



## **NZX releases draft rule changes for consultation today**

**25 November 2008** - NZX has today released a set of draft Listing Rule changes for consultation, focused on increasing the speed and reducing the cost of capital raising for NZX Listed Issuers.

Central to these proposed changes is Continuous Disclosure. The draft rules propose that Listed Issuers that are in compliance with Continuous Disclosure should not have to provide prospectus length documentation to the market when they are raising capital because the material information should already be in the market.

Under the Listing Rules, all material information must be disclosed immediately or an Issuer is in breach of Continuous Disclosure obligations.

It is proposed that the prospectus requirement be replaced by a Term Sheet Offering document. This document would be signed by the Directors and outline the terms and risks of the security being offered, together with a signed warranty by the directors and senior management that the Issuer is in full compliance with its Continuous Disclosure obligations.

In current market conditions amending these requirements is a matter of urgency. NZX believes that having these rules in place will help Listed Issuers continue to invest for growth during credit rationing and the drying up of capital from sources they have relied on in the past. Given the urgency of these threats, the consultation period for feedback on these proposed rules changes is focused and tight.

These proposed changes have been promoted and are supported by the Capital Markets Development Taskforce, chaired by Rob Cameron. These changes will also require supporting legislative amendment and NZX will be working with Securities Commission and MED to achieve this.

Other proposed rule changes in the consultation document are largely focused on improving firm flexibility in managing their Balance Sheet and cash flows.

The full consultation document is available on the NZX Website at the following link:  
[http://www.nzx.com/regulations/rules\\_consultation](http://www.nzx.com/regulations/rules_consultation)

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