breached Rule 4.2.3 and Procedure 4.2.2 on 5 July 2018 by failing to meet its Mark-to-Market Settlement obligation within the CHO Clearing House System (*BaNCS*) by 10.00 am. FCSU breached Rule 3.12.1 and Procedure 3.13.2 on 10 and 12 September 2018 by failing to meet its Initial Margin obligation within BaNCS by 9.30 am.

These breaches represented FCSU's fifth, sixth and seventh breaches of the CHO Rules and Procedures since FCSU became a Clearing Participant in November 2015. While each of FCSU's seven breaches were Credit Events (that is, FCSU failed to have sufficient funds in one or more of its CHO accounts at the required time), the breaches did not relate to the creditworthiness of FCSU as it held sufficient funds in aggregate across all of its CHO accounts to meet its obligations.

FINDINGS:

The Tribunal noted that any breach regarding settlement is serious. Ensuring that the settlement process occurs on time, and in an orderly manner, is fundamental to the integrity of the clearing and settlement system operated by CHO.

While FCSU's Credit Events occurred for different operational reasons, the Tribunal considered that the repeated breaches clearly demonstrated that FCSU did not have sufficient procedures in place nor did it have adequate operational oversight to ensure its settlement obligations were met each business day.

The Tribunal considered that there were a number of aggravating factors in this case, including that:

a) the breaches related to fundamental obligations concerning the orderliness of NZX's markets and resulted in Credit Events. These breaches had an operational impact on CHO and recurring breaches of this nature pose a risk to the confidence and integrity of the NZX markets;
b) FCSU was reckless because it did not take adequate steps to prevent the recurrence of the breaches, despite being reminded several times by NZX and CHO to meet its clearing and settlement obligations at their respective New Zealand times. This engagement with FCSU should have given it the opportunity to review and improve its overall processes for satisfying its CHO obligations;
c) apart from the three Credit Events considered as part of this matter, FCSU also had four other historic Credit Events;
d) FCSU did not have effective processes in place and its breaches formed a pattern of non-compliance with its clearing and settlement obligations to CHO;
e) while the three breaches in this matter occurred over short periods, FCSU's breaches overall occurred over a long period; and

f) although the breaches did not have an impact on clients, investors or the market, the recurrence of the breaches resulted in inconvenience to the market as CHO had to implement escalation procedures and chase for timely payments.

The Tribunal considered that there were also a number of mitigating factors in this case, including that:

a) FCSU cooperated with NZXR's investigation of this matter;
b) FCSU did not breach the CHO Rules and Procedures to seek a benefit or advantage;
c) the breaches were not intentional and did not impact the market because FCSU had adequate funds in its clearing accounts overall; and
d) FCSU had since taken steps to prevent a recurrence of such breaches and had not had any further Credit Events at the time this matter was referred.

The Tribunal approved the settlement agreement between NZX and FCSU under which FCSU admitted breaching the CHO Rules and Procedures.

PENALTY:

FCSU was ordered to pay $40,000 to the NZX Discipline Fund.

COSTS:

FCSU was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Under the terms of the settlement agreement, FCSU accepted the penalty of a public censure for its breach of the CHO Rules and Procedures. Having regard to the guidance set out in the Tribunal Procedures, the Tribunal agreed that it was appropriate in this case to publicly censure FCSU given the repeated breaches and its assessment that this matter fell within penalty band 3 - see here.

NZMDT 2/2019 NZX V MACQUARIE SECURITIES (NZ) LIMITED (*MAQA*)

Division: Nick Hegan (Division Chair), David Lane and Len Ward

Memorandum of Counsel filed: 14 February 2019

Settlement Agreement dated: 14 February 2019

Date of Determination: 13 March 2019

Rules Breached: NZX Participant Rules 4.5.2, 10.8.1 and 10.14.9 (7 March 2016 version)

FACTS:

Trading Participants, such as MAQA, may allow their authorised clients to have direct market access to their trading systems (*DMA Authorised Client*). However, Trading Participants must ensure that their DMA Authorised Clients comply with all applicable Participant Rules and Good Broking Practice.

The Participant Rules prohibit trades where there is no change in beneficial ownership because such trades may mislead investors by creating a false appearance of trading interest in the securities being bought and sold and, accordingly, have the potential to undermine the integrity of the market.

Following an investigation conducted in 2018, NZXR found that 102 trades occurred over a ten-month period where an underlying client of MAQA's DMA Authorised Client was on both sides of the trade. The trades occurred in this way due to issues with different algorithmic trading strategies employed by the underlying client making opposing decisions about a particular stock (*NCBO Trades*).

NZX advised that the NCBO Trades did not have a material impact on the price of the issuers' securities nor did they result in the cancellation of any trades (the largest positive price movement resulting from the NCBO Trades was 0.6% and the largest negative price movement was -1.9%). NZX also advised that the NCBO Trades did not have the potential to impact on the market, investors or clients as any material price or volume impacts would have been detected by MAQA's other filters and MAQA would have been in a position to intervene.

