

Listing of
Specialised
Debt
on the ISE

DILLON  EUSTACE

DUBLIN CAYMAN ISLANDS HONG KONG NEW YORK TOKYO

Table of Contents

	Page
1. The Irish Stock Exchange	2
2. Why List?	2
3. Why the ISE?	3
4. Main Securities Market (“MSM”)	4
- MSM Main advantages	4
- MSM Post Listing Obligations	4
- MSM Fees	5
5. Global Exchange Market (“GEM”)	6
- GEM Main advantages	6
- GEM Post Listing Obligations	6
- GEM Fees	7
6. Dillon Eustace recent transactions	8
7. Contact Us	9

DEBT LISTING





The Irish Stock Exchange

The Irish Stock Exchange (“ISE”) is a leading global exchange for the listing of a range of debt securities, including asset backed, structured finance, high yield bonds, MTNs, derivatives, commercial paper, covered and convertible bonds and global depository notes. The ISE operates two markets for debt securities, the Main Securities Market (“MSM”) and the Global Exchange Market (“GEM”).

The MSM of the ISE is an EU Regulated Market as defined under the Markets in Financial Instruments (Directive 2004/39/EC) (“MiFID”). It is the pre-eminent market for the listing of structured bonds, representing approximately 80% of asset backed security issues seeking a listing in Europe. Only issuers who have had a prospectus approved by the Central Bank subject to the Prospectus (Directive 2003/71/EC) Regulations 2005 (the “Prospectus Regulations”) are eligible to be admitted to trading on the MSM.

The GEM is an exchange-regulated market and Multi Trading Facility (“MTF”) as defined under MiFID, operated under the supervision of the ISE. As an exchange regulated market it provides more flexibility than an EU Regulated Market such as the MSM. GEM is aimed at professional investors. Securities listed on GEM have the ability to trade via the ISE’s trading platform, ISE Xetra®.

Why list?

-  **Distribution** - Increased distribution lines to institutional investors which are required to hold a significant proportion of their investments in listed securities.
-  **Withholding tax** - A listing on GEM or MSM can facilitate that interest be paid without any withholding tax by relying on the “quoted Eurobond” exemption. A “quoted Eurobond” is defined in the tax legislation as a security which is quoted on a recognised stock exchange and carries a right to interest.
-  **Liquidity** - Increased liquidity of an issue.
-  **Status** - Increased status and credibility of the securities on a recognised EU/OECD exchange.

- ▣ **Marketable assets** - Both the MSM and GEM markets are approved by the ECB as “acceptable markets” under the Eurosystem monetary policy, a key requirement in the classification of securities as “marketable assets”. Marketable assets can be pledged as collateral by eligible counterparties and credit institutions to gain access to the Eurosystems liquidity and to intraday credit.

Why the ISE?

- ▣ **Flexibility and Approachability** - The ISE will accommodate no names queries. Readers are accessible to arrangers where necessary for direct discussion. Omission requests will be considered where appropriate.
- ▣ **Consistency** - An experienced team with the highest reputation for consistency of approach and tailored product rules.
- ▣ **Timing** - Committed turnaround times of 3 days from initial submission, 2 days from subsequent drafts.
- ▣ **Multiple programme issuers** - No current requirement that a multiple programme (covering, for example, wholesale and retail issuance and debt and derivatives), be split into separate prospectuses.
- ▣ **Cost** - Low cost, transparent flat pricing structure rather than capitalisation based.

Main Securities Market (“MSM”)

The MSM of the ISE is an EU Regulated Market for the purposes of MiFID. Document review and approval are conducted by both the Irish Central Bank and the ISE with both processes being run concurrently and subject to the same timelines. The Central Bank is the Competent Authority for the purpose of the approval of the Prospectus under the Prospectus Regulations and the ISE is responsible for the review of the document for compliance with listing requirements. Accordingly the requirements of the Prospectus Regulations and Transparency (Directive 2004/109/EC) Regulations 2007 apply.

MSM Main Advantages

- ▣ Increased transparency and regulation for investors as the MSM is a Regulated Market as defined by MiFID.
- ▣ A Prospectus which has been approved by the Central Bank may be passported into other EU jurisdictions.
- ▣ Wholesale and retail classifications, based on a minimum denomination for wholesale securities of €100,000.

MSM Post-Listing Obligations

- ▣ Disclosure of any changes in rights of holders of securities, including terms and conditions of the securities which could indirectly affect those rights.
- ▣ All facilities and information necessary to enable debt securities holders to exercise their rights are publicly available in the Home Member State and that the integrity of that data is preserved.
- ▣ An issuer must make public its annual report as soon as approved and no later than four months after the end of each financial year. The annual report must remain publicly available for at least five years. Where no other requirement for the publication of annual reports and accounts exists for an issuer of wholesale asset backed securities, the ISE may waive the requirement to publish annual reports and accounts. This is subject to receipt on an annual basis of a written confirmation from the issuer that no event or default or other matter has arisen which is required to be brought to the attention of the Trustee (or equivalent).

- ▣ An issuer of retail securities must make public a half-yearly report covering the first six months of the financial year as soon as approved and no later than within two months of the end of the period to which it relates. The report must remain publicly available for at least five years.

- ▣ A listed issuer must comply with its obligations under the Market Abuse Regulations.

MSM Fees

	ISE Fees	Central Bank Fee
Document review fee	€200	€1,800
Program update fee	€300	€1,200
Registration Document		€1,800
Registration Document Update		€1,200
Supplement/Series/Drawdown document or Securities Note	€750*	€750
Annual fee	€2,000**	-
Tranche fee – Initial tranche	€500	-
Tranche Fee – each subsequent tranche	€250	-
Formal notice fee	€440/€541.20***	-

- *NA for financial supplement filings
- ** optional upfront capped aggregate fee of €10,000
- *** Formal Notice fee €440.00 + VAT for EU Issuers
- From July 1st 2013, non-regulatory announcements fee ranging from €150.00 – €350.00 will apply.

