

CHAPTER 3

ENFORCEMENT

Contents

The main headings of this chapter are:

- 3.1 power to suspend or cancel a listing
- 3.6 imposition of sanctions
- 3.8 voluntary withdrawal of a listing

Power to suspend or cancel a listing

- 3.1 Listing is granted subject to the condition that where the Exchange considers it necessary for the protection of investors or the maintenance of an orderly market, it may at any time suspend trading in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the issuer or not. The Exchange may do so where:
 - (a) an issuer fails, in a manner which the Exchange considers material, to comply with these listing rules or its issuer's undertaking (including a failure to pay on time any fees or levies due to the Exchange);
 - (b) the Exchange considers there are insufficient securities of the issuer in the hands of the public;
 - (c) the Exchange considers that the issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of its securities on the Exchange; or
 - (d) the Exchange considers that the issuer or its business to be no longer suitable for listing.
- 3.2 A short suspension of trading may be requested by an issuer upon the occurrence of a material event which requires immediate disclosure under these listing rules, provided that an announcement of the material information is made as soon as practicable following the suspension. The Exchange may accept or reject the request for suspension in its absolute discretion and may from time to time issue policy statements regarding the circumstances in which the Exchange is prepared to suspend trading at the request of the issuer.
- 3.3 Where an issuer itself seeks a suspension, the request for suspension must be made to the Exchange by the issuer's authorised representatives or listing agent and must be confirmed in writing. In all cases the request must be supported by specific reasons for

- the request for suspension, the requested duration of the suspension, the nature of the event affecting the issuer's activities which will be announced and the current state of events with respect to the issuer's activities, all of which must be disclosed to the Exchange, so that the Exchange can assess the need for and appropriate duration of the suspension.
- 3.4 Where trading has been suspended, the procedure for lifting the suspension will depend on the circumstances and the Exchange reserves the right to impose such conditions as it considers appropriate. Where a suspension is made at the issuer's request, the issuer will be required to announce the reason for the suspension and, where appropriate, the anticipated timing of the lifting of the suspension. In some cases (for example a short suspension pending an announcement) the suspension will be lifted as soon as possible after the announcement is made. In other cases the suspension will be continued until any relevant requirements have been met. The continuation of a suspension for a prolonged period without the issuer taking appropriate action to obtain restoration of trading may lead to the Exchange cancelling the listing.
- 3.5 There may be cases where a listing is cancelled without first being suspended. Where the Exchange considers that an issuer or its business is no longer suitable for a listing, after notification to the issuer, the Exchange will issue an announcement naming the issuer and specifying the period within which the issuer must have remedied those matters which have rendered it unsuitable for a listing. Where appropriate the Exchange may suspend trading in the securities of the issuer. If the issuer fails to remedy those matters within the period set out in the announcement, the Exchange will cancel the listing.

Imposition of sanctions

- 3.6 If the Exchange considers that an issuer has contravened these listing rules it may, in addition to, or instead of, a suspension in trading or cancellation of a listing:
- (a) censure the issuer; and
 - (b) publish the fact that the issuer has been censured.
- 3.7 If the Exchange considers that a contravention of these listing rules by an issuer is due to a failure by all or any of its directors to discharge their responsibilities it may do one or more of the following:
- (a) censure the relevant directors;
 - (b) publish the fact that the directors have been censured; and
 - (c) state publicly that in its opinion the retention of office by or appointment of certain directors is prejudicial to the interests of investors.

Voluntary withdrawal of a listing

- 3.8 An issuer whose primary listing is on the Exchange may voluntarily withdraw its listing only if it gives the holders of the affected class, and the holders of any securities convertible into the affected class, of its listed securities and the Exchange at least ninety days' advance written notice providing a clear and adequate explanation of its decision to withdraw listing and if either:
- (a) the issuer has or will have at the time of delisting an alternate listing on another stock exchange acceptable to the Exchange; or
 - (b) the issuer has obtained the approval of the holders of the affected class, and the holders of any securities convertible into the affected class, of its listed securities by way of a three quarters majority vote at duly convened meetings of such holders.
- 3.9 An issuer whose primary regulatory exchange is another stock exchange may voluntarily withdraw its listing on the Exchange if it notifies in writing the Exchange, for dissemination by the Exchange, at least sixty days' in advance of the intended withdrawal of listing.