



AFS Licensee Notices on Research Independence for Issuers on an IPO – July 2018

ASIC Regulatory Guide 264

The Australian Securities and Investments Commission (ASIC) has published [Regulatory Guide 264 \(Sell Side Research\)](#) (RG 264) which provides guidance on how an Australian Financial Service Licensee (**Licensee**) must manage conflicts of interest and handle inside information as it relates to research analysts and sell-side research.

Purpose: This document contains important notices (**Notices**) that a Licensee is required to provide to an Issuer of financial products (**Issuer**) in connection with a potential initial public offering (**IPO**) under RG 264. The Issuer is strongly recommended to seek its own legal advice on interpreting, applying and complying with RG 264 on its IPO.

The Issuer is hereby notified in writing by the Licensee (providing this document) that:

- **Research policy:** The Licensee has a policy on the independence of research and of their analysts. This policy is available from the Licensee's website. Please read it carefully. The Issuer can contact the Licensee to obtain more information on how relevant sections of the policy can be accessed.
- **No inducements:** The Issuer and its advisers must not at any time seek to induce from the Licensee or its research analyst any commitment to initiate research coverage, or a promise of favourable research, or a particular research rating or recommendation, or any specific research content.
- **No pressure:** The Issuer must not at any time place pressure on the Licensee's research analyst or otherwise seek to influence the research views of the analyst.
- **No valuation information:** The Issuer and its advisers must not at any time ask the Licensee's research analyst for their views on valuation information of a company or asset that may be the subject of the IPO, or express or pass on any views on valuation information to the Licensee's research analyst in any interactions with the analyst.

*The term "**valuation information**" includes information relating to the valuation or likely valuation of a company or asset that may be the subject of the IPO. This includes the valuation methodology and reason for its selection (including alternatives considered), the peer group comparable listed companies, appropriate valuation metrics and multiples, discount rates and growth assumptions, financial information (including forecasts) relating to the company, the indicative valuation calculations and range, the price target or recommendation.*

AFMA Statement

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