Law Council
OF AUSTRALIA

Business Law Section

8 December 2025

Mr Addison Ma
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By email: addison.ma@asx.com.au

Dear Mr Ma

Public consultation on a consequential amendment to Listing Rule 17.5 following the introduction of mandatory sustainability reporting

1. This submission has been prepared by the Corporations Committee of the Business Law Section of the Law Council of Australia (**Committee**) in response to the public consultation paper released by the Australian Securities Exchange (**ASX**) on 31 October 2025 on a proposed consequential amendment to Listing Rule 17.5 following changes to the *Corporations Act 2001* (Cth) relating to the introduction of mandatory sustainability reporting (**Consultation Paper**).

The Committee strongly supports the proposed amendment

2. The Committee strongly supports the amendment to Listing Rule 17.5 proposed by ASX.

3. The Committee also believes that it might be helpful, for clarity, to include a note below the rule identifying that section 292A relates to the sustainability report and section 301A relates to the auditor's report on the sustainability report (although this is not essential if that would raise practical difficulties in terms of ASX's timetable).

4. Listing Rule 17.5, which cannot be waived by ASX, mandates suspension of trading in the securities of any company that fails to lodge the annual reporting documents that it is required to lodge with ASIC under section 319 of the Corporations Act, by the due date specified in Listing Rule 4.5. The annual reporting documents currently falling within this requirement are the annual directors' report, the statutory financial report and the auditor's report on the financial report (**Financial Reports**), but following changes to the Corporations Act the requirement will also extend to the sustainability report and the auditor's report on the sustainability report (**Sustainability Reports**).

5. Listing Rule 17.5 is a deliberately strict provision, which reflects the criticality of timely financial reporting to the market so that its participants have the ability to trade in a company's securities in an informed manner. If Financial Reports are lodged late, it is appropriate that trading in securities be suspended, given the importance of the Financial Reports to an understanding of a listed entity's financial position and, hence, the price or value of its securities.

6. We submit that it is not appropriate that mandatory suspension also apply to a company that is late with its Sustainability Reports. This view is supported by the following matters noted in the Consultation Paper:

    - The sustainability reporting requirements are new.
    - Their application to a particular company in relation to a particular financial year depends on matters only able to be known at the end of that year, and it is therefore expected that some uncertainty will arise, at least initially, for companies in determining whether or not they are subject to the requirements.
    - It appears likely that the flow-on effect of the recent Corporations Act changes on the application of Listing Rule 17.5 was unintentional (with the explanatory materials failing to advert to this consequential effect).
    - The proposed amendment will, as ASX has identified, allow ASX to deal with a breach of the requirement to file the Sustainability Report on time in a more nuanced manner and having regard to all the circumstances, including whether the breach was inadvertent.

7. We also note, fundamentally, that while important, sustainability information is less likely to be critical to the assessment of the price or value of a listed entity's securities than financial information.

8. To suspend a listed entity's securities from trading due to lateness in sustainability reporting, particularly in the initial years of the sustainability reporting regime, seems to us to be quite inappropriate.

9. Suspension primarily punishes market participants by denying them a market for their securities, and we believe that most market participants would be extremely concerned to lose access to the market simply because of late sustainability reporting.

10. As noted in the consultation paper,[1] ASX may take other compliance or enforcement action in relation to an entity that lodges its sustainability report late, given that this would be a breach of Listing Rule 4.5.

[1] ASX, Amendment to Listing Rule 17.5, Public consultation on a consequential amendment to Listing Rule 17.5 following the introduction of mandatory sustainability reporting, 31 October 2025, 5.

Responses to issues for consideration.

11. The Committee would answer ASX's specific consultation questions as follows:

1	Do you support the proposed change to Listing Rule 17.5 to retain the current status quo and, if not, why not?	**Yes**
2	Are you aware of any unintended consequences that are not mentioned in this paper: a) if the proposed change is made; or b) if the proposed change is not made?	**No**
3	If the proposed change is not made, do you support ASX imposing additional requirements on listed entities to assist ASX to monitor and enforce the expanded scope of Listing Rule 17.5? What should these requirements be and do you think that there would be any unintended consequences?	If the proposed change to Listing Rule 17.5 is not made, we would support imposition of a requirement to notify ASX, within a reasonable period after the end of a listed entity's financial year, if it will be required to comply with the sustainability reporting requirements in respect of that financial year. However, we consider this to be very much a second-best outcome, and believe it would be far better for the proposed change to Listing Rule 17.5 to be made.

12. For further information or if you would like to discuss any aspect of this submission, please contact Philippa Stone, Chair of the Committee on [redacted].

Yours sincerely



Adrian Varrasso
Chair, Business Law Section