

# On the financial scene with BIBA

## New Fund Product Launched in Bermuda

The Bermuda International Business Association Hails new "Launch 'n List" Product as enhancing the Attractiveness of Bermuda as a Funds Jurisdiction.



Julie McLean,  
Conyers Dill & Pearman

The Bermuda International Business Association (BIBA) announced in May that it had brought to the Bermudian market a new product whereby funds can be simultaneously approved by the Bermuda Monetary Authority (BMA) and listed on the Bermuda Stock Exchange (BSX) in as short a time as two weeks.

BIBA explained that, in late 2005, a New Product Development Committee was established as a joint initiative between BIBA members of the private sector engaged in funds and trust business, the Bermuda Stock Exchange and the Bermuda Monetary Authority in order to stimulate creative thinking and devise new products that would appeal to global investors. The first product developed, "Launch 'n List" is a product that leverages the fact that Bermuda has a fully electronic stock exchange with Designated Investment Exchange status as well as a regulatory authority with a practical but effective approach to regulation that supports development of bespoke products for the investor.

The committee is chaired by Conyers Dill & Pearman partner, Julie McLean who explained, "Funds usually list for two main reasons. The first is that listing ensures that the shares of the funds are considered liquid assets, which many institutional investors

prefer since they are frequently prohibited, for various reasons, from investing in illiquid assets. Secondly, hedge funds are largely unregulated so listing provides a layer of comfort to investors that there is an independent, regulatory body monitoring the funds to ensure proper corporate governance and compliance with stated investment strategies and restrictions."

"The feedback we have been given is that the larger exchanges have increased their regulatory approach to the extent that it is inappropriate and impinges on the fund managers' ability to effectively carry out their investment strategy. Exchanges need to have a balanced approach whereby investor protection is achieved while still allowing funds to properly carry out their investment strategy. This is what we feel the BSX offers."

**"An extremely convenient and user-friendly jurisdiction in which to set up listed funds..."**

"The 'Designated Investment Exchange' recognition given to the Bermuda Stock Exchange reflects that it is a properly managed exchange with sophisticated trading platforms and not just a mere listing board. The strength offered by the BSX is that it has effective regulation yet still has the ability to be nimble and flexible in its approach to funds wishing to list. An example is funds with side pocket investments. The BSX has never had an issue with listing such shares."

"The co-operation between the Bermuda authorities and the BSX in the 'Launch 'n List' process means that funds can apply to incorporate and be classified under our fund regulations at the same time that initial

application is made to the BSX for listing. This results in Bermuda being an extremely convenient and user-friendly jurisdiction in which to set up listed funds"

Greg Wojciechowski, President and CEO of the Bermuda Stock Exchange added, "We continually see issuers coming from jurisdictions all over the world seeking

to incorporate in Bermuda and list on the BSX. The Launch 'n List product was a logical extension to offer our clients a one-stop solution. This new product will not only support the funds industry but we believe

it will also be important for other products, such as private equity and debt transactions."

"We know that many of those funds listed on the BSX are here because of our reputation. The BSX is a stock exchange in the truest sense of the word and has gained recognition in several areas, including the UK and Australia. We are also a member of the World Federation of Exchanges. This designation speaks directly to the strength of the standards underpinning the services offered at the BSX that provide an important level of confidence to investors."

The 'Launch 'n List' product is an example of innovative yet quality business that Bermuda can provide to the discerning global investor and is the brainchild of a collaboration between the public and private sector.

For more information, visit [www.biba.org](http://www.biba.org) or [www.bsx.com](http://www.bsx.com) or contact [sstirling@biba.org](mailto:ssstirling@biba.org).

*The Bermuda International Business Association (BIBA) is a membership organization of nearly 100 companies in one of the world's preeminent financial centres. It provides access to world leading fund administrators, legal and accounting firms, and investment banking and trust service providers. Every month in Portfolio International, members of this prized intellectual pool will provide their analysis and commentary on key financial issues of the day.*



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