



## **Media Release**

### **PNGX releases proposed new Listing Rules for consultation**

**Port Moresby, 20 October 2022:** PNGX, Papua New Guinea's national stock exchange, has released proposed new Listing Rules for consultation.

A key step towards the development of a more effective secondary market in equity securities is the modernisation of the PNGX Listing Rules.

PNGX's Listing Rules govern the quotation of securities, their admission to the official list and hence the listing of the issuer, the suspension of securities from quotation and the removal of securities from quotation. They also govern disclosure and some aspects of a listed entity's conduct.

The existing PNGX Listing Rules were introduced in April 1999 and were closely based upon the Listing Rules of the Australian Stock Exchange. They were last amended in November 2012. They are based upon the *Securities Act 1997*, which was replaced in November 2018 by the *Capital Market Act 2015*.

PNGX is proposing to introduce new Listing Rules to replace the existing Listing Rules. The objectives of the rewrite are to:

- a) Update the Listing Rules to reflect the *Capital Market Act 2015*; and
- b) Introduce Listing Rules which are "fit for purpose" for the nature and scale of the PNG capital market; whilst
- c) Aligning the proposed rules with contemporary ASX Listing Rules, but not replicating the ASX Listing Rules, in recognition of the significant portion of the PNGX market which is dual listed on ASX, thereby minimizing compliance costs which would arise from significant variance between the rules.

A key drafting principle in the proposed rules is, to the maximum extent possible, not to replicate obligations set out in the *Companies Act 1997* or the *Capital Market Act 2015*. It is not the role of PNGX to supervise or enforce the *Companies Act* or the *Capital Market Act*

nor does PNGX have any jurisdiction to do so. This also helps manage compliance costs for listed companies.

To date, PNGX has operated a single equities market. Having regard to the nature of the PNG capital market, PNGX will be developing specialist markets for differing sectors of the capital market in order to better facilitate access to capital for issuers with different levels of maturity and for different financial products and services.

The markets which have been or are being developed are as follows:

- a) The current equities market will be known as the BikMaket or Main Market;
- b) The new corporate debt market will be known as the DinauMaket or Debt Market;
- c) A new market for medium sized issuers will be developed and known as the PasisMaket or Passage Market; and
- d) A new platform for small and medium sized issuers to access funding and social fund raising will be developed and known as the GroMaket or Growth Market.

The current consultation relates solely to the BikMaket or Main Market.

PNGX and investors in the PNGX markets have an interest in high standards of corporate governance practices by the Boards of companies in which they invest. The proposed rules refer to reporting corporate governance matters as set out in the PNGX Corporate Governance Standards. These standards are presently under development with the assistance of the International Finance Corporation and will be made available for comment shortly.

PNGX will be running consultation workshops in Port Moresby and Lae for listed companies and their professional advisers. Details are in the consultation paper.

The consultation paper is available on the PNGX website ([www.pngx.com.pg](http://www.pngx.com.pg)) under Downloads - Regulations.

The consultation period will close at 5.00pm on Friday 16 December 2022.

**ENDS**



## **About PNGX Markets Limited**

PNGX Markets is the national stock exchange of Papua New Guinea. PNGX is responsible for providing an orderly and fair market in relation to securities which are traded through its facilities and for acting in the public interest having regard to the need for protection of investors. PNGX is regulated and licensed by the Papua New Guinea Securities Commission. PNGX is the National Numbering Agency for Papua New Guinea.

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