

Key ASX responses to COVID-19 in March 2020

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Abstract:

In March 2020, the [Australian Securities Exchange](#) (ASX) made several announcements in response to the challenges created by the COVID-19 pandemic, including new temporary rules to facilitate capital raising and foreshadowing giving relief in relation to listed entities' financial reporting obligations.

Capital raising

New temporary rules to facilitate capital raising are as follows:

- **Trading halts:** Under a Class Waiver made under ASX Listing Rule 18.1, ASX is [permitting](#) listed entities to request back-to-back trading halts (a total of 4 days in trading halts) to consider and prepare for capital raisings. The back-to-back halts will not be available for other purposes.
- **Placement capacity:** Under a [Class Waiver](#) made under ASX Listing Rule 18.1, ASX has [increased](#) the 15% placement capacity under ASX Listing Rule 7.1 to 25% where the additional capacity is used in a single placement and in conjunction with an accelerated entitlement offer or offer under a securities purchase plan (where the price is no greater than the placement price).
- **Non-renounceable entitlement offers:** Under a [Class Waiver](#) made under ASX Listing rule 18.1, ASX has [removed](#) the ratio limit of 1:1 for non-renounceable entitlement offers (ASX Listing rule 7.11.3).

This relief takes effect on 31 March 2020, and expires on 31 July 2020 unless ASX decides to remove or extend it.

Financial reporting obligations

ASX has [stated](#) it would:

- consider requests for extensions to financial reporting deadlines under [Chapter 4](#) of the ASX Listing Rules for entities with a 30 September, 31 December or 31 March balance date, on a case-by-case basis (though not for quarterly reports and other unaudited information); and
- keep the situation for listed entities with a 31 May or 30 June balance date under review and engage with those listed entities and their auditors closer to their balance date to determine whether those entities need any relief from the reporting deadlines in [Chapter 4](#).

ASX has also published a [class order](#) to ensure that NZX dual-listed entities can take advantage of financial reporting extensions [announced](#) in New Zealand.