

Practice Note

Redemption of Debt Securities

Applies to Rules as at: ~~January 2025~~ ~~July 2024~~
Last updated September 202~~5~~~~4~~

Summary

This Practice Note explains the process, and requirements, that apply to the redemption of debt securities, including on scheduled maturity dates and on an early redemption.

Please note that there are different requirements for convertible financial products as per Rule 3.15.

Relevant Listing Rules: 3.13

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.

The Rules require issuers to provide certain notifications to the market in relation to the redemption of debt securities. Information provided by issuers is also used by NZX to complete operational processes for such redemptions. Templates for the relevant announcements can be found on the Markets Announcement Platform [forms page](#).

Where the maturity date is scheduled

Issuers are not required to provide notification under Rule [3.13.1](#) or 3.14.1 for the redemption of debt securities on the scheduled maturity date. This means no Corporate Action Notice or Capital Change Notice is required to be published (although some issuers choose to do this to assist with market communication). ~~However,~~ NZX ~~will still~~ contacts the issuers prior to maturity to clarify the operational aspects of the redemption.

Event	Action(s) required
NZX identifies upcoming maturity date	NZX will contact issuers in advance of the scheduled maturity date to confirm that: - The bonds will be placed in suspension prior to maturity; and - NZX will release a standard memo to the market prior to suspending trading (see step outlined below). If the issuer wishes to release an announcement to the market regarding the redemption, NZX will release its memo immediately following the issuer's announcement.
NZX releases market memo Day X – 6 business days	NZX will release a market memorandum detailing the final trading day, record date and final quotation date for the relevant debt security no later than this date.
Ex date Day X – 1 business day	Trading in the relevant debt security will be suspended from this date.
Record date Day X	

Event	Action(s) required
Redemption date	Security holders as at the record date will be paid the amounts owed to them under the terms of the security.

Where the issuer decides to call securities/redeem prior to maturity

The issuer should engage with NZX as soon as possible if:

- It intends to redeem on a date other than a scheduled maturity date; or
- There is no scheduled maturity date, but the issuer has decided to call the securities.

In particular, where the date of a call on securities has not been stated in an Offering Document or Profile, issuers are required to notify NZX as soon as a decision has been taken to make a call.

Event	Action(s) required
Notice and announcement released Day X – 5 business days	The issuer will be required to release a notice under Rule 3.14.1. NZX considers it best practice for the issuer to release an announcement about the upcoming redemption at the same time as it releases the Notice
NZX releases market memo Day X – 6 business days	NZX will release a market memorandum detailing the final trading day, record date and final quotation date for the relevant debt security no later than this date.
Ex date Day X – 1 business day	Trading in the relevant debt security will be suspended from this date.
Record date Day X	
Redemption date	Security holders as at the record date will be paid the amounts owed to them under the terms of the security.
Notification required No later than business day following redemption date	Issuers are required to provide notice to the market under Rule 3.13.1 of the debt securities redeemed. This will only be applicable when an issuer partially redeems securities. If an issuer redeems all of the securities on issue no notice will be required.

Where a maturity date falls on a non-business day

Issuers do not need to take any action where a maturity date falls on a non-business day. NZX's operational systems will automatically process the redemption on the following business day.

Delisting

If the Issuer proposes to delist after redemption of all quoted securities, a delisting application must be submitted to NZ RegCo using the email issuer@nzregco.com. Please consult the [Delisting Practice Note](#) for further information on the delisting process.