



## NZX Limited – Quarterly Regulation Metrics

### Q4 2018

These Regulation Metrics represent the key features of NZX's activities in regulating its Markets. The metrics focus on key activities so as to provide transparency and a means of comparison across periods.

#### ISSUERS – KEY METRICS

	Q4 2017	Q4 2018
Total announcements released	4377	4296
Trading halts at request of Issuer or NZXR <sup>1</sup>	20	9
Documents approved and waivers <sup>2</sup> granted to Issuers	37	58
Complaints received concerning Issuers	4	2
Price enquiries concerning Issuers	3	0
Investigations <sup>3</sup> begun in relation to Issuers	34	24
Investigations ongoing at the end of the quarter/period in relation to Issuers	8	12

#### PARTICIPANTS – KEY METRICS

Waivers <sup>2</sup> , Exemptions and Rulings granted to Participants	1	2
Inspections commenced	2	5
Complaints received concerning Participants	1	1
Investigations <sup>3</sup> begun in relation to Participants	5	11
Investigations ongoing at the end of the quarter/period in relation to Participants	4	7

#### NZX RULES AND POLICY

##### Updated Listing Rules

On 29 November 2018 NZX provided notification of amendments to the NZX Main Board/Debt Market Listing Rules. The updated rules, which amend and replace the current Rules, were approved by the Financial Markets Authority on 25 October 2018, and are dated 1 January 2019 (the updated Listing Rules). NZX also published reporting templates to support the updated Listing Rules.

As part of the changes the NXT and NZAX markets will be removed to create a single equity board. Issuers on these markets are able to apply to migrate to the Main Board. Accordingly, the NXT Market Rules and NZAX Rules will cease to apply from 1 July 2019.

##### *Effective date of updated Listing Rules*

The updated Rules shall apply to any issuer that lists on the Main Board or the Debt Market on or after 1 January 2019, subject to class waivers and rulings for existing NXT and NZAX issuers that migrate to the Main Board.

There will be a six-month transition period for existing Main Board and Debt Market issuers to transition to the updated Listing Rules. The updated Listing Rules will become effective and apply to each issuer listed on the Main Board or the Debt Market as at 1 January 2019 on and from the earlier of:



- (a) 1 July 2019; and
- (b) the date on which the issuer opts in to the updated Listing Rules by making an announcement to the market via the Market Announcement Platform (MAP) at least five Business Days prior to the date on which the updated Listing Rules will apply to that issuer.

The updated Listing Rules and templates can be found [here](#)

#### *Consequential changes to other rules to support the updated Listing Rules*

On 29 November 2018, NZX also provided notice of minor consequential amendments to the NZX Clearing and Settlement Rules to support the updated Listing Rules. The amendments to the NZX Clearing and Settlement Rules came into effect on 1 January 2019 (noting also that that these rules had separate amendments which came into effect for the introduction of a mutual default fund on 9 November 2018, explained separately below). Copies of these rules can be located [here](#).

Subsequent to the period end, on 17 January 2019, NZX provided notification of consequential amendments to the NZX Participant Rules, NZX Derivatives Market Rules and NZ Markets Disciplinary Tribunal Rules to support the updated Listing Rules. These amendments will come into effect on 1 July 2019 to align with the transition arrangements for the updated Listing Rules.

#### *Update guidance notes and supporting materials*

On 29 November 2018, NZX published new and updated guidance and practice notes to support the updated Listing Rules, together with other supporting and explanatory materials. These materials can be found [here](#).

#### **Amendments to the NZX Clearing and Settlement Rules to support introduction of mutualised default fund**

The changes to the NZX Clearing and Settlement Rules came into effect on 9 November 2018 to give effect to the default fund. The rule changes create the default fund and relevant obligations, at a high level, with further detail in relation to the default fund included in the Procedures and the external default fund policy. These amendments are explained [here](#)

#### **Proposed amendments to the NZX Participant Rules to introduce mandatory voice recording**

In December 2018 NZX applied to the FMA for approval of amendments to the NZX Participant Rules to introduce mandatory voice recording requirements for Trading Participants in respect of all communications by or with the Trading Participant's institutional sales and trading desk and/or principal desk (including both proprietary and facilitation trading). If approved, it is intended that these amendments will take effect from 1 January 2020. NZX will provide formal notification of amendments in due course.

## **NOTES**

The metrics are derived from NZX's internal records.

1. Trading halts imposed routinely, for example on release of price-sensitive information or in the context of corporate actions are excluded.
2. Details of waivers granted by NZX are released to the Market, and available on <https://nzx.com/> and through i-Search except where the decisions are confidential.
3. NZX will commence an investigation when it identifies a possible breach of rules.

**To enquire about any information on this sheet, please email [regulation@nzx.com](mailto:regulation@nzx.com)**