FINDINGS:

The Tribunal noted that the trading conduct and Good Broking Practice provisions of the Participant Rules are important to the integrity of the market and are intended to ensure that the NZX markets remain fair, orderly and transparent.

While MAQA made an effort to ensure that the DMA Authorised Client and its underlying client had appropriate filters and controls in place to prevent trading in breach of the Participant Rules, the filters it had in place and those of the DMA Authorised Client were inadequate to prevent the NCBO Trades.

The Tribunal considered that there were a number of aggravating factors in this case, including that:

a) the breaches related to the fundamental obligations of trading conduct and Good Broking Practice;
b) the real-time monitoring and post-trade monitoring that MAQA had in place was not adequate to prevent trades below certain volume thresholds that did not result in a change of beneficial ownership, and would not have detected ongoing breaches had NZXR not raised a query regarding the trading;
c) the breaches occurred over an extended period of almost 10 months;
d) the Tribunal has previously stated that adequate systems are particularly important given the increase in automated trading, including through the use of algorithms; and

e) MAQA has previously been referred to the Tribunal for a breach of its trading obligations.

The Tribunal considered that there were also a number of mitigating factors in this case, including that:

a) the NCBO Trades did not materially affect the price of the underlying securities and did not have an identifiable impact on the market, investors or clients (the NCBO Trades had a low value, nominal price and volume impact and represented a small proportion of the overall trades by the DMA Authorised Client);
b) the NCBO Trades did not have the potential to impact the market as the Tribunal was advised that MAQA's existing filters would have detected any material price or volume impacts and MAQA would have been in a position to intervene;
c) MAQA undertook steps prior to deactivating non-match filters to establish that its DMA Authorised Client, and their underlying client, had controls in place that would prevent trading in breach of the Participant Rules;
d) once the NCBO Trades were discovered, MAQA took immediate steps to reinstate non-match filters and introduced manual checks and controls to prevent further trading with no change in beneficial ownership until a permanent fix could be found;
e) MAQA took steps to establish and enhance its permanent controls for trading with no change in beneficial ownership. This included enhancing its DMA filters and reconfirming its DMA obligations and undertakings with its DMA Authorised Client;
f) MAQA coordinated an underlying client ID system that prevents any further trades where there is no change in beneficial ownership by underlying clients; and
g) MAQA cooperated with NZXR throughout its investigation.

The Tribunal noted that had the NCBO Trades had a market impact or the potential to impact the market and/or had MAQA's conduct fallen short of what is expected of a Participant once a breach has been identified, then a higher penalty would likely have been justified.

The Tribunal approved the settlement agreement between NZX and MAQA under which MAQA admitted breaching Rules 4.5.2, 10.8.1 and 10.14.9.

PENALTY:

MAQA was ordered to pay $20,000 to the NZX Discipline Fund.

COSTS:

MAQA was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Under the terms of the settlement agreement, MAQA accepted the penalty of a public censure for its breach of the Participant Rules and Procedures. Having regard to the guidance set out in the Tribunal Procedures, the Tribunal agreed that it was appropriate in this case to publicly censure MAQA given the nature of the breach and its assessment that this matter fell within penalty band 2 – see here.

NZMDT 3/2019 NZX V PARTICIPANT A

Division: Rachael Reed QC (Chair), David Lane and Chris Swasbrook

Memorandum of Counsel filed: 6 June 2019

Settlement Agreement dated: 19 June 2019

Date of Determination: 27 June 2019

Rule Breached: NZX Participant Rules

FACTS:

On 6 June 2019, NZX and Participant A jointly submitted a settlement agreement for the Tribunal's approval under Tribunal Rule 8.1.1. Following a request by the Tribunal for more information, the parties submitted a revised settlement agreement on 19 June 2019.

FINDINGS:

Under the terms of the proposed settlement agreement, Participant A accepted that it had breached the Participant Rules.

The Tribunal was, however, not satisfied that the penalties agreed by the parties under the proposed settlement agreement were appropriate in the circumstances of this case.

Based on the information provided by the parties at that time, the Tribunal did not approve the proposed settlement agreement.

COSTS:

The Tribunal considered it appropriate that each party paid its own costs in bringing this proceeding to the Tribunal.

PUBLICATION:

Under Tribunal Rule 8.2 if the Tribunal does not approve a proposed settlement, the details of that proposed settlement are confidential.

NZMDT 4/2019 NZX V ISSUER A

Division: Mariëtte van Ryn (Division Chair), Danny Chan and Susan Peterson

Memorandum of Counsel filed: 28 May 2019

Settlement Agreement dated: 28 May 2019

Date of Determination: 19 June 2019

Rule Breached: NZX Listing Rule 3.3.9 (1 October 2017 version)

BACKGROUND:

On 26 July 2018, the Tribunal issued a determination (NZMDT 5/2018) against an issuer whose managing director had held their directorship for a term exceeding five years without being re-appointed by the board or re-elected by shareholders in breach of Rule 3.3.9.

NZXR issued a case study on the Tribunal's determination in order to provide guidance to the market on the correct interpretation of the director rotation requirements under the Listing Rules for executive directors (*Case Study*). The release of the Case Study subsequently highlighted a market-wide misinterpretation of the relevant Listing Rules impacting on several issuers whose executive directors had not been re-elected by shareholders.