Global Exchange Market (“GEM”)

The GEM is an ISE exchange-regulated market and MTF under MiFID. Document review and approval are conducted solely by the ISE subject to the appropriate set of product specific GEM guidelines and include review of the offering documents and filing of ancillary documentation at the time of approval.

GEM Main Advantages

- ▣ Being an exchange-regulated market the regulatory requirements of GEM are less onerous than that of an EU Regulated Market. As an exchange-regulated market the Prospectus and Transparency Directives are not applicable to GEM, consequently issuer’s applying for a listing on GEM can avail of more flexible requirements and lighter on-going reporting requirements.
- ▣ As GEM’s regulatory regime is tailored to issuers of non-equity securities sold to knowledgeable investors, there is no distinction between retail and wholesale securities.
- ▣ GEM recognises a broad range of accounting and auditing standards.
- ▣ issuers may publish an approved offering circular in electronic form or make it available in physical form.
- ▣ Listing on GEM provides flexible incorporation by reference provisions.
- ▣ Flexible, market led policy. The ISE responds quickly to market developments and has recently developed new policies for GDRs, life settlement transactions and upstream guarantee structures.

GEM Post-Listing Obligations

- ▣ Disclosure of any changes in the rights of holders of securities, including terms and conditions of the securities which could indirectly affect those rights.
- ▣ That all facilities and information necessary to enable the holders of debt securities to exercise their rights be publicly available in an EU Member State and that the integrity of that data is preserved.

- ▣ An issuer is required to provide the ISE with their annual audited financial statements in accordance with the timeframe set out by their national legislation. The report and accounts must have been prepared in accordance with an Issuer's national law, and in all material aspects with national accounting standards or IAS; and have been independently audited in accordance with the auditing standards of an EEA state equivalent. Where no other requirement for the publication of annual reports and accounts exists for an issuer of asset backed securities, the ISE may waive the requirement to publish annual reports and accounts. This is subject to receipt on an annual basis of a written confirmation from the issuer that no event or default or other matter has arisen which is required to be brought to the attention of the Trustee (or equivalent). There is no requirement for an interim report.

- ▣ A listed issuer must disclose inside information without delay.

GEM Fees

Document review fee	€2,000
Supplement/Series/Drawdown document	€1,500*
Annual fee	€2,000**
Tranche/Final terms – Initial tranche	€500
Tranche/Final terms – per tranche	€250
Formal notice fee	€440/€541.20***

- *NA for financial supplement filings
- ** optional upfront capped aggregate fee of €10,000
- *** Formal Notice fee €440.00 + VAT for EU Issuers
- From July 1st 2013, non-regulatory announcements fee ranging from €150.00 – €350.00 will apply.

Dillon Eustace Recent Transactions

Dillon Eustace has recently acted as Listing Agent for the following transactions;

- ▣ A number of GEM listings of Irish special purpose vehicles who have listed notes secured on distressed property loans.
- ▣ Infor (US), Inc an affiliate of Infor Global Solutions Intermediate Holdings Ltd, in the listing of High Yield Notes on GEM as part of the merger of Infor and Lawson. The combined company will be the world's third-largest provider of business applications software and services.
- ▣ Intergroup financing for Towergate, Europe's largest independently owned insurance company. This was by a GEM listing of Notes issued by Towergate Finance plc, a special purpose financing entity.
- ▣ Intergroup financing for Ypso France S.A.S, a leading provider of television and broadband Internet services in France. This was by a GEM listing of Notes issued by Numericable Finance & Co S.C.A, a special purpose financing entity.
- ▣ Financing of the Dolphin Energy Project, a cross-border integrated natural gas production and transportation system in the Gulf region, through a GEM listing of notes issued by Dolphin Energy Limited LLC.
- ▣ Advising American International Group ("AIG") on the listing of new registered notes issued through an exchange offer for existing unregistered notes on the MSM.

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▣ CONTACT US

Our Offices

Dublin

33 Sir John Rogerson's Quay
Dublin 2
Ireland
Tel: +353 1 667 0022
Fax: +353 1 667 0042

Cayman Islands

Landmark Square
West Bay Road, PO Box 775
Grand Cayman KY1-9006
Cayman Islands
Tel: +1 345 949 0022
Fax: +1 345 945 0042

Hong Kong

604, 6/F, Printing House
6 Duddell Street
Central
Hong Kong
Tel: +852 35210352

New York

245 Park Avenue
39th Floor
New York, NY 10167
United States
Tel: +1 212 792 4166
Fax: +1 212 792 4167

Tokyo

12th Floor,
Yurakucho Itocia Building
2-7-1 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan
Tel: +813 6860 4885
Fax: +813 6860 4501

e-mail: enquiries@dilloneustace.ie
website: www.dilloneustace.ie

Contact Points

For more details on how we can help you, to request copies of most recent newsletters, briefings or articles, or simply to be included on our mailing list going forward, please contact any of the team members below.

Conor Houlihan

E-mail: conor.houlihan@dilloneustace.ie
Tel : + 353 1 673 1719
Fax: + 353 1 667 0042

James Richards

E-mail: james.richards@dilloneustace.ie
Tel : + 353 1 673 1707
Fax: + 353 1 667 0042

Tara O'Callaghan

E-mail: tara.ocallaghan@dilloneustace.ie
Tel : + 353 1673 1831
Fax: + 353 1 667 0042

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