

## List Offshore Funds

Established in 1971 the Bermuda Stock Exchange (BSX) has grown to become the world's leading fully electronic offshore securities market.

The BSX is a full member of the World Federation of Exchanges (WFE) and an affiliate member of IOSCO. In addition, The BSX is recognized by the U.S. Securities & Exchange Commission (SEC) as a Designated Offshore Securities Market under Regulation S, The Financial Services Authority in the UK as a Designated Investment Exchange, HM Revenue & Customs as a Recognised Stock Exchange, The Bermuda Monetary Authority as a Recognised Investment Exchange and an Approved Stock Exchange under Australia's Foreign Investment Funds (FIF) taxation rules.

### Institutional Focus

The BSX lists institutional funds under a "commercially sensible" regulatory environment that meets international standards. The BSX does not impose minimum capital requirements or investment restrictions (with the exception of disallowing a fund to take control of its underlying investments) and allows flexibility for hedge funds and the use of prime brokers.

The BSX provides pages for listed funds on Bloomberg at BSX <GO> and on the Internet. The BSX's BEST electronic trading system and BSD securities depository, together allow trading for closed-end funds, the dematerialization of funds' shares and efficient settlement of trades. Additional information on the BSX, along with the complete regulations, may be found at [www.bsx.com](http://www.bsx.com).

### Qualifications for Listing

To be acceptable for listing, a fund must be domiciled in one of the following jurisdictions. In addition, the BSX may accept funds from other jurisdictions if the fund restricts investment to "Qualified Investors" in a manner acceptable to the Exchange. (A "Qualified Investor" is deemed to be 'an investor who has truthfully completed an investor suitability declaration in the form prescribed by the Exchange from time to time or in such other form as the exchange may approve and either (1) whose investment is not less than \$100,000; or (2) who otherwise meets one of the suitability tests set out in the declaration.')

Bermuda	Hong Kong	Mauritius
BVI	Isle of Man	Switzerland
Canada	Japan	Republic of Ireland
France	Jersey	United Kingdom
Germany	Luxembourg	United States of America
Guernsey		

### Application

Offshore fund listing applications must be sponsored by either a BSX Trading Member or Listing Sponsor and the following materials must be filed with the BSX:

- Formal letter of application
- Draft prospectus /offering memorandum
- Certificate of incorporation or equivalent
- Certified copy of issuer's constitution
- Audited annual report and accounts (for last 3 years or since inception)
- Certified copies of resolutions authorizing issue of the securities
- Issuer's Undertaking and directors' declarations and undertakings
- Copy of document of title to be used for the issue
- Certified copy of material documents referred to in the prospectus

## Timing

The BSX seeks to respond within 2 business days with comments on each draft of the prospectus. The BSX guarantees response from the Listing Committee within seven business days once complete applications are submitted. In most cases the entire approval process can be completed within three weeks.

## Prospectus

The prospectus must contain information that enables an investor to make an informed assessment of the activities, assets and liabilities, financial position, management, and prospects of the issuer – as well as of its profits and losses and of the rights attaching to such securities. The regulations provide guidance on the following prospectus items:

- BSX standard disclaimer
- General information about the issuer, its advisors, and the prospectus
- Information about the securities as well as the terms and conditions of their issue and distribution
- Issuer's capital
- Fund's investments
- Investment managers and advisors
- Financial information about the group and prospects of the group
- Issuer's management
- Use of proceeds
- Material contracts
- Provision of documents for inspection

## Continuing Obligations

Continuing obligations include:

- Prompt notification to BSX and shareholders of material events to allow them to evaluate the financial position of the fund and to avoid the creation of a false market. Material events are circumstances that may be expected affect market activity or the price of the listed securities.
- NAV calculations
- Audited annual report and accounts, as well as preliminary results
- Copies of shareholder notices or circulars

## Secondary Listings

The conditions for obtaining a secondary listing on the BSX are as follows:

- Initial fees for secondary listings are reduced by 50%.
- Securities must be listed on a recognized exchange, which must be designated as the fund's Primary Regulatory Exchange. The fund must be suitable for listing in the opinion of the BSX.
- The fund must meet the BSX ongoing disclosure obligations (i.e., copies of all filings made to the Primary Regulatory Exchange)

## Costs of Listing

*Initial fees* are payable on the application for listing. *Annual fees* are charged at the same rates, with first year fees payable at the same time as the formal letter of application.

No. Of Classes	1 – 2	3 – 15	16 – 25	over 25
Fee	\$2,000	\$5,000	\$10,000	\$400
	(per class)	(fixed)	(fixed)	(per class)