On 27 March 2019, NZXR announced that it would not take regulatory action against issuers who had relied on this market-wide misinterpretation of the Listing Rules. NZXR noted that this outcome would only apply where the issuer:

a) appointed an executive director to the board in reliance on a clause in its constitution which the issuer then subsequently relied on to re-appoint an executive director on or before the expiry of the five-year term of appointment;
b) interpreted Rule 3.3.12 as exempting that executive director from the obligation to retire under the default director rotation requirements of Rule 3.3.11; and
c) took the view that as long as the executive director was appointed or re-appointed at least every five years and was exempt from the requirement to retire or stand for re-election under Rule 3.3.12, Rule 3.3.6 was not triggered.

FACTS:

Director X was an executive director of Issuer A for a term exceeding five years. During their term as an executive director, Director X did not retire or offer themselves for re-election based on the advice from Issuer A's lawyers that Director X was excluded from the need to retire by rotation and from the requirement to comply with Listing Rule 3.3.9 (which specified that no term of appointment for an executive director of an issuer or any of its subsidiaries should exceed five years). In these circumstances NZXR's policy not to take regulatory action did not apply to Issuer A.

FINDINGS:

The Tribunal considered that Issuer A had a genuine belief that Director X was not required to retire and be re-elected during his tenure as an executive director relying on the advice it received each year from its lawyers.

The Tribunal has stated in previous decisions that while an issuer may rely on legal advice, ultimately it is a matter for boards to ensure compliance with the Rules. This is particularly true in circumstances where a board must exercise its own commercial judgement based on their knowledge of the issuer

(for example, in determining whether information is Material Information and whether disclosure is required). However, the Tribunal acknowledged that in instances involving more complex legal questions and matters of interpretation, reliance by an issuer on the advice it receives from its lawyers, whether that advice is correct or not, is reasonable. Accordingly, the Tribunal considered that Issuer A's reliance on the legal advice it received each year that Director X was exempt from rotation was reasonable in these circumstances and was a mitigating factor in determining the appropriate penalty.

The Tribunal also noted that Issuer A had self-reported its potential breach of Rule 3.3.9, immediately notifying NZXR following the publication of the Case Study. The Tribunal was pleased to see an issuer taking note of regulatory guidance provided to the market and proactively contacting NZXR.

The Tribunal approved the settlement agreement between NZX and Issuer A under which Issuer A admitted breaching Rule 3.3.9.

PENALTY:

Issuer A was ordered to pay $12,000 to the NZX Discipline Fund.

COSTS:

Issuer A was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Under the terms of the settlement agreement, Issuer A was privately reprimanded by the Tribunal.

The Tribunal considered the guidance set out in the Tribunal Procedures, including that the Tribunal must use its discretion when deciding whether to impose a penalty of public censure and in doing so must have regard to the overall conduct of the respondent. Generally, a breach that falls within penalty band 3, particularly a corporate governance breach, is likely to result in the name of the respondent being published. The Tribunal noted that although the relevant considerations were finely balanced given that the breach was of a fundamental obligation under the Rules, the Tribunal considered that the public interest in naming Issuer A did not outweigh the likely detriment to Issuer A from being named. Further, the regulatory benefit to the market of understanding the correct interpretation and application of Rule 3.3.9 had been served through the publication of the Case Study.

NOTE:

The NZX Listing Rules which came into effect on 1 January 2019 have since clarified the provisions regarding the re-election of directors – see new Listing Rule 2.7.

NZMDT 5/2019 NZX V GOOD SPIRITS HOSPITALITY LIMITED (*GSH*)

Division: Mariëtte van Ryn (Division Chair), Jo Appleyard and Trevor Janes

Memorandum of Counsel filed: 16 August 2019

Settlement Agreement dated: 16 August 2019

Date of Determination: 30 August 2019

Rules Breached: NZX Listing Rules 3.3.1(c) and 3.6.2(c) (1 October 2017 version)

FACTS:

Between 25 January 2019 and 1 March 2019, GSH had only one Independent Director on its board instead of two as required by Rule 3.3.1(c) and as a result also failed to have a majority of Independent Directors on its audit committee in breach of Rule 3.6.2(c).

FINDINGS:

The Tribunal considers the corporate governance provisions of the Rules to be a fundamental obligation placed on all issuers. The policy intention of Rule 3.3.1(c) is to ensure that there is a sufficient independent perspective to board decision-making and to give confidence to investors that their interests will be represented. The requirement for an audit committee to have a majority of Independent Directors is also an important shareholder safeguard as an appropriately comprised audit committee is critical to ensure that an Issuer maintains a robust audit process.

The Tribunal considered that there were the following aggravating factors in this case:

a) The corporate governance provisions of the Rules are important to the integrity of the market and the Tribunal considers any breach of these fundamental obligations to be serious;
b) while GSH did self-report its breach of the Rules, the breach was not identified by GSH until one month after its board became aware that one of its Independent Directors was also a Director of a Substantial Product Holder; and
c) GSH has previously been referred to the Tribunal, albeit for a breach of a different nature.

