

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 debt securities as per Listing Rule 7.12.8

Relevant Listing Rules:

- NZX Debt Market Listing Rules (**Rules**): 7.12.1 – 7.12.4

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](#).

An Appendix 7 form is required under Rule 7.12.2 for all redemptions of securities. However, in practice, NZX Regulation (**NZXR**) and NZX's Client & Data Services (**CDS**) team take a different approach in respect of:

- Fixed rate, yield traded debt securities with a scheduled maturity date; and
- Debt securities that are redeemed on a date other than the scheduled maturity date and debt securities that are subject to a call (that is, redemptions where the date of maturity has not previously been notified to the market).

Where the maturity date is scheduled

Event	Action(s) required
NZX identifies upcoming maturity date	<p>Where the maturity date is scheduled, the market already has adequate information about the terms of the debt security. An Appendix 7 will not be required.</p> <p>CDS will contact issuers in advance of the scheduled maturity date. CDS will confirm that:</p> <ul style="list-style-type: none"> The bonds will be placed in suspension prior to maturity; and CDS will release a standard memo to the market prior to suspending trading (see below). <p>If the issuer wishes to release an announcement to the market regarding the redemption, CDS will release its memo immediately following the issuer's announcement.</p>
CDS release market memo Day X – 6 business days	CDS 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.



Event	Action(s) required
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 maturity date	Issuers are required to provide notice to the market under Rule 7.12.1 of the debt securities redeemed.

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
Appendix 7 and announcement released Day X – 10 business days	An Appendix 7 form will be required under the Rules. NZX considers it best practice for the issuer to release an announcement about the upcoming redemption at the same time as it releases the Appendix 7.
CDS release market memo Day X – 6 business days	CDS 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 maturity date	Issuers are required to provide notice to the market under Rule 7.12.1 of the debt securities redeemed.



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.

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