



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

NZX Regulation Issuer Update: Coronavirus (COVID-19) guidance

We acknowledge the challenges affecting you and your teams at this time, and particularly issuers and sectors where COVID-19 has had an immediate impact on operations or the outlook for your business.

This update provides further information on:

- Guidance in relation to meeting your continuous disclosure obligations, and certain situations when applying for a trading halt may be appropriate as a means of managing your disclosure obligations
- Your financial reporting obligations, particularly for those with 31 December or 31 March balance dates
- Annual meetings, and the flexibility under the Listing Rules that may be useful in assessing the logistics of your meetings
- The tools we have available to us to manage market volatility, and ensure orderly trading

Please contact NZX Regulation, if we can assist you with any questions or concerns you may have on Listing Rules or compliance matters.

A handwritten signature in black ink, appearing to read 'Joost van Amelsfort'.

Joost van Amelsfort
NZX Head of Market Supervision

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Continuous disclosure

On 3 March 2020, we sent a note to issuers encouraging them to be vigilant in their approach to monitoring and assessing the potential impacts that COVID-19 may have on their business.

On 14 March 2020, the Government announced additional border control measures.

We acknowledge that COVID-19, its direct and indirect consequences, and the measures being implemented by the New Zealand Government (and for some issuers, overseas governments), will impact you in different ways.

As your boards and management teams assess those potential impacts, we reiterate the importance of the fundamental continuous disclosure obligations under the Listing Rules. If the evolving situation gives rise to operating and financial impacts that comprise “material information” for you, that information must be disclosed promptly and without delay, unless an exception from disclosure applies. In the context of COVID-19, that may include circumstances where you determine that there is a material risk that your actual financial results will materially differ from your announced projections, forecasts or the market’s expectation of your performance.

If this applies to you, NZX Regulation will look to you to announce via the NZX Market Announcement Platform (MAP):

- amending your forecasts, guidance or the statements you have previously issued that inform those market expectations of performance - this may involve providing an order of magnitude of the changes and revised metrics, or a range for those metrics; or
- withdrawing or suspending previous guidance or forecasts you have issued, subject to providing updates as information on your operating and financial performance crystallises.

Further information on issuers’ continuous disclosure obligations can be found in the [Continuous Disclosure Guidance Note](#) (see in particular section 3).

Issuers are also encouraged to contact NZX Regulation if they have any queries on their approach to disclosure related to the impacts of COVID-19.

Trading halts

The COVID-19 situation is evolving rapidly, including the way in which governments are responding.

It may be appropriate for you to apply for a trading halt, if that will enable you to meet your continuous disclosure obligations. We note that trading halts cannot be used as a tactic to delay the release of material information, or to avoid general trading in a volatile market. NZX Regulation will continue to consider trading halt applications on a case-by-case basis.

In the current context, we think there are two scenarios where a trading halt is most likely to be relevant to you:

- If you are required to make an announcement of material information, but you are unable to immediately release that information - for example, you may require time to finalise the announcement, given the involvement of your board and management. In this scenario, you may seek a trading halt until the announcement is prepared and released.
- If you are aware of material information in the public domain that you need to respond to, because you need to confirm, deny or clarify information of a material nature that has been released by another party or explain the impact of that information on you. We acknowledge that if you need to respond to information released by a third party (for example, the Government or a Government agency) you may need time to consider the likely impact of that information on your business before you are in a position to respond to the market. In this scenario, you may seek a trading halt to undertake that impact assessment.

Please directly engage with NZX Regulation if you consider a trading halt may be appropriate for you to manage your disclosure obligations.

Financial reporting

We are aware that a number of issuers have balance dates of 31 December or 31 March. The financial reporting obligations under the Listing Rules, including as to the dates by which financial results and reports are due, continue to apply.

This means that:

- for those issuers with a 31 December balance date, your annual report and audited financial statements should be released by 31 March 2020; and
- for those issuers with a 31 March balance date, your (i) preliminary financial results should be released by 2 June 2020, and (ii) your annual report and audited financial statements should be released by 30 June 2020.

If, as a result of COVID-19, you have concerns about your ability to meet your periodic financial disclosure requirements, please contact NZX Regulation directly to discuss. We acknowledge that challenges may arise due to a number of circumstances, for example, impacts experienced on the ability of local component auditors to perform audit processes for operating subsidiaries you may have in overseas jurisdictions.

Annual meetings

For most NZX issuers, the timing requirements for holding an annual meeting are set out under the Companies Act.

The Listing Rules enable you flexibility in managing the logistics of annual meetings. Importantly:

- You are able to hold shareholder meetings by audio, audio and visual and/or electronic means (including as a “hybrid” meeting), if you wish to avoid holding a physical meeting. Your share registry will be able to assist you with information on those options; and
- While the NZX Corporate Governance Code sets out timing considerations for sending out notices of meeting, those apply as recommendations. You are able to depart from that timing recommendation (for example, if the additional time might assist you to better assess how and when you might most appropriately host your annual meeting), so long as you meet your statutory timing requirements.

Circuit breakers

Given the market volatility seen in recent days, we want to make issuers aware of some of the tools we have available to us to manage that volatility and ensure our markets remain orderly.

We have in place "circuit breakers" in our trading system that apply at a financial product level, not at a market level. Those circuit breakers have tiered trigger points, depending on the prevailing market price of a security. These arrangements are similar to arrangements in place in the ASX market. We also retain full discretion under our market rules to place any NZX market (such as the NZX Main Board or Debt Market) into a trading halt or suspended state if that is appropriate to mitigate disorderly trading.

We continue to closely monitor the actions of other global markets in responding to COVID-19. At this time, NZX has advised that it does not foresee any impact on infrastructure or workforce capacity that would disrupt full normal operations of New Zealand markets and there is no current proposal to amend any scheduled trading sessions or undertake any other extraordinary measures such as closing our markets.