

Buddle Findlay submits on NZX's listing rules review

[Steve Nightingale](#), [Simon Vodanovich](#), [Nick Bragg](#), [Sarah McEwan](#)

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Buddle Findlay has submitted today on NZX's [listing rules review](#). Key points in our submission include:

- We support NZX's approach and many of the specific proposals
- We are cautious about the proposed expansion of the continuous disclosure regime to include deemed knowledge, ie the regime would apply to material information a director or senior manager ought reasonably to have known. We have suggested another approach to meet the objective of the proposal (an obligation to have reasonable processes to escalate material information) or that a defence analogous to section 272 of the FMC Act be introduced as well (reasonable steps were taken to comply etc)
- We do not support the proposal that a change to the "scale" of an issuer's business would be a major transaction. We were pleased to see NZX did not proceed with the earlier proposal to reduce the major transaction approval threshold from 50% to 25% (which we opposed in our submission on NZX's initial consultation). But we think this alternative proposal is also problematic – it is uncertain what "scale" means and the rule is more onerous on issuers than the equivalent ASX rule.

Our submission is available [here](#). We look forward to engaging with NZX as the review progresses.

Auckland

188 Quay Street
Auckland 1010

PO Box 1433
Auckland 1140
New Zealand

P: +64 9 358 2555
F: +64 9 358 2055

Wellington

Aon Centre
1 Willis Street
Wellington 6011

PO Box 2694
Wellington 6140
New Zealand

P: +64 4 499 4242
F: +64 4 499 4141

Christchurch

83 Victoria Street
Christchurch 8013

PO Box 322
Christchurch 8140
New Zealand

P: +64 3 379 1747
F: +64 3 379 5659