



25 March 2020

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Dear Ms Hussein

**CP 328 Initial public offers –  
Relief for voluntary escrow arrangements and pre-prospectus communications**

The Australian Financial Markets Association (AFMA) welcomes this opportunity to make a submission commenting on the proposal in Consultation Paper 328 to provide relief for voluntary escrow arrangements and pre-prospectus communications (CP 328).

AFMA is supportive of the proposals to grant this legislative relief. As the proposals remove the need for firms to apply individually for relief for voluntary escrow arrangements and for communicating with employees and security holders prior to lodging disclosure documents, we believe the proposals will moderate the regulatory burden for firms conducting Initial Public Offerings (IPO).

AFMA agrees with the proposition in CP 328 that voluntary escrow arrangements are consistent with an efficient, competitive and informed market. AFMA also supports the view in CP 328 that relief for communications about an IPO before lodging a disclosure document strikes an appropriate balance between enabling companies to appropriately communicate factual information about a fundraising offer to their security holders and employees before the company lodges disclosure documents with ASIC, and ensuring that investors make decisions on the basis of information in the lodged offer documents, with the attendant liability regime for misleading or deceptive statements.

Please contact Natalie Thompson either on 02 9776 7979 or by email at [nthompson@afma.com.au](mailto:nthompson@afma.com.au) if further clarification or elaboration is desired.

Yours sincerely

**David Love**  
**General Counsel & International Adviser**