



The Bermuda Stock Exchange: An Ideal Choice for Debt Listings

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Following the 2016 introduction of Market Abuse Regulation (“MAR”) by the European Union (“EU”) many companies looking to list debt are finding alternatives outside the EU more attractive. The Bermuda Stock Exchange (“BSX”), with its fully electronic trading platform and worldwide recognition, provides several benefits for debt listings outside the EU and is proving increasingly popular.

The Impact of MAR

The Market Abuse Regulation was introduced in 2016 to tackle market abuses such as insider trading, and to further harmonise market regulations across EU member states. However, the broad application of MAR to all types of securities has placed disproportionately onerous demands on issuers of debt securities, for example, high yield bonds. This has prompted many issuers to look beyond the EU for better listing options.

Why the Bermuda Stock Exchange?

The Bermuda Stock Exchange is well-positioned to provide an alternative for issuers seeking high levels of market protection for investors, while avoiding the difficult conditions and costs associated with MAR.

The BSX enjoys an excellent international reputation and is recognised by tax authorities and regulatory bodies in many jurisdictions including the UK, US, Ireland, Canada and Australia. It holds full membership of the World Federation of Stock Exchanges (“WFE”) and currently holds a seat on the WFE’s Board of Directors. It is also an affiliate member of the International Organisation of Securities Commissions (“IOSC”) and designated by both UK HM Revenue and Customs and Revenue Ireland, Irish Tax and Customs as a “Recognised Exchange”.

The world’s largest offshore fully electronic securities exchange, the BSX offers issuers an affordable, well-regulated listing venue. It is:

- efficient, with a clear trading and settlement infrastructure;
- competitively priced;
- flexible and responsive;
- conveniently located between Europe and the Americas, offering same day, real-time access to both markets;
- sensitive to commercial requirements for confidentiality; and
- supervised by the Bermuda Monetary Authority which is accredited by IOSC.

International debt listings grew to 201 securities in 2018, up 20% from 167 the previous year with their nominal value growing US\$4.6 billion to US\$7.0 billion.

How can Conyers help?

As the leading corporate practice in Bermuda, Conyers has an excellent relationship with the Bermuda Stock Exchange and with local listing sponsors. Our capital markets team has advised some of the world's most recognised companies and institutions on their capital raisings. Through our network of global offices in London, Hong Kong and Singapore, clients receive coordinated and timely advice, providing a high-level of efficient and effective service.

We have assisted on a number of debt listings on the BSX in recent years, including acting as Bermuda counsel on the following:

- Aircastle Funding (Ireland) DAC, a wholly-owned subsidiary of Aircastle Limited (NYSE: AYR) on the admission of its US\$1.28 billion unsecured Senior A and B Notes to listing on the BSX.
- Sky Aviation Leasing International Limited ("Sky"), as servicer and S-JETS 2017-1 Limited ("S-JETS") a Bermuda company, as issuer in connection with Sky's US\$780.8 million debut asset-backed securities (ABS) deal, pursuant to which S-JETS issued US\$657,800,000 Series A Notes, US\$81,000,000 Series B Notes and US\$42,000,000 Series C Notes. Upon closing the Notes were listed on the BSX.
- Jazz Investments I Limited, a Bermuda company and a wholly-owned subsidiary of Jazz Pharmaceuticals plc, on the listing on the BSX of US\$575,000,000 1.50% Exchangeable Senior Notes due 2024 of Jazz Investments I Limited.

For more information on how we can help you with a BSX listing, please contact one of our team listed below.

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