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Dear Sir/Madam

Corporations Amendment (Modernisation of Members Registration) Bill 2017 (the Bill)

By way of introduction, Registry Direct provides share registry software and services to Australian listed and unlisted companies and trusts.

Over the last several years we have written numerous times to ASX and ASIC requesting email addresses (and, where available, mobile numbers) be mandatorily supplied by security holders to issuers.

The reasons we believe the supply of email addresses is important are:

1. They provide a means to greatly reduce the cost of communicating with security holders;
2. They provide a means to greatly reduce the environmental impact of printing and posting communications to security holders;
3. They provide a mechanism to audit what communications have been sent to security holders (and, consequently, reduce the likelihood of abuse); and
4. They are likely to lead to more informed and engaged security holders (as the reduced costs are likely to result in more communications being sent to security holders).

Consequently, we recommend the Bill be passed.

We make the following additional observations and recommendations to be considered for inclusion in the Bill or future bills.

Onus to supply email address should be on security holders and not on issuers to collect them

We believe the onus should be on security holders to supply their email address and update any changes and not the issuer to collect them. The onus on the issuer should merely be to record what information is supplied and updated. This is because only the security holder knows their email address.

Requirements to post communications should be removed from the Corporations Act

Given that most Australians have access to the internet, an email address can be established for free from several reputable suppliers and with an obligation on issuers to record an email address when supplied as proposed by the Bill, we believe it should no longer be a requirement of the Corporations Act for issuers to supply notice of meetings or hard copies of annual reports via post to security holders due to the cost and environmental impact.

When no email address is supplied by a security holder we believe it is reasonable for issuers to merely place on their website any notice of meeting and financial report (and for confidentiality be allowed to do this on a secure security holder only portal).

Make distribution of email addresses and mobile numbers of security holders (if known by a stockbroker) of securities traded on exchanges compulsory via CHES.

Where a stockbroker knows their client's email and mobile number they ought to be required to supply this information to the issuers of the securities their clients acquire. The ability for stockbrokers to supply this information via CHES is already available – it just is not compulsory to do so at present. Unfortunately, our experience is that most stock brokers do not supply this information.

Disseminating this information via CHES will greatly reduce the cost of collecting email addresses and mobile numbers.

Where mobile numbers are known, I believe this information should also be supplied because:

1. Having a mobile number provides a back-up means for issuers to contact their shareholders. This can be relevant when communications to shareholders postal or email addresses bounce;
2. Occasionally it is important to communicate immediately with a shareholder. For example, when a payment fails; and
3. Text messages can be sent to verify important information such as changes to a security holder's bank account.

Given the large amount of information currently posted to security holders of listed securities, we consider inaction on this point would be environmentally irresponsible.

Please feel free to contact us if you have any questions.

Yours sincerely

Registry Direct