

## Share 101- Regulatory Framework of the USX Market: Ensuring Fair and Transparent Trading Practices

The Unlisted Securities Exchange (USX) operates within a comprehensive regulatory framework designed to foster fair and transparent trading practices. This article provides an overview of the regulatory structure governing the USX market and explores how it ensures integrity and transparency in securities trading.

### Regulation and Regulators:

The USX and its listed Issuers are subject to oversight by various regulatory authorities. The Financial Markets Authority (FMA) plays a pivotal role in regulating the securities industry, overseeing market participants, and enforcing compliance with the Financial Markets Conduct Act 2013. MBIE also has a role to play in its setting of regulations.

All Issuers are subject to the requirements of the Companies Act, Financial Reporting Act and Takeovers Code.

Additionally Issuers and Brokers must comply with the USX Market Rules which are approved by the FMA and MBIE.

### Listing Requirements:

Prior to listing the USX undertakes a review of each Issuer to ensure they will not bring the market into disrepute. While the actual listing requirements are de-minimis all new Issuers must have Audited annual accounts, a board of more than 3 directors and at least 25 shareholders prior to being accepted.

To maintain a listing on the USX, issuers must adhere to the USX Market Rules which serve as a baseline for keeping the market informed via announcements and annual reporting requirements.

### Transparency through Reporting:

Issuers listed on the USX are required to disclose relevant information promptly. Timely reporting includes financial results, material events, and any other information that may impact the market.

This commitment to transparency enables investors to make well-informed decisions based on accurate and up-to-date information, contributing to the overall efficiency of the market.

### Information Discovery

Investors are able to see information about each security via the Issuer Profile page, in the USX Quarterly Issuer Update, Issuer announcements and see market depth (buy and sell orders) on the USX platform. These all assist an investor to gain an understanding about an Issuer before making a buy or sell decision.

### Brokers, Clearing and Settlement:

All orders to buy and sell securities on the USX are handled by USX approved brokers which then process the transfer of the securities from seller to buyer and the consideration from buyer to seller. This ensures the integrity of the market and that trades are completed.

Further the Broker community is highly regulated by the FMA which provides an additional level of oversight.

### Investor Protection:

A key focus of the regulatory framework is the protection of investors. Regulatory authorities implement measures to ensure that investors receive fair treatment and have access to relevant information. This includes the enforcement of disclosure requirements, the prevention of fraudulent activities, and the provision of mechanisms for dispute resolution.

The regulatory framework governing the USX Market is a crucial component in maintaining fair and transparent trading practices. Through oversight, listing requirements, and a commitment to transparency, the regulatory authorities contribute to the overall integrity and efficiency of the USX. This framework serves as a foundation for building trust among market participants and fosters a marketplace where investors can confidently engage in share trading.