

ASX urged to consider regular Australians and SMSFs in IPO rules

23 June, 2016: All Australians are being urged to sign a petition at getonmarket.com rallying against the Australian Securities Exchange's proposed amendments to listing rules which could result in retail investors and self-managed superannuation funds (SMSFs) being locked out from participating in Initial Public Offering (IPOs).

Last night, OnMarket BookBuilds CEO Ben Bucknell, Australian Shareholders' Association chair Diana D'Ambra and regular Australian investors appeared on ABC News urging the ASX to reconsider proposed changes to listing rules before submissions to ASX close tomorrow. The ASX has proposed reducing the minimum number of investors that a company must have to list to 100 (for large companies) or 200 (for small companies) in its consultation paper, 'Updating ASX's admission requirements for listed entities'.

But Bucknell said the ASX should take the lead from nearby exchanges in Hong Kong and Singapore which give retail investors guaranteed access to IPOs.

"The ASX's proposed rules would mean nearly all retail investors and SMSFs will not have the opportunity to invest in most IPOs. The ASX should follow the lead of the Hong Kong Stock Exchange (HKEx) and the Singapore Stock Exchange (SGX) where, in simple terms, 25% to 40%, respectively, of **every** IPO is reserved for retail investors if they want to bid," he said.

"We want the ASX to introduce similar rules by reserving 25% to 40% of every IPO for the 5.94 million-plus Australians (or around one-third of the adult population) that own shares directly. The thresholds that we are suggesting are reasonable because more than 572,000 SMSFs account for \$600 billion in assets, which is 29% of Australia's retirement savings.

"So, the percentages we propose are reasonable when measured both by numbers of shareholders, and by assets available to be invested.

"Unless a percentage is reserved for ordinary Australians, they will continue to miss out on the opportunity to bid in most IPOs. We believe this recommendation is the best way to ensure that all Australians have a reasonable opportunity to participate in the wealth generation process of IPOs and encourage share ownership.

"Companies will benefit too. The ASX's proposed amendments will exacerbate the exclusion of important investors, including SMSFs from the IPO capital raising process. But listing rules that give SMSFs certainty that they will be treated fairly in allocations will make a new \$600 billion pool of capital available to companies raising capital. This could lower the cost of raising capital and have national benefits for the Australian economy, jobs and growth.

"Our petition at www.getonmarket.com asks the ASX to implement fairer listing rules so that every investor has a fair opportunity to participate by mandating that at least 25% of all IPOs be reserved for retail investors. We urge all Australians to sign the petition and join the other 1,500-plus investors who have already signed and demand access to every ASX float."

OnMarket BookBuilds (OMB) will be delivering the petition to the ASX on June 24 when the consultation period ends.

To make IPOs more accessible, OMB launched the OnMarket app, which is completely free to investors: it's free to sign up, bid and invest. A defined and automated system ensures all OnMarket bidders are allocated IPO stock fairly, stock which has in the past often been available only to wealthier individuals or clients of particular brokers and institutional investors.

Prime Minister Malcolm Turnbull, who ‘cut the digital ribbon’ of the OnMarket app, said in his speech at OnMarket’s launch event: “The brilliance of this is simply that it makes it easier to buy, to trade. This will open up the investment market considerably.”

Since launch in October last year, 18 companies have used the platform in conjunction with their broker-led capital raising process, giving public investors the opportunity to invest in each of these IPOs.

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[About On-Market BookBuilds \(OMB\)](#)

OnMarket BookBuilds’ mission is to empower investors and companies through innovation in financial technology. OMB believes that investors and companies benefit when capital raisings are conducted fairly, transparently, and efficiently. The company’s new [OnMarket app and bidding platform](#) is a wholly-owned and operated initiative of OMB. The OnMarket app and bidding platform is not a joint venture with ASX and is independent of OMB’s association with ASX in relation to the ASX BookBuild facility.