



MARKET NOTICE

Market Notice: 2018_3

Date: 2 July 2018

Subject: AFS Licensee Notices on Research Independence for Issuers on an IPO

AFMA is making available on its website for member use a one page notices document ***AFS Licensee Notices on Research Independence for Issuers on an IPO*** (Issuer Notices) to provide initial notices to issuers regarding research independence requirements set out in the Australian Securities and Investments Commission (ASIC) [Regulatory Guide 264 \(Sell Side Research\)](#) (RG 264).

The Issuer Notices contains important notices that an Australian Financial Services Licensee (Licensee) is required to provide to an Issuer of financial products (Issuer) in connection with a potential initial public offering (IPO) under RG 264.

RG 264 provides ASIC's guidance on its expectations as to how certain potential conflicts of interest situations should be managed and the handling of inside information as it relates to research analysts and sell-side research. Importantly, RG 264 covers ASIC's expectations on how Issuers should interact with Licensees commonly investment banks engaged to act on capital raising and, in particular, their research analysts in connection with a potential IPO. The overarching principle behind the guidance in RG 264 is to ensure that no pressure is placed on a research analyst and that no person seeks to influence the independent views of research.

A Licensee's expectations and requirements in respect of the scope of permitted interactions between the Issuer, its advisers, and the Licensee's research analyst and corporate advisory team when a potential IPO is being considered should be provided in the first place in a simple form that can be readily understood. The notices to Issuers in the document are intended to highlight some of ASIC's expectations in respect of research independence when dealing with a Licensee prior to a potential IPO.

Beyond this RG 264 is a long guide that takes some time and effort to fully understand. Each Issuer and its advisers will need to inform themselves of the requirements of RG 264 as it relates to them in detail. If readers have questions or concerns about the Issuer Notices, they should seek independent legal advice.

The Issuer Notices may be distributed with the AFMA logo in its unaltered state. If any amendments or customisations for a particular IPO are made to the Issuer Notices, then the AFMA logo may not be included in the notice.

Any queries in relation to use of the Issuer Notice should be directed to [David Love](#), General Counsel & International Adviser.

About AFMA

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making. AFMA represents over 120 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.