The Tribunal considered that there were also a number of mitigating factors in this case, including that:

a) GSH had actively sought to identify Independent Director candidates before the breach occurred and had more than the minimum number of Independent Directors on its board prior to 21 January 2019;
b) GSH was in breach of the Rules for a relatively short period (25 business days);
c) GSH rectified the breach within four business days once it became aware of its non-compliance;
d) the Tribunal had not been presented with any evidence that investors were adversely affected by the breach and notes that GSH had one Independent Director, who was acting board chair, during the period it was in breach; and
e) GSH fully cooperated with NZXR during the investigation.

The Tribunal approved the settlement agreement between NZX and GSH under which GSH admitted breaching Rules 3.3.1(c) and 3.6.2(c).

PENALTY:

GSH was ordered to pay $10,000 to the NZX Discipline Fund.

COSTS:

GSH was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Under the terms of the settlement agreement, GSH accepted the penalty of a public censure for its breach of the Rules. Having regard to the guidance set out in the Tribunal Procedures, the Tribunal agreed that it was appropriate in this case to publicly censure GSH given the nature of the breach and its assessment that this matter fell within penalty band 3 – see here.

NZMDT 6/2019 NZX V PARTICIPANT A

Division: Nick Hegan (Division Chair), Geoff Brown and Mariëtte van Ryn

Memorandum of Counsel filed: 24 October 2019

Settlement Agreement dated: 24 October 2019

Date of Determination: 7 November 2019

Rules Breached: NZX Participant Rules 8.1.1, 8.8.1, 10.1.1 and 10.2.2 (7 March 2016 version)

FACTS:

On two separate occasions, dealers for Participant A entered orders for shares in issuers which caused a price decline generating trading alerts from NZX's SMARTS Surveillance software. Both orders were entered in error by the respective dealers. One of the orders resulted in a market impact on the price of an issuer's securities and resulted in NZX cancelling five trades involving two other market participants.

FINDINGS:

The Tribunal noted that the breach of the Rules, and particularly the order which resulted in a market impact, was serious and had the potential to bring market integrity into question. The Tribunal noted that in both instances, the respective dealer did not consider whether the order was consistent with recent trading or whether the order would materially affect the market before the order was entered as required under the Participant Rules.

The Tribunal considered, however, that there were a number of mitigating factors, including that:

a) the breaches were not as a result of Participant A's systems and processes but as a result of genuine errors by the individual dealers;
b) while the breaches by the dealers occurred within two days of each other, this appeared to be as a result of a series of unfortunate events and was not symptomatic of any systematic issue with Participant A's systems and processes;
c) NZXR advised that Participant A had a good compliance history, on the basis of the annual inspections since it was accredited, which did not indicate any breaches or recommendations related to the issues observed in this case; and
d) it accepted NZXR's conclusion that the breaches did not involve wilful misconduct and that, at the time of placing the orders, each dealer was unaware that there was an issue with the relevant order and considered (albeit mistakenly) that the orders were suitable to be entered. The Tribunal accepted that what had occurred was the result of a genuine mistake and not a conscious decision to breach the Participant Rules.

The Tribunal approved the Settlement Agreement between NZX and Participant A under which Participant A admitted breaching the Participant Rules.

PENALTY:

Participant A was ordered to pay $30,000 to the NZX Discipline Fund.

COSTS:

Participant A was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

After consideration of a range of issues and under the terms of the Settlement Agreement, Participant A was privately reprimanded.

NZMDT 7/2019 NZX V ENPRISE GROUP LIMITED (*ENS*)

Division: James Ogden (Division Chair), Trevor Janes and Richard Keys

Statement of Case filed: 11 December 2019

Date of Determination: 10 January 2020

Rule Breached: NZX Listing Rule 3.6.1

FACTS:

Listing Rule 3.6.1 requires each issuer to deliver an annual report to NZX and each Quoted Financial Product holder within three months after the end of its financial year. However, issuers who had recently migrated from the NZAX Market, such as ENS, were given an additional month to deliver their annual reports if their financial year ended between 30 September 2018 and 30 June 2019 under the terms of a class waiver granted by NZXR.

ENS's financial year end was 31 March. Accordingly, under the terms of the class waiver, ENS's 2019 annual report was due by 31 July 2019. ENS did not file its 2019 annual report until 20 August 2019, 14 business days late.

FINDINGS:

The Tribunal considers that a breach of the periodic reporting requirements is a breach of a fundamental obligation under the Listing Rules. Compliance by issuers with the periodic reporting requirements is essential in maintaining market integrity and investor confidence.

The Tribunal acknowledged ENS's submission that the delay in releasing its 2019 annual report was due to "protracted discussions" with its auditor, which arose late in the process of finalising the audit and that ENS had believed it was on target to file its 2019 annual report on time, up until shortly before the date its auditor was to sign-off on the financial statements. The Tribunal has stated previously, however, that all issuers must manage the audit process to ensure deadlines are met. As the onus of complying with the Rules falls on ENS, it needed to ensure there was sufficient time to engage with its auditors, particularly given that ENS was aware that issues were likely to arise with the adoption of new IFRS accounting standards and the treatment of ENS's investments.

