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# The International Stock Exchange (TISE): Debt listing

APRIL 2019

TISE is the Channel Islands based leading securities exchange.

The principal attraction of TISE is for the listing of debt securities and has in excess of 1,500 debt securities presently admitted to trading, with a combined value of more than £250 billion.

**Advantages of TISE**

- **Quick and efficient admission process:** TISE offers a rapid turnaround in its review of listing applications. An initial review by TISE will typically be concluded within 1 week, which can mean the listing process from start to finish can be completed in as little as 3 weeks.
- **Ideally balanced listing rules:** As detailed further below, TISE operates a user friendly set of 'Listing Rules' which strike a great balance between investor protection and issuer continuing obligations.
- **Varying settlement options:** For listed debt securities which will be closely held by limited numbers of investors, intra-group or private equity debt funding, for example, the settlement of trading in the listed securities can be processed by the issuer, which can significantly reduce annual costs. Although where required, trading be cleared through Euroclear, CREST, or any other electronic settlement system considered suitable by TISE.
- **Commercial approach to derogations:** In the circumstances where the securities do not perfectly fit within the TISE listing rules, TISE take a commercial and pragmatic approach to providing derogations to issuers.
- **Competitive fees:** TISE ensures that it has a competitive fee structure when compared to other exchanges which specialise in debt listings. TISE listing fees for debt securities presently can be as low as £4,200 per issuer, £1,000 per security and annual fees of only £1,200.

**Advantages of a debt listing on TISE**

Aside from the general benefits that listing debt on TISE provides when marketing to investors, a TISE debt listing can also provide the following technical benefits:

- **Eurobond exemption:** TISE is a 'recognised securities exchange' for the purposes of the UK Income Tax Act 2007, so interest payments on debt listed by UK companies on TISE is exempt from the standard UK withholding tax. This is a commonly used exemption for UK companies looking at raising finance from private equity firms, investment funds, family offices, HNW individuals and even intra-group companies located outside of the UK.

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- **EU market abuse regime does not apply:** As TISE is based in the Channel Islands, which is not a within the EU, neither the EU Regulation 596/2014 on market abuse nor Directive 2014/57/EU on criminal sanctions for market abuse apply to issuers. This can significantly reduce the ongoing compliance costs for an issuer, and limit their potential liability, when compared to EU based securities exchanges such as Luxembourg and Ireland.
- **SEC recognition:** TISE has been recognised by the US Securities and Exchange Commission as a Designated Offshore Securities Market. This allows issuers, agents and investors to benefit from the Issuer Safe Harbour and Resale Safe Harbour provisions under section 903 and 904 of the US Regulation S.

**Continuing obligations**

Under the TISE Listing Rules, there are overriding notification and disclosure obligations for an issuer where there is any information which:

- might impact the ability of an investor to appraise the issuer;
- is necessary to avoid the establishment of a false market in the securities; or
- might materially affect market activity in, and the price of, the securities.

Aside from these overriding requirements, the prescriptive continuing obligations on debt issuers under the TISE Listing Rules are relatively minimal. This results in significantly lower annual compliance costs for issuers when compared to other exchanges.

Full details of the ongoing obligations are provided below however, where the securities are simply repaid in the normal course, it is reasonable to expect that the only annual announcements required by the issuer would be in respect of the publication of its annual financial statements.

Collas Crill has significant experience in advising companies on how to take full advantage of the benefits TISE can provide and also operates its own TISE authorised listing agent, so we can seamlessly cover all of your legal and TISE requirements.

If you would like to find out how your company or company group can benefit from listing debt on TISE, please feel free to contact one of the team.

***Continuing obligations***

*LR 8.5.4.4 (a)(i) –(ii)*
There has been:
(a) any change in the rights, powers or privileges of the securities;
(b) any decision to call, purchase, redeem or de-list the securities; and
(c) any decision to change the Issuer's constitutional documents.

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*LR 8.5.4.4 (a) (iv) – (b)*
There has been a change to the directors of the Issuer.

*LR 8.5.4.7*
There have been:
(a) resolutions of the Issuer in respect of the securities passed other than in the ordinary course of business;
(b) documents relating to a takeover of, merger by or offer to purchase the Issuer;
(c) notices sent convening meetings in relation to the securities;
(d) forms of proxy, reports or announcements made or sent in relation to the securities; or
(e) other similar documents.

*LR 8.5.4.8*
Documents sent to the holders of the securities in respect of the securities.

*LR 8.5.4.9*
Changes to the Issuer's auditors or registered address.

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COLLAS CRILL

**For more information please contact:**




### Simon Heggs

Group Partner* | Guernsey

**t:** +44 (0) 1481 734825 | **e:** simon.heggs@collascrill.com



### Wayne Atkinson

Partner (Advocate) | Guernsey

**t:** +44 (0) 1481 734225 | **e:** wayne.atkinson@collascrill.com



### Matt Gilley

Partner (Advocate) | Jersey

**t:** +44 (0) 1534 601691 | **e:** matthew.gilley@collascrill.com



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