



CHARTERED SECRETARIES
AUSTRALIA

Leaders in governance

ASIC issues proposals for handling confidential information and market soundings

The Australian Securities and Investments Commission (ASIC) has issued proposed best practice guidelines to enable listed entities to better deal with confidential information. The guidelines, set out in the consultation paper *Handling confidential information* (CP 128) are aimed at preventing leaks of price-sensitive information and ensuring that information is released to the market in a timely way through ASX.

ASIC also called for companies to be more demanding in ensuring confidentiality with advisers and third parties so as to prevent asymmetry of information in the market and the release of incomplete information.

The draft regulatory guide which complements the consultation paper spells out ASIC's recommendations for dealing with market soundings by investment banks before corporate transactions like capital raisings, mergers and takeovers. ASIC suggests that soundings should only take place when the market is closed.

The consultation paper and accompanying regulatory guide are available from the ASIC website, www.asic.gov.au.