

### Summary

This Practice Note explains:

- the circumstances when an issuer may need to request a trading halt in its securities;
- how issuers apply for trading halts.

### Relevant Listing Rules:

- Main Board and Debt Market: 5.4.1;
- NZAX: Rule 5.4.1  
(together, the **Listing Rules**).

### Refer also to:

- [Guidance Note: Trading Halts and Suspensions](#)
- [Template for DLE Trading Halt Request](#)

A trading halt is a temporary halt in the trading of the market or in the trading of particular quoted securities. Trading halts are a tool that can be used, when necessary, to ensure that NZX's markets are fair, orderly and transparent.

### In what circumstances might an issuer submit a trading halt application?

A trading halt may be needed when:

- an issuer is completing an off market bookbuild
- an issuer is undertaking an off market placement
- a substantial shareholder has informed an issuer that the shareholder is completing an off market sell down through a bookbuild
- an issuer needs to correct speculation or rumours in the market
- an issuer has unexpectedly received or recognised information that will likely be material and the issuer needs a short time to assess that information and prepare an announcement to the market.

Trading halts are not intended to be used by issuers to manage their commercial interests, or as a tactic to delay the release of material information.

Further explanation about why a trading halt may be required in these circumstances is included in the [Guidance Note](#).

### Timing and contact details for a trading halt application

If an issuer is aware in advance that it will need a trading halt, NZX Regulation (**NZXR**) encourages either applying for the halt early, or providing a draft trading halt application to NZXR. Early engagement will ensure NZXR has time to assess, and raise any questions on, the trading halt application. In all instances, NZXR invites issuers to call before sending an application if there are any questions or concerns.

| Timing  | How to make application  |
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| <b>Intra-trading day trading halt, required immediately</b> | Please call NZX to apply verbally for the halt, and to have the halt implemented. A formal trading halt application should then follow by email. |



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| For example, receipt of unexpected material information or correction of market speculation                         |   |
| <b>Pre-planned trading halt, required from pre-market open</b><br>For example, off market bookbuild or placement    | Please email the draft trading halt application in advance, and provide the final application no later than the evening of the trading day prior to the day the halt is required.   |
| <b>Unexpected trading halt, required from pre-market open</b><br>For example, sell down by substantial shareholders | Please email the final trading halt application, preferably no later than one hour prior to market open.<br>If the matter giving rise to the trading halt application arises within the 30 minutes prior to market open, issuers should call NZX to apply verbally for the halt and then submit a formal trading halt by email. |
| Trading halt applications should be emailed to NZXR at <a href="mailto:regulation@nzx.com">regulation@nzx.com</a> . |   |
| For urgent applications, please call NZXR on 04 495 2825  |   |

Issuers that are also listed on the ASX should be aware that applications for a trading halt are subject to the dual listed entity Trading Halt Request Process. The trading halt application must be provided to NZX and ASX simultaneously, using the template letter that can be found [here](#). As NZX's markets open before the ASX markets, issuers should consider whether a phone call to NZX is also required.

### What information should be included in the trading halt application?

#### Information to include in a trading halt application

##### General Information

- The reasons for requesting a trading halt (for example to allow a bookbuild to be conducted or to prepare a correction) and why, but for the halt, the event would impact a fair, orderly or transparent market
- When the trading halt is requested to begin, and why
- What securities the trading halt is requested to apply to
- How long the trading halt is requested to last, and why
- The event that is expected to end the trading halt (for example, announcement of the results of a bookbuild)
- Confirmation that the issuer is not aware of any reason why the trading halt should not be granted (or further information if the issuer is aware of any reason)
- A statement for inclusion in NZX's market announcement as to the reasons for the halt
- Whether the reasons for the halt are confidential or commercially sensitive and should not be released to the market

##### Further information to include in a trading halt application in specific circumstances

##### To allow a bookbuild or placement to be conducted off market

- The size of the bookbuild or placement expressed in figure size and as a percentage of total market capitalisation of the issuer
- Outline what involvement the issuer will have in the process
- Whether participants in any bookbuild will be bound by confidentiality agreements



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|  | <ul style="list-style-type: none"><li>• Any arrangements that will be in place to protect against insider trading (if any)</li></ul>  |
| <b>To a prepare an announcement to correct market speculation</b>                                | <ul style="list-style-type: none"><li>• Outline of the what the speculation is</li><li>• Source of the speculation (if known)</li></ul>   |
| <b>To determine materiality of information or pending the release of a material announcement</b> | <ul style="list-style-type: none"><li>• An outline of the information in possession of the issuer, but not yet publicly available</li><li>• The reason the issuer cannot immediately provide this information to the market</li></ul> |

Please note that the above information is a guide only and NZXR may have additional queries even if this information is provided in full.

### Template trading halt application letters

NZXR has provided template trading halt application letters for:

- Issuers listed only on NZX (found [here](#)); and
- Issuers dual listed on NZX and the ASX (found [here](#)).

### Process on receipt of an application

Upon receipt of a trading halt application, NZXR will consider the application and may request additional information about the application. When all relevant information has been provided, NZXR will make its decision on the application. NZXR will then confirm by email to the applicant whether the halt has been approved and, if approved, that the halt has already been placed or will be placed at the requested time.

An issuer should consider whether it will release an announcement to the market as to why the trading halt was requested. NZX will release a memorandum confirming the trading halt to the market, which will only include the statement the issuer has provided in its application for the trading halt.

NZXR expects that an issuer will release a further announcement providing all material information to the market, should this be relevant, before trading resumes. The issuer should contact NZXR to confirm, in advance, when this announcement will be provided to the market so that NZXR can ensure the trading halt is removed. Once this announcement is released, the trading halt will be removed and NZX will release a memorandum to the market confirming when trading will resume.