The Tribunal was concerned that the securities of ENS were suspended from trading for eight and a half business days and that, while ENS had not previously been referred to the Tribunal, this was its second breach of the periodic reporting requirements. However, the Tribunal noted in mitigation that ENS had advised NZX in advance that it was unlikely to release its 2019 annual report when due, that ENS had taken steps to expedite the resolution of the issues which arose during its audit process and that it had adopted new processes to ensure future compliance.

PENALTY:

ENS was ordered to pay $35,000 to the NZX Discipline Fund.

COSTS:

ENS was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Having regard to the guidance set out in the Tribunal Procedures, the Tribunal considered that it was appropriate to publicly censure ENS for its breach of Rule 3.6.1 – see here.

The Tribunal noted that (a) the breach by ENS had the potential to damage public confidence in the market and adversely affect investors given the suspension of its securities; (b) ENS had previously breached the periodic reporting requirements; and (c) the breach fell within penalty band 3. The Tribunal also noted that the market was already aware that ENS had breached Rule 3.6.1 by virtue of the announcements made by NZX Product Operations.

NZMDT 8/2019 NZX V CHATHAM ROCK PHOSPHATE LIMITED (*CRP*)

Division: Mariëtte van Ryn (Division Chair), Jo Appleyard and Chris Swasbrook

Statement of Case filed: 12 December 2019

Date of Determination: 10 January 2020

Rule Breached: NZAX Listing Rule 5.1.7

FACTS:

CRP's Home Exchange is the TSX Venture Exchange (*TSXV*), a Canadian public venture capital market operated by TMX Group Inc (who also operate the Toronto Stock Exchange). CRP Listed on the NZAX Market on 13 October 2006 as an Overseas Listed NZAX Issuer. Following NZX's decision to close the NZAX Market, CRP migrated to the NZX Main Board on 28 June 2019 as a NZX Foreign Exempt Issuer under the NZX Listing Rules.

As an Overseas Listed NZAX Issuer, CRP was deemed to have complied with the Rules so long as it remained listed on its Home Exchange, subject to some exceptions noted in Rule 5.1.8 (including Rule 5.1.7(c)). Under Rule 5.1.7(c), CRP was required to give NZX the same information and notices it was required to give its Home Exchange, at the same time as it was required to give such information and notices to its Home Exchange.

During the course of carrying out transitional work relating to CRP's migration to the Main Board, NZX noted several announcements which had been released to TSXV, but not released to NZX. CRP released 61 announcements to TSXV which were not released to NZX as required under Rule 5.1.7(c) - 17 announcements relating to financial statements and 44 administrative announcements (*Missing Announcements*).

FINDINGS:

The intention of Rule 5.1.7 was that an Overseas Listed NZAX Issuer could efficiently access the New Zealand capital market without further compliance requirements by meeting their Home Exchange's obligations. The benefit of this secondary listing was subject to the requirement that the Overseas Listed NZAX Issuer gave NZX the same information and notices it was required to give its Home Exchange, at the same time as it was required to give them to its Home Exchange. This was to ensure that investors in both exchanges were equally informed and to prevent information asymmetry between the exchanges.

The Tribunal considered that there were the following aggravating factors in this case:

a) CRP did not have adequate processes and systems in place to ensure compliance with Rule 5.1.7(c);
b) there were a significant number of announcements not released to NZX over a substantial period of time;
c) the breach was not self-reported and the Tribunal considers that the breach would likely have continued if not for NZX's intervention;
d) investors were entitled to rely on the same information being released by CRP to both the NZX and TSXV at the same time; and
e) the Tribunal did not agree with CPR's submission that the Missing Announcements were only administrative in nature, particularly its quarterly financial statements. While CRP is not currently an operating business, its on-going financial position was relevant to investors in order for them to assess whether CRP could continue with its business plan.

The Tribunal considered that there were also the following mitigating factors in this case:

a) the Missing Announcements were publicly available on TSXV and SEDAR;
b) NZX stated that there is no evidence to suggest that the breach by CRP had caused any loss to the market (although noting that the information asymmetry may have impacted investors and the market);
c) CRP submitted that its breach was inadvertent and once it had been notified of the issue by NZXR it corrected its processes to ensure future compliance;
d) NZX advised that CRP cooperated with its investigation, although CRP's initial responses indicate to the Tribunal that CRP did not understand its compliance requirements;
e) NZX advised that there is no evidence to suggest that CRP gained a financial benefit or commercial advantage from the breach; and
f) CRP had not been referred to the Tribunal before, nor had NZX advised of any previous breaches of the Rules by CRP.

CRP submitted that it did not have the resources to pay the fine proposed by NZX. The Tribunal noted that whether or not an issuer can pay any penalty imposed should they breach the Rules is not of itself a reason to mitigate the amount which the Tribunal would otherwise consider an appropriate penalty having regard to the seriousness of the breach and the conduct of the issuer.

PENALTY:

CRP was ordered to pay $25,000 to the NZX Discipline Fund.

