



# Practice Note 16/2017

## Delisting Process for Equity Issuers

Applies to Rules as at: 23 June 2017

### Summary

This Practice Note explains:

- The process for equity issuers to delist from the NZX Main Board and NZAX Market.

### Relevant Listing Rules:

- NZX Main Board Listing Rule 5.4.1(b)
- NZAX Listing Rule 5.4.1(b)

### Formal application to delist

Issuers seeking to delist from the Main Board or NZAX 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 NZXR will require to consider a delisting application. Please note that NZXR 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 shareholder approval 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 NZXR 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 [PN07/2017 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;



- 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 ( <b>last trading day</b> )	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.

#### **Review of delisting application**

Once received, NZXR will consider the delisting application and may request additional information.

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

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

- That the issuer obtains shareholder approval by way of ordinary resolution to delist from NZX
- That NZXR reviews the issuer's delisting announcement and communications with shareholders



- That the issuer pays any outstanding fees with NZX, including the delisting fee and NZXR's costs relating to delisting application; and
- That the issuer provides at least one month's notice of the delisting to the market.

*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 NZXR's discretion under the rules. NZX takes no responsibility for any error contained in the Practice Note. NZXR may replace Practice Notes at any time.*