

Practice Note

Delisting Process for Equity Issuers

Applies to Rules as at: ~~10-December 2020~~ April 2023
Last updated ~~February 2022~~ September 2023

Summary

This Practice Note explains the process for equity issuers to delist from the NZX Main Board.

Relevant NZX Listing Rules: 9.9.1(c), 9.9.2

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.

Formal application to delist

Issuers seeking to delist from the NZX Main Board are required to submit a formal delisting application. This Practice Note outlines the information to be included in a delisting application.

Delisting application content

The reasons and circumstances for a proposed delisting are unique to each issuer; however, there is standard information that NZX will require to consider a delisting application. Please note that NZX may have additional queries even if this information is provided in full.

Information to include in a delisting application

Issuers should include an explanation of the reason(s) it considers delisting is appropriate

- If an issuer is also listed on another securities exchange and considers that a reason for delisting is the trading volume and value on NZX in comparison to the other exchange, please include a breakdown and comparison of the number and volume traded on the NZX market and the other exchange.
- If an issuer is also listed on another securities exchange and considers that a reason for delisting is the composition of its registers, please include a breakdown of the number of shares and percentage of shares on issue on each register.

Issuers should indicate whether they propose to obtain the approval of shareholders, who are members of the public (called Non-Affiliated Shareholders in the Rules), to delist

- If shareholder approval will not be sought, please include the rationale for this approach.
- If shareholder approval will be sought, please note that NZX must approve the notice of meeting in which the delisting resolution is to be detailed.

Further information about the content of a notice of meeting can be found in NZ RegCo's -Practice Note [Notices of Meeting](#).

If an issuer is retaining a primary listing on another exchange

The following details should be provided:

- Whether the issuer intends to retain its other listing (or listings);
- Whether the issuer intends to transfer shares currently held on the New Zealand register;
- If the issuer will transfer those shares, details of how that transfer will take place and a description of the impact on shareholders; [\(e.g. cost of any potential register transfer, tax implications, broker engagement, etc.\)](#);
- The costs to New Zealand registered shareholders of trading on that other exchange following delisting; and
- Any other impact on shareholders or their rights as a result of delisting.

If an issuer intends to delist and list on another market

The following details should be provided:

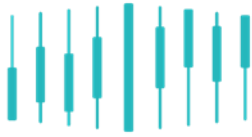
- The process for the delisting and, if approved, listing on another market;
- The impact of delisting on New Zealand shareholders' ability to trade;
- Any costs to shareholders of the delisting and move to another exchange; and
- Any other impact on shareholders or their rights as a result of delisting.

Proposed timetable

When submitting a delisting application, issuers should include a proposed timetable. A standard delisting timetable will address the following matters:

Action	Date
Delisting approved by NZX and announced to market	Day X
Last day of trading securities on NZX (last trading day)	Day X + 1 calendar month
Trading halt applied to securities on NZX	Close of business of last trading day
Securities delisted from NZX	Close of business on the day two business days after the last trading day

Note: additional dates maybe required depending on the reasons for proposed delisting and any delisting conditions granted.



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Review of delisting application

Once received, NZX will consider the delisting application and may request additional information. Sometimes NZX will request further detail about the share register that shareholdings are held on, or also trading information.

When all relevant information has been obtained to NZX's satisfaction, NZX will liaise with the issuer regarding any proposed delisting conditions and NZX approval of the delisting.

NZX has discretion on the conditions that may be imposed on any delisting. Standard delisting conditions may include:

- That the issuer obtains approval of shareholders, who are members of the public (called Non-Affiliated Shareholders in the Rules), by way of ordinary resolution to delist from NZX;
- That NZX reviews the [issuer's issuer's](#) delisting announcement and communications with shareholders;
- That the issuer pays any outstanding fees with NZX, including the delisting fee and NZX's costs relating to delisting application; and
- That the issuer provides at least one month's notice of the delisting to the market.

Release of listing bond

[If an Issuer is delisting from a market operated by NZX, NZX will no longer require the Issuer's listing bond. Issuers should consult with the Changing or Replacing Bonds Practice Note for further information on how to request the release of the listing bond.](#)



Practice Notes are not intended to be a definitive statement of the application of the rules in every situation and are only a guide to NZX's policy and practice. This Practice Note does not limit NZX's discretion under the Rules. NZX takes no responsibility for any error contained in the Practice Note. NZX may replace Practice Notes at any time.