COSTS:

CRP was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Having regard to the guidance set out in the Tribunal Procedures, the Tribunal considered that it was appropriate for CRP to be publicly censured for its breach of Rule 5.1.7(c) – see here.

While there was no measurable harm to investors in this instance, the Tribunal noted that (a) CRP had repeatedly breached the Rules (with a significant number of announcements to TSXV not released to NZX over a substantial period of time); (b) CRP's lack of adequate processes demonstrated a disregard for the Rules; and (c) the breach fell within penalty band 2.

The Tribunal also considered that there was an educational benefit to the market in re-enforcing the obligations that apply to an NZX Foreign Exempt Issuer under NZX Listing Rule 1.7.2 (the equivalent obligation to the now repealed NZAX Rule 5.1.7(c)).

NZMDT 9/2019 NZX V COOKS GLOBAL FOODS LIMITED (*CGF*)

Division: James Ogden (Division Chair), Trevor Janes and Richard Keys

Statement of Case filed: 17 December 2019

Date of Determination: 4 February 2020

Rule Breached: NZX Listing Rule 3.6.1

FACTS:

Listing Rule 3.6.1 requires each issuer to deliver an annual report to NZX and each Quoted Financial Product holder within three months after the end of its financial year. However, issuers who had recently migrated from the NZAX Market, such as CGF, were given an additional month to deliver their annual reports if their financial year ended between 30 September 2018 and 30 June 2019 under the terms of a class waiver granted by NZXR.

CGF's financial year end is 31 March. Accordingly, under the terms of the class waiver, CGF's 2019 annual report was due by 31 July 2019. CGF did not file its 2019 annual report until 8 August 2019, five business days late. As it was released before market open at 10:00am, trading in CGF's securities was not suspended.

FINDINGS:

CGF stated that the primary reason its 2019 annual report was not released when due was the resignation of its CFO in late May 2019, which disrupted its audit process at a crucial time when it needed to fulfil information requests from its auditors. While CGF took steps to address its resourcing issues, it was not able to provide its auditors with the information required by the timeframes agreed in its original audit plan and its auditor was not able to make up for this delay. The Tribunal acknowledged CGF's submission that as a small issuer it relies heavily on its CFO. However, meeting the periodic reporting requirements is a fundamental obligation and CGF needed to ensure that it had sufficient resources available to release its annual report on time.

CGF also advised that its audit was delayed due to its compliance with new IFRS accounting standards. The Tribunal considered that, as the onus of complying with the Rules falls on CGF, CGF needed to ensure that it was aware of the issues likely to arise with the adoption of new IFRS accounting standards, particularly as the issue had been identified in CGF's previous annual report.

The Tribunal also noted that CGF had breached the periodic reporting requirements on two previous occasions, one of which had resulted in referral to the Tribunal in 2009.

The Tribunal considered that there were mitigating factors in this case, including that no impact on the market or CGF's investors appears to have resulted from the breach (as trading in CGF's securities was not suspended and CGF notified the market of any adjustments likely to be made to its preliminary results in its announcements on 1 and 7 August 2019), that CGF had sought to reduce the delay by contracting additional personnel and had taken measures to ensure future compliance.

The Tribunal noted that CGF did not advise NZX or the market in advance that it would not be releasing its 2019 annual report when due. If it had, this would have been considered as a further mitigating feature.

PENALTY:

CGF was ordered to pay $35,000 to the NZX Discipline Fund.

COSTS:

CGF was ordered to pay the costs of the Tribunal and NZX.

PUBLICATION:

Having regard to the guidance set out in the Tribunal Procedures, the Tribunal considered that it was appropriate to publicly censure CGF for its breach of Rule 3.6.1 – see here.

The Tribunal noted that (a) the breach by CGF had the potential to damage public confidence in the market; (b) CGF had previously breached the periodic reporting requirements; and (c) the breach fell within penalty band 3. The Tribunal also noted that the market was already aware that CGF had breached Rule 3.6.1 by virtue of the announcement made by NZX Product Operations.

NZMDT 10/2019 NZX V GEO LIMITED (*GEO*)

Division: James Ogden (Division Chair), Richard Keys and Rachael Reed QC

Memorandum of Counsel filed: 20 December 2019

Settlement Agreement dated: 21 January 2020

Date of Determination: 7 February 2020

Rules Breached: NZX Listing Rules 10.3.2, 10.4.2 and 10.5.1 (1 October 2017 version)

FACTS:

NZX conducted an investigation into GEO following its announcement on 29 August 2018 that GEO's unaudited financial results for the year ended 30 June 2018 would contain an impairment of the goodwill associated with one of its cash generating units, then called GeoSales. The financial statements in the release included a write-down of intangible assets of $4.971 million.

NZX considered that the goodwill associated with GeoSales should have been impaired in GEO's interim financial results for its half-year ended 31 December 2017 and announced on 1 March 2018, prior to placements and a rights issue conducted by GEO during May to July 2018. NZX considered that GEO breached Rules 10.3.2, 10.4.2 and 10.5.1 by releasing a preliminary announcement on 1 March 2018 and an interim report on 16 March 2018 that, in NZX's view, did not comply with NZ IFRS.

