



**CHARTERED SECRETARIES
AUSTRALIA**

Leaders in governance

17 June 2013

Ms Brooke Penfold
Manager, ECM Development
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By email: regulatorypolicy@asx.com.au

Dear Ms Penfold

***Modernising the timetable for rights issues:
Draft ASX Listing Rules***

Chartered Secretaries Australia (CSA) is the peak body for over 7,000 governance and risk professionals. It is the leading independent authority on best practice in board and organisational governance and risk management. Our accredited and internationally recognised education and training offerings are focused on giving governance and risk practitioners the skills they need to improve their organisations' performance.

Company secretaries have primary responsibility in listed companies to deal with the Australian Securities Exchange (ASX) and interpret and implement the listing rules. Our Members deal on a day-to-day basis with ASX and have a thorough working knowledge of the operations of the markets, the needs of investors and the listing rules, as well as compliance with the Corporations Act (the Act).

CSA welcomes the opportunity to comment on the *ASX Consultation Paper – Modernising the timetable for rights issues: draft ASX Listing Rules* (the consultation paper and exposure draft) and draws upon the experience of our Members in providing feedback on the consultation paper and the exposure draft.

Support for the reduced timetable

CSA strongly supports the shortening of the standard timetable for rights issues to improve their relative attractiveness as a mechanism for raising capital. CSA believes that the introduction of electronic processes and technologies will greatly facilitate a reduction in costs and time associated with all forms of company rights issues. CSA also supports the introduction of a standard timetable for accelerated rights issues.

A reduction in the timetable provides commercial benefit to organisations conducting rights issues, and allows them to benefit from expected process efficiencies, and reduced risk in relation to possible changes in market conditions during the life of a rights issue.

CSA notes that stakeholders, such as share registries, may bear the burden of facilitating process and technological change, and the migration to electronic processes requires the buy-in of the company's shareholders. Different companies with different providers and different shareholder bases will encounter different challenges in this respect. For example, companies

with foreign shareholders will need to consider how to manage the reduction in the timetable, particularly for notifying and receiving acceptances. Companies with an older or aged shareholder base, such as those companies that are popular with pensioners, will also be required to undertake more work to assist their members with implementing and using electronic processes.

Notwithstanding these realities of implementation, CSA is comfortable with the proposed amendments to the new timetable for standard rights issues. We are also pleased to note that key stakeholders, such as share registries and investment banks, have indicated that they will be able to meet the proposed timetable, and we are confident that many of the proposed benefits of shortening the timetable will be achievable.

Choosing longer periods for rights issues

In light of the wide ranging and competing demands of shareholders, CSA notes that companies may wish to undertake a variety of approaches to conducting rights issues. CSA believes that it is important, therefore, that a company's right to make decisions as to the amount of time which they allow for certain periods according to the timetable based on their shareholding spread is preserved.

In this regard, CSA supports the flexibility in the timetable that allows companies the freedom, where appropriate, to choose longer periods in order to increase levels of participation and compliance. In this respect CSA notes the use of the term 'at least' in some instances to indicate that it remains open to listed companies to choose to work to a longer timetable if relevant to their circumstances.

Understandably, this flexibility does not extend to all aspects of the timetable. While CSA is of the view that, in theory, the reduced timetable can be met, CSA recommends that guidance be provided on whether or not companies are able to seek a waiver in circumstances where they seek to meet the timetable but find themselves unable to do so.

Clarification of relevant timezones for complying with timetable

CSA's Members also seek clarification in relation to the appropriate time zones referenced in the exposure draft. CSA is cognisant that Chapter 19 of the ASX Listing Rules specifies that reference to time in the Listing Rules means 'local time' unless another time is specified.

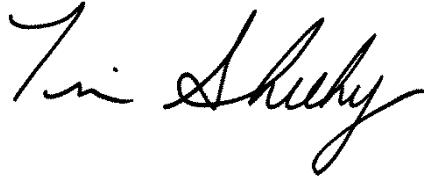
However, CSA is also aware, for example, that the proposed amendment to Listing Rule 3.20.3 requires an entity to notify ASX by 10.00am one business day prior to the proposed commencement of any trading halt related to an accelerated pro rata issue of equity securities.

CSA notes that if the intention is for the notifications to be provided by 10.00am Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT), this requirement would place an unfair burden on listed entities in Western Australia. When it is 12.00pm AEDT, the WA-based listed entity must lodge the information at 9.00am local time. CSA's Members believe that this can prove challenging (even impossible) for listed entities in Western Australia.

CSA seeks clarification, therefore, that this rule is intended to apply to the relevant 'local times' for companies, as it is not evident from the exposure draft that this is the case.

CSA otherwise believes that the exposure appropriately captures the intention of the reduction in the timetable for rights issues and represents a realistic and achievable guide for companies.

Yours sincerely

A handwritten signature in black ink, reading "Tim Sheehy". The signature is written in a cursive, flowing style with a large initial 'T' and 'S'.

Tim Sheehy
CHIEF EXECUTIVE