



24 August 2020

## **Streamlined Electronic Communications**

The Australian Shareholders' Association (ASA) represents its members to promote and safeguard their interests in the Australian equity capital markets. The ASA is an independent not-for-profit organisation funded by and operating in the interests of its members, primarily individual and retail investors, self-managed superannuation fund (SMSF) trustees and investors generally seeking ASA's representation and support. ASA also represents those investors and shareholders who are not members, but follow the ASA through various means, as our relevance extends to the broader investor community.

### **ASA position on streamlined electronic communications**

We are supportive of electronic communications by email being the default communication method, with shareholders being able to elect to receive particular documents in hard copy. The company should notify the shareholder via email, post and telephone (provided the company has these details) regarding the shareholder's preferred delivery method. If the shareholder is not contactable or no response is otherwise received within a reasonable timeframe, then the default mode of communication (email) would apply.

We are broadly supportive of the introduction of a requirement that a member's email address is included as information in the register of members. However, there are ramifications for members without an email address or those who do not provide one to the company.

While we acknowledge the benefits of the change, we note that a proportion of members will not have an email address. We query whether the requirement for the register to include an email address means that those investors without an email address are disadvantaged as a result, such as being precluded from buying and selling securities or not receiving certain communications.

No investor should be disenfranchised from being able to buy and sell securities or receive company communications because they have chosen not to have an email address. We also note that no investor without an email address should be compelled to have one.

We recommend that, where a member does not have an email address, the member could instead opt in to receive communications in hard copy.

This would ensure that the new provision:

- does not disenfranchise those members without email addresses, and
- facilitates those with email addresses supplying them, while also ensuring that members do not consider the provision of such to be optional (which it is at present).