The reason given by GEO for not impairing the GeoSales product in its half-year results was that the relevant accounting standards only require goodwill to be tested annually or whenever there is an indication that the cash generating unit may be impaired. As part of the preparation of the 31 December 2017 interim financial statements GEO did undertake a review of the factors that could result in an indication that GeoSales should be tested for impairment. According to GEO, while it had noted a modest negative variance to budget to 31 December 2017, there was an improvement in performance immediately after half year, a change in the approach to the GeoSales product by the newly appointed CEO and improved projected future performance. GEO did not consider that there were indications of impairment and decided it was not required to carry out an impairment assessment of the goodwill associated with the GeoSales product.

Before concluding its investigation, NZX referred this matter to the FMA for its views, given the primary statutory role and mandate that the FMA has in respect of financial reporting under the FMC Act. The FMA agreed with NZX's concern that GEO had inappropriately applied the accounting standards in preparing its interim financial statements for the half-year to 31 December 2017.
Without GEO admitting liability arising from the breaches, GEO accepted NZX's view that GEO breached Listing Rules 10.3.2, 10.4.2 and 10.5.1 and GEO and NZX agreed to a settlement in relation to NZX's findings.

FINDINGS:

Given the acceptance by GEO that it had breached the Rules and that GEO and NZX had agreed a settlement, the Tribunal was not required itself to determine whether or not GEO breached the Rules. The Tribunal still needed to be satisfied, however, that the penalties agreed to under the settlement were appropriate in the circumstances of this case.

The Tribunal considered that GEO's non-compliance with NZ IFRS was serious and a breach of a fundamental obligation. Compliance by issuers with the periodic reporting obligations is essential in maintaining market integrity and investor confidence.

The Tribunal considered that there were the following aggravating factors in this case:

a) the breaches were significant because of investors' participation in placements and a rights issue which occurred after the breaches but prior to GEO's impairment announcement (although it is acknowledged that 43% of the value raised by GEO was subscribed by GEO's management and the board); and
b) the breaches continued from 1 March 2018 until 29 August 2018, which the Tribunal considered to be an extended period of time. The market was left uninformed of the specific financial impact of the impairment during this period.

The Tribunal considered that there were also the following mitigating factors in this case:

a) GEO cooperated with NZX's investigation and entered into an early settlement of NZX's referral to the Tribunal;
b) when GEO announced the impairment on 29 August 2018, there was no change in share price;
c) on 12 June 2018 and 25 June 2018, GEO took steps to inform the market that an impairment of the GeoSales goodwill was a possibility;
d) NZX advised that GEO acted in good faith, consulted its auditors on this matter, and, at the time of the breaches in question, did not believe that it was required to impair the GeoSales goodwill in its 30 December 2017 half-year results;
e) there was no pattern of breaches by GEO in respect of the impairment of its assets. NZX advised that GEO has a good compliance history, having neither received an infringement notice nor been referred to the Tribunal before; and
f) NZX advised that the issue does not appear to be recurring.

The Tribunal noted that the assessment of impairment is a matter of delicate commercial judgement. Outside of the required annual review, boards must exercise their own commercial judgement based on their knowledge of the issuer's business to determine if there are indications that a cash generating unit (such as GeoSales) may be impaired and whether an impairment assessment is required.

GEO appeared to have genuinely believed that it correctly assessed whether indications of impairment existed at the time and determined that it was not required to carry out an impairment assessment of the goodwill associated with the GeoSales product in its half-year results to 31 December 2017. The Tribunal noted that it had seen no evidence to suggest that GEO's breach was intentional or arose as a result of recklessness or negligence.

The Tribunal approved the settlement agreement between NZX and GEO.

PENALTY:

GEO was ordered to pay $40,000 to the NZX Discipline Fund.

COSTS:

GEO was ordered to pay the costs of the Tribunal and $30,000 towards the costs of NZX.

PUBLICATION:

Under the terms of the settlement agreement, GEO accepted the penalty of a public censure for its breach of the Rules – see here.

Having regard to the guidance set out in the Tribunal Procedures, the Tribunal agreed that it was appropriate in this case to publicly censure GEO given the nature of the breach and its assessment that the breach fell within penalty band 3.

SPECIAL DIVISION CHAIR'S REPORT

SPECIAL DIVISION CHAIR'S REPORT

I was appointed as Chair of the Special Division in May 2019, following the end of Dame Alison Paterson's term on the Tribunal.

The Special Division is a division of the Tribunal constituted under the Tribunal Rules to regulate the listing of NZX and its Related Entities. As at the date of my report, NZX's Related Entities are NZX Wealth Technologies Ltd (a Depository Participant) and Smartshares Ltd (the manager of a number of listed exchange traded funds). The objective of the Special Division is to foster market confidence that the NZX Markets Rules and the Tribunal Rules are applied to NZX and its Related Entities in an impartial and independent manner.

Monitoring of trading activity

The Special Division is responsible for assessing trading activity in the quoted securities of NZX and its Related Entities. On behalf of the Special Division, NZX Surveillance (*NZXS*) conducts front-line monitoring of trading on the exchange in the securities of NZX and its Related Entities. NZXS refers system generated alerts from its SMARTS Surveillance software and any other abnormal trading activity to the Special Division for consideration.

