



January 2015

Dillon Eustace Approved as a Listing Agent in the Cayman Islands

Dillon Eustace has been approved by the Cayman Islands Stock Exchange (“CSX”) to act as a Listing Agent, expanding our service offering to clients. Dillon Eustace already provides listing services to funds and specialist securities listed on the Irish Stock Exchange.

The new service will leverage off the listing expertise of both the Cayman and Irish listing teams and will offer clients a choice of listing jurisdictions and proactive service tailored to their requirements.

The CSX

Being a central part of the institutional structure of the world’s leading offshore domicile for investment funds, the CSX has developed an efficient and well regarded system for admitting the securities of a wide range of investment funds to its listing platform. The CSX permits the listing of every type of fund whether a company, unit trust or limited partnership. Various fund structures including closed and open-ended, stand-alone and master-feeder structures are all permitted to apply.

Why list on the CSX?

- ▣ **A much wider investor base** – certain types of investor in numerous jurisdictions are prohibited from investing in unlisted fund securities or securities which are not listed on a recognised stock exchange;

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For further information on any of the issues discussed in this article please contact:



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- ▣ **Transparency** – the CSX has an automated electronic NAV reporting system and has dedicated pages on both the Bloomberg Financial Markets Information Service and Telekurs. The CSX is also accessible on the Deutsche Borse XETRA FIX Gateway allowing for much greater access to trading in those securities listed on the CSX. In addition, the CSX is currently finalising a new information system for the securities of unlisted funds, called “Fundstream” which will allow for certain pricing information, ISIN details and service provider information being made available on the CSX website and dedicated Bloomberg page;
- ▣ **Third party oversight** – the CSX undertake a thorough review of each proposal for listing. The listing documents will be fully vetted and the qualifications, track record and suitability of each of the fund’s directors, investment manager, administrator and other service providers will be assessed. The CSX continue on an on-going basis to monitor the fund’s compliance with its required filings;
- ▣ **Flexibility** – the CSX is proactive and remains competitive for fund listings, adapting its listing requirements to address the particular needs of new fund structures and products; and
- ▣ **Speed and cost** – typically the CSX will provide initial comments on any draft listing document within five working days and a document turnaround time of three working days thereafter. The listing process is quick, usually taking just three to six weeks to list. Listing fees are extremely competitive with a typical fund listing costing just US\$2,500 per annum.

General eligibility

Every fund proposing to list its securities must be able to satisfy some basic eligibility conditions including:

- ▣ The directors of the fund or its controlling entity having adequate expertise in the management of funds;
- ▣ Periodically calculated NAV;
- ▣ The transferability of the securities to be listed and a threshold “public” holding of those securities;
- ▣ The appointment of an independent auditor together with a registrar and transfer agent in the Cayman Islands or another approved jurisdiction; and
- ▣ An ISIN code.

Getting Listed

a. The listing agent

The first step in any proposal to list a fund’s securities is to appoint the agent approved by CSX to

act as an approved listing agent who is then responsible for advising the fund on the requirements of CSX's listing rules and will act as the liaison point between CSX and the fund. Dillon Eustace is an approved listing agent and can advise on all aspects of listing a fund's securities on the CSX.

b. The listing document

Assuming that the proposal for listing meets the general eligibility requirements noted above, listing particulars can then be fully prepared. Typically, the listing document may simply mirror the fund's existing prospectus or private placement memorandum and will require review to ensure that it includes all information necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the fund, its profits and losses and the obligations, rights, powers and privileges of the securities being listed. There are many specific requirements and disclosures required by the CSX in relation to funds. It is part of the role of the listing agent to be able to fully advise the fund as to these requirements.

Continuing obligations

Once listed, an investment fund must continue to comply with its on-going obligations, as specified in the listing rules. In particular, CSX must be notified of any major new developments in the fund's activities which are not public knowledge and which may lead to a substantial movement in the price or net asset value of the shares.

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