

Changes to admissions requirements of the ASX Listing Rules

The Australian Securities Exchange (ASX) has advised that amendments to the admission requirements under the ASX Listing Rules will come into effect on 1 November 2012. The announcement allows a three month transition period for entities currently in the process of applying for admission under the existing regime.

The amendments to the Listing Rules follow industry feedback on proposals released for comment by ASX in April of this year.

Admission amendments

Amendments to the admission requirements come into effect on 1 November 2012 and apply to any application for admission (or any proposed re-compliance with the admission and quotation requirements under listing rule 11.1.3) that is lodged with ASX after that date.

Amendments to the “spread test”

Under amended Condition 7 of Listing Rule 1.1, the admission “spread test” will be liberalised so that it can now be satisfied in one of three ways:

- where the entity has 400 (formerly 500) holders of securities in the main class, each holding parcels of securities in the main class with a value of at least A\$2,000 (excluding restricted securities);
- where the entity has 350 (formerly 400) holders of securities in the main class, each holding parcels of securities in the main class with a value of at least A\$2,000 (excluding

restricted securities), and at least 25% of the securities in the main class are held by non-related security holders (excluding restricted securities held by the non-related security holders); or

- under a new condition introduced by the amendments, where the entity has 300 holders of securities in the main class, each holding parcels of securities in the main class with a value of at least A\$2,000 (excluding restricted securities), and at least 50% of the securities in the main class are held by non-related security holders (excluding restricted securities held by the non-related security holders).

Key issues

- Amendments to admission requirements are effective from 1 November 2012
- The amendments liberalise the “spread test” requirement
- The amendments also introduce a higher net tangible assets threshold for entities not able to meet the profit test admissions requirements.

Amendments to the net tangible assets requirement

Listing rule 1.3.1 has been amended to increase the net tangible assets test from A\$2 million to A\$3 million for applicant entities seeking admission under the assets test.

The amendment to the net tangible assets requirement will not affect applicants seeking admission under the profit test in Listing Rule 1.2.

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