During 2019, the Special Division and NZXS reviewed and updated its protocols for referral including changes to the referral requirements for end of day and high order rate alerts, and resetting the thresholds for volume alerts in respect of the funds managed by Smartshares Ltd. These protocols will be reviewed annually by the Special Division and NZXS.

As in previous years, the Special Division considered a number of referrals from NZXS in 2019 regarding trading in the securities of NZX and the funds managed by Smartshares Ltd. A summary of each referral to the Special Division in 2019 follows this report.

Application and transactional work

The Special Division is required to review various documents in respect of NZX and Smartshares Ltd, and also has the power to grant waivers and ruling. This type of transactional work has now reduced for the Special Division with the implementation of the revised NZX Listing Rules on 1 January 2019, particularly with the changes made to the regulation of listed funds. It also means that the waivers granted by the Special Division under previous versions of the NZX Listing Rules no longer apply and have been revoked.

I would like to thank all the members of the Special Division – Matt Blackwell, Mariëtte van Ryn and Len Ward - for their work during the year.

James Ogden | SPECIAL DIVISION CHAIR
24 April 2020

NZMDT SPECIAL DIVISION MATTERS – 1 JANUARY TO 31 DECEMBER 2019

During 2019, the Special Division received 42 referrals involving 75 alerts from NZX Surveillance as outlined below.

DATE REFERRED IN 2019	ISSUER	ACTION
29 January	EUF	Considered the nature of the alert and determined that no further investigation was necessary.
4 February	NZX	Considered the nature of the alert, sought information from NZXS and determined that no further action was necessary.
8 February	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
11 February	NZX	Considered the nature of the alert and sought further information from the market participant involved. The Special Division notified NZXS of the response and determined that no further investigation was necessary.
18 February	NZX010	Considered the nature of the alert and determined that no further investigation was necessary.
8 March	NZX010	Considered the nature of the alert and determined that no further action was necessary.
12 March	NPF	Considered the nature of the alert and determined that no further investigation was necessary.
21 March	NZC	Considered the nature of the alert and determined that no further action was necessary.
27 March	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
28 March	NZC	Considered the nature of the alert and determined that no further investigation was necessary.
8 May	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
13 May	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
16 May	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
17 May	NZX	Considered the nature of the alert and sought further information from the market participant involved. The Special Division notified NZXS of the response and determined that no further investigation was necessary.
22 May	ASF	Considered the nature of the alert and determined that no further investigation was necessary.
5 June	USF, USG, USS, ASF, TNZ	Considered the nature of the alert, sought further information from NZXS and determined that no further investigation was necessary.
2 July	AGG	Considered the nature of the alert and determined that no further investigation was necessary.
3 July	LIV	Considered the nature of the alert and determined that no further investigation was necessary.
8 July	NZX	Considered the nature of the alert and determined that no further investigation was necessary.

9 July	AGG, EMG, USA	Considered the nature of the alert and determined that no further investigation was necessary.
10 July	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
18 July	NZX	Considered the nature of the alert and determined that no further action was necessary.
22 July	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
2 August	BOT	Considered the nature of the alert and determined that no further investigation was necessary.
2 August	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
6 August	NPF	Considered the nature of the alert and determined that no further investigation was necessary.
7 August	AGG, EMG, EUG, JPN, USA	Considered the nature of the alert and determined that no further investigation was necessary.
15 August	NPF, BOT	Considered the nature of the alert and determined that no further investigation was necessary.
16 August	OZY	Considered the nature of the alert and determined that no further investigation was necessary.
29 August	GBF	Considered the nature of the alert and determined that no further action was necessary.
3 September	LIV	Considered the nature of the alert and determined that no further investigation was necessary.
6 September	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
6 September	ESG, NPF	Considered the nature of the alert and determined that no further investigation was necessary.
11 September	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
30 September	NZC, AGG	Considered the nature of the alert and determined that no further investigation was necessary.
1 October	NZC, EMG, EUG, JPN, USA	Considered the nature of the alert and determined that no further investigation was necessary.
2 October	ESG	Considered the nature of the alert and determined that no further investigation was necessary.
1 November	BOT	Considered the nature of the alert and determined that no further action was necessary.
6 November	EMG, EUG,	Considered the nature of the alert and determined that no further investigation was necessary.

	JPN, USA	
29 November	AGG, EMG, EUG, JPN, USA	Considered the nature of the alert and determined that no further investigation was necessary.
3 December	NZX	Considered the nature of the alert and determined that no further investigation was necessary.
10 December	NZX	Considered the nature of the alert and determined that no further investigation was necessary.

DIRECTORY

NEW ZEALAND MARKETS DISCIPLINARY TRIBUNAL

https://nzx.com/NZMDT

PO BOX 105 269

AUCKLAND 1143

RACHAEL REED QC | CHAIR

RACHEL BATTERS | EXECUTIVE COUNSEL

EMAIL rachel.batters@nzmdt.com