



21 December 2023

**PUBLIC CENSURE OF ENPRISE GROUP LIMITED  
BY THE NZ MARKETS DISCIPLINARY TRIBUNAL FOR BREACH OF  
NZX LISTING RULE 3.1.1**

In a determination of the NZ Markets Disciplinary Tribunal (*the Tribunal*) dated 8 December 2023, the Tribunal found that Enprise Group Limited (*ENS*) breached NZX Listing Rule (*Rule*) 3.1.1.

ENS released an announcement on [1 August 2022](#) advising that MYOB had purported to reduce the margins its Kilimanjaro Consulting division received on existing sales of MYOB Exo, the impact of that purported reduction of 42.86% would be approximately \$935,000 per annum and would significantly impact the services Kilimanjaro could provide its MYOB Exo customers, and ENS rejected MYOB's assertion that it could unilaterally change the margins and intended to dispute it.

ENS accepted that the information in the announcement was Material Information.

The issue in this case centred on when ENS's obligation to disclose the Material Information arose – did it arise on 1 August 2022 when MYOB invoiced ENS at the reduced margin as ENS argued, or did it arise earlier, in particular on 27 May 2022, when MYOB notified ENS that it would be reducing the margins in accordance with their existing agreement? The answer depended on whether, prior to 1 August 2022, ENS had the benefit of the 'safe harbour' provided by Rule 3.1.2(a)(ii) – that is, did the relevant information concern "*an incomplete proposal or negotiation*".

The Tribunal did not accept that, following MYOB's notice of the purported margin reduction on 27 May 2022, there was an incomplete proposal or that the parties were in negotiations with respect to that reduction for the purposes of Rule 3.1.2(a)(ii). Rather, the Tribunal considered that ENS became Aware of the Material Information on the evening of 27 May 2022, when MYOB emailed notice of changes to the agreement and that each aspect of the Material Information released in the announcement was known to ENS at that time.

The Tribunal acknowledged ENS's view that MYOB's 27 May 2022 notice was a negotiating stance, based on its previous experience with MYOB, and its strongly held view that MYOB did not have the power to unilaterally change the margins under their agreement. The Tribunal noted, however, that it had seen no evidence to indicate that ENS had considered the issue of disclosure as at 27 May 2022 and that, in any event, the approach to disclosure is an objective one.

In determining penalty, the Tribunal had regard to the complex circumstances in this case and the effect the Tribunal's penalty may have on ENS's ongoing commercial viability.

The Tribunal ordered ENS to pay a financial penalty of \$60,000, pay the costs of NZX and the Tribunal (capped at \$15,000, excluding GST), and be publicly censured in the form of this announcement.

The full determination of the Tribunal in this matter is attached to this announcement.