

NZ RegCo – Quarterly Regulation Metrics

Q3 2021

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

ISSUERS – KEY METRICS

	Q3 2020	Q3 2021
Total announcements released	5,035	5,305
Trading halts at request of Issuer or NZ RegCo ¹	15	12
Documents approved and waivers ² granted to Issuers	20	25
Complaints received concerning Issuers	0	2
Price enquiries concerning Issuers	2	2
Investigations ³ begun in relation to Issuers	10	7
Investigations ongoing at the end of the quarter/period in relation to Issuers	7	7

PARTICIPANTS – KEY METRICS

Waivers ² , Exemptions and Rulings granted to Participants	1	8
Inspections commenced	5	5
Complaints received concerning Participants	0	1
Investigations ³ begun in relation to Participants	9	17
Investigations ongoing at the end of the quarter/period in relation to Participants	11	16

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://nxz.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.

NZX Limited – Quarterly Policy Update

Q3 2021

This section outlines the key NZX rules and policy activity over the preceding quarter.

NZX RULES AND POLICY

Quotation of Debt Instruments

In June 2021, NZX consulted on a suite of proposals relating to the treatment of debt instruments that are designed to provide greater clarity to the market and standardise the treatment of certain types of instrument. These proposals have been designed in the context of consultation that has been undertaken by the Reserve Bank of New Zealand and the New Zealand Financial Markets Association.

NZX has concluded its consultation and would like to thank those who submitted on the proposals. We have considered the submissions received, and expect to release a protocol in relation to the debt convention standards in October 2021.

Listing Rules 'Hygiene Review'

NZX consulted on the 'Hygiene Review' of the Listing Rules in June 2021. The proposed amendments to the Listing Rules and associated Guidance Notes and Practice Notes have been designed to improve the operation and clarity of the Listing Rules, and do not contain any substantive amendments or material policy changes. The consultation period for the hygiene review concluded on 31 August 2021.

NZX would like to thank those who submitted on the proposed amendments. We are currently considering the submissions received, after which application will be made to the FMA for approval of the proposed amendments to the Rules.

Mid-Point Order Book Final Consultation

In October 2019, NZX consulted on the proposed introduction and features of the Mid-Point Order Book. In July 2021, NZX offered a final opportunity for interested parties to submit additional substantive matters for NZX's consideration through a subsequent consultation process. NZX would like to thank those who submitted on the final consultation paper. We are currently considering the submissions received.

Direct Market Access Guidance Note

In Q2 of 2021, NZX Policy consulted on proposed introduction of a new Direct Market Access Guidance Note to provide guidance and best practice information for Participants trading on NZX's cash and derivatives markets via Direct Market Access. NZX would like to thank those who submitted on the proposed guidance note. We have considered the submissions received, and expect to publish the final guidance note in Q4 2021.

NZMDT Rules Review

NZX has been considering certain settings contained in the NZ Markets Disciplinary Tribunal Rules to ensure that they remain fit for purpose by providing appropriate support to the regulatory and enforcement outcomes sought by NZ RegCo, as there has not been a holistic review of the Rules since their implementation in 2009.

As a consequence of the review, NZX is developing a suite of proposals relating to the membership of the Tribunal; the Tribunal appeals' provisions; and the Tribunal penalties assessment process and framework, on which NZX expects to commence consultation in Q4 2021.

Corporate Governance Code 2021 Review

As issuers have completed 3 full cycles of reporting under the NZX Corporate Governance Code, NZX considers that it is timely for NZX to undertake a targeted review of certain aspects of the Code. The review will focus on: 'comply or explain' disclosure; independent director requirements under recommendation 2.8; director remuneration practices under recommendation 5.1; shareholder meeting requirements; and shareholder participation in capital raising under recommendation 8.4. NZX will also consider developments in ESG practices and trends, and diversity practices.

NZX intends to release the initial discussion document in relation to the review of the Code in Q4 2021. If you have views of the matters that NZX should consider as part of this review please contact policy@nzb.com.