



## BSX Listing Sponsor

Thank you for your interest in becoming a BSX Listing Sponsor of the Bermuda Stock Exchange (BSX). With the continuing growth of the BSX, we are confident that the BSX Listing Sponsor role offers a real business opportunity for law firms, accounting firms, fund managers, corporate administrators and other financial service providers.

Complete information on the BSX Listing Sponsor role may be found in the *BSX Listing Sponsor Regulations*, which includes the full form of application, and the *Listing Sponsor Code of Conduct*.

### Introduction

Established in 1971, the Bermuda Stock Exchange (BSX) is today the world's preeminent fully-electronic, offshore securities exchange, offering a variety of domestic and international listing options. A full member of the World Federation of Exchanges, and affiliate member of the International Organization of Securities Commissions, the BSX is globally recognized and respected for its commercially sensible listing requirements. With over 1,300 listings to date the Exchange is a leading market for the listing of investment funds, international fixed income securities and insurance related securities, as well as the equity securities of small to medium enterprise companies.

The Exchange's significant growth over the past several years is due in large part to its innovative and commercial approach. For instance, the BSX is able to offer issuers of international fixed income securities and insurance related securities speed to market, with many listings taking as little as two weeks to complete. Another example of the BSX's pioneering approach is the Mezzanine Listing facility, which provides development stage companies with a unique opportunity to list, and subsequently raise capital on an internationally recognized exchange at a much earlier stage than a traditional IPO.

Furthermore, the BSX's electronic trading, settlement and depository platform, licensed by NASDAQ, is specifically designed to support the secondary market trading and settlement of sophisticated listed securities. The platform, based on a central limit order book model, is fully automated and allows for the trading of both equity, fixed income and insurance related securities in a modern and secure environment.

All listed securities are supported through Bloomberg (BSX <GO>). The BSX web site [www.bsx.com](http://www.bsx.com) also carries details on all listed securities, providing important information supporting transparency and disclosure, with a view to encouraging liquidity and inspiring investor confidence.

### **Listing Sponsor Requirements**

The BSX invites applications to become a BSX Listing Sponsor from any company, which meets the BSX's Listing Sponsor requirements. An applicant must:

- Submit a brief business plan detailing how the membership will be used;
- Be a liability company incorporated in Bermuda (local 80/20 or 60/40 or exempted). No individuals or permit companies will be admitted;
- Meet the Minimum Net Capital (MNC) requirements, both at the time of admission and on a continuous basis thereafter;
- Have appointed an independent auditor;
- Satisfy the BSX's requirements for relevant experience;
- Pay an admission fee and an annual membership fee;
- Agree to be bound by the *BSX Listing Sponsor Regulations*, as prescribed by the BSX and approved by the Bermuda Monetary Authority (BMA) from time to time.

### **Membership Fees**

The BSX Fee and Minimum Net Capital (MNC) requirements for BSX Listing Sponsors are as follows:

	<u>Joining Fee</u>	<u>Annual Fee</u>	<u>MNC</u>
Listing Sponsor	\$10,000	\$7,500.00	\$25,000

## The Role of BSX Listing Sponsor

The BSX Listing Sponsor must abide by the terms and conditions of the *BSX Listing Sponsor Regulations*, in particular the “*Code of Conduct for Listing Sponsors*,” as set out in Appendix B of those regulations. In order to fulfill its requirements to the BSX, a BSX Listing Sponsor shall act at all times with due skill, care, and diligence.

In addition, the BSX Listing Sponsor must act in an open and co-operative manner when dealing with the BSX. The primary responsibilities of a BSX Listing Sponsor in submitting a listing application are to ensure that:-

- The Issuer receives fair and impartial guidance and advice as to the application and interpretation of the *BSX Listing Regulations*;
- After making due and careful enquiry, the Issuer is suitable for listing on the BSX and meets all of the relevant qualifications for listing;
- After making due and careful enquiry, the directors and senior management of the Issuer understand the nature of a listing on the BSX and the responsibilities that they will have to assume if listing is granted;
- After making due and careful enquiry, the prospectus filed with the BSX in support of the application contains such particulars and information which, according to the particular nature of the Issuer and the securities for which listing is sought, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Issuer and of its profits and losses and of the rights attaching to such securities;
- All necessary documents supporting the listing application are lodged with the BSX;
- They are also responsible for communicating with the BSX during the application process.

A BSX Listing Sponsor has the ability to sponsor applications for new listings of mutual funds, insurance related securities, fixed income securities, depository receipts, and secondary listings of equity securities.

Any primary listing of equities, including primary listings on the Mezzanine Market must be sponsored in conjunction with a BSX Trading Member.

BSX Listing Sponsors however are not BSX Trading Members and do not therefore have trading privileges.

Where a BSX Listing Sponsor is appointed to provide ongoing sponsorship for a BSX listed issuer the BSX Listing Sponsor must ensure that:

- It acts at all times as the Issuer's principal channel of communication with the BSX and maintains close contact with the Issuer;
- The Issuer complies with its continuing obligations under Chapter 6 of the relevant Section of the *BSX Listing Regulations*; and,
- It responds promptly to all enquiries made by the BSX.

Thank you again for your interest in becoming a Listing Sponsor of the Bermuda Stock Exchange. We look forward to working with you should you choose to join us.