

Summary

This Practice Note sets out the process for a “direct listing” application by issuers with an existing ASX Listing, seeking an NZX Foreign Exempt listing and quotation.

Relevant NZX Listing Rules: 1.6, 1.7, 1.12, 1.13, 1.15, 7.4.1, 7.4.1A, 7.4.2.

This Practice Note sets out the application process for an issuer that has a current listing on the Australian Securities Exchange (**ASX**) and wishes to make a direct listing of equity or fund securities on the NZX Main Board.¹ A direct listing (sometimes also called a compliance listing) occurs when an applicant lists on NZX without undertaking a regulated offer under the Financial Markets Conduct Act 2013 in New Zealand at the same time.

Requirements for Listing

ASX is a Recognised Stock Exchange for the purposes of an equity, debt or fund² listing under the NZX Listing Rules (**Rules**). Issuers that remain listed with their securities quoted on a Recognised Stock Exchange (known as the issuer’s Home Exchange) are eligible for NZX Foreign Exempt listing. An NZX Foreign Exempt Issuer is largely exempt from the Rules, principally on the basis that the issuer continues to comply with the rules of its Home Exchange. This significantly reduces the ongoing NZX regulatory requirements that will apply to the issuer.

Disclosure requirements for the Profile

Applications for a direct listing must prepare a listing document, called a **Profile**. The Profile sets out certain information about the applicant and the securities to be quoted. Under the Rules a Profile must contain the same information as an offer document for a regulated offer under New Zealand law, unless NZX determines otherwise. NZX has exercised this discretion for applicants with an existing ASX listing, in recognition of the ASX compliance and disclosure obligations that apply to them, and the nature of the information on the applicant that can already be accessed.³ This means that the contents of the Profile can leverage the issuer’s existing disclosures. The form of Profile required for a direct listing by an applicant with an existing ASX listing and quotation is available as a template for applicants.

In particular, NZX will not require applicants to prepare prospective financial information (**PFI**) in conjunction with a direct listing application. If an applicant elects to include PFI in the Profile, this information must comply with Australian accounting standards.

¹ Issuers seeking to undertake a direct listing of a debt product on the NZX Debt Market should engage with NZX Regulation to discuss the process and documentation requirements

² Eligible funds are Managed Investment Products listed on ASX (not AQUA market), governed by Part 5C of the Corporations Act 2001

³ Applicants should note that NZX does, however, retain the discretion to request further information to support an application to list under NZX Listing Rule 1.12.2(k), and reserves the right to require further information to be provided in a Profile in any particular case.



Although the Financial Markets Conduct Regulations 2014 (**FMC Regulations**) will not apply to an applicant seeking a direct listing, including an applicant for NZX Foreign Exempt Issuer status, if an applicant elects to include PFI in a Profile:

- the PFI should be prepared in a manner consistent with relevant requirements of Schedule 3 of the FMC Regulations; and
- NZXR will generally expect the applicant to include the full set of information contemplated by table 1 of clause 35 and table 3 of clause 38 of the FMC Regulations.

Applicants who wish to include only selected PFI, will need to engage with NZXR to explain the basis on which the applicant proposes to include the selected measure and ensure that such information is presented in a manner that is not misleading. Applicants should also refer to the FMA's [Guidance on Disclosing Non-GAAP financial information](#).

How to obtain an NZX Foreign Exempt Listing

The application process to become an NZX Foreign Exempt Issuer follows a number of steps. NZX Regulation (**NZXR**) will generally review an application within 20 business days or less, from the time of an application (and all accompanying materials) being submitted to NZXR.

Step one: engage with NZX Regulation

Applicants are encouraged to engage with NZXR as early as possible, in order to advise NZXR of the proposed transaction. This enables NZXR to provide early feedback and guidance and support through the process. Refer to NZX's Guidance Note [Issuer Engagement with NZX Regulation](#) for more information on how to work effectively with NZXR.

At this stage, applicants will need to provide NZX with a signed [Pre-Listing Agreement](#). Applicants may also be subject to a pre-listing fee, as set out in the [NZX Fee Schedule](#).

Step two: submit all relevant documents

Application form	An application for listing and quotation is made via an application form. The application sets out the information required to support the supplication. NZXR has produced a Template to assist applicants.
Profile	An applicant will need to prepare a Profile, describing the issuer and the securities to be quoted. NZXR will review the Profile and must confirm to the applicant that it has no objection to the document before the Profile is released to the market and becomes effective. NZXR has produced a Template Profile document to assist applicants.
Listing Agreement	The Listing Agreement will need to be executed and supplied to NZXR prior to the listing date.
Market Announcement Platform (MAP) agreement	A MAP Agreement , which entitles the applicant to use NZX's market announcement platform, will need to be executed and supplied to NZXR prior to the listing date.



Step three: Listing and Quotation

Upon completion of the steps above to NZX's satisfaction, the applicant will list and its securities will quote on the NZX Main Board.⁴ Having regard to the general timeframes for processing indicated above, an applicant is encouraged to advise NZXR at an early stage if an applicant wishes to have listing and quotation commence on a particular date (otherwise NZXR will confirm the date during the course of the application process).

NZX will execute the Listing Agreement on the date that the applicant lists on the NZX Main Board.

On the date of listing and quotation, NZX will publish the issuer's Profile together with supporting materials (generally including the application letter and all its attachments, other than the Pre-Listing Agreement, Listing Agreement and the MAP Agreement) via the Market Announcement Platform. If an applicant requires its application or any specific information contained in, or supplied with, its application to be kept confidential the applicant should specify this in its application and provide reasons for that request.

Ability to raise capital

While direct listing applicants would not be raising capital through a regulated offer, NZX Foreign Exempt Issuers have the ability to utilise certain exemptions for raising new capital in New Zealand after listing, such as in accordance with the [Financial Markets Conduct \(Same Class Offers ASX/NZX-Quoted Financial Products\) Exemption Notice 2018](#).

Under this exemption notice, an NZX Foreign Exempt Issuer that has an ASX Listing may offer equity securities, debt securities or managed investment products of the same class as are quoted on ASX in New Zealand without a formal disclosure document (i.e. a prospectus or product disclosure statement). Instead, a notice must be released to ASX and NZX confirming that the NZX Foreign Exempt Issuer is in compliance with its Australian continuous disclosure obligations and Australian financial reporting obligations. Importantly, relying on this exemption notice allows capital to be raised from retail investors in New Zealand, including through a non-pro rata offer (such as a placement).

Requirements once Listed

Please see the NZX [Practice Note Foreign Exempt Issuers](#) for Rule and information disclosure requirements of NZX Foreign Exempt Issuers which have the ASX as their Home Exchange. In summary, ASX listed issuers who become NZX Foreign Exempt Issuers on the NZX Main Board must retain their ASX listing and quotation of their securities, and are required to release their ASX announcements to the NZX through MAP as mentioned above.

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.

⁴ Applicants should note that NZX is not obliged to grant a listing application, regardless of whether the applicant concerned complies with all applicable provisions of the Rules. NZX may refuse listing and quotation at its absolute discretion and without giving any reasons for such refusal.