

Financial Markets Conduct (NZX Listing Rules) Approval of Rule Change Notice 1/2023

Pursuant to section 332(1) of the Financial Markets Conduct Act 2013, the Financial Markets Authority gives the following Notice.

Contents

	Page
1 Title	1
2 Commencement	1
3 Interpretation	1
4 Approval of market rules	2

Notice

1 Title

This notice is the Financial Markets Conduct (NZX Listing Rules) Approval of Rule Change Notice 1/2023.

2 Commencement

This notice comes into force on 31 January 2023.

3 Interpretation

(1) In this notice, unless the context otherwise requires, —

Act means the Financial Markets Conduct Act 2013

Listing Rules means the NZX Listing Rules

NZX means NZX Limited

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

4 Approval of market rules

(1) Pursuant to section 331 of the Act, the Financial Markets Authority approves amendments to the Listing Rules provided by NZX to the FMA for approval on 9 December 2022.

Dated at Auckland this 31st day of January 2023.



Paul Gregory
Acting Director of Capital Markets
Financial Markets Authority

Explanatory Note

This note is not part of the notice but is intended to indicate its general effect.

This notice approves amendments to the NZX Listing Rules. The amendments relate primarily to the NZX Corporate Governance Code (the **Code**), contained at Appendix 1 to the Listing Rules.

- Changes to the reporting framework, requiring issuers to provide “explain” disclosures for the most recent past reporting period where an issuer has not complied with a code recommendation, and failed to provide disclosure in that period in accordance with the Listing Rules
- Changes to the definition of “Disqualifying Relationship” to clarify that the factors provided in the Code to assess director independence are not the only factors that should be considered
- Changes to Code recommendation 2.4 requiring issuers to include in their annual reports the reason for any independence determination where this determination was made despite one or more of the factors in the Code that may preclude independence applying.
- Changes to Code recommendation 2.5 requiring issuers in the S&P/NZX20 Index to have a tangible target for their boards to contain at least 30% male and 30% female directors.
- Changes to Listing Rule 3.7.1 to require climate statements in annual reports to the extent required by legislation (to cover the new Climate Related Disclosures regime).
- Changes to Code recommendation 8.2 to include wording encouraging issuers to facilitate hybrid (i.e., physical, and virtual) meetings.
- Various amendments to the wording of the Code commentary across all 8 principles to provide additional clarity and guidance to issuers,

The amended rules will become effective on a date as determined by NZX in accordance with the NZX Listing Rules.