

## The Cayman Islands Stock Exchange Listing Rules 2017 Revision

The Cayman Islands Stock Exchange (the “CSX”) has recently published revised Listing Rules, (the “Rules”) effective April 2017. The primary update is the introduction of a new Chapter 14 of the Rules which sets out a new regime for the listing of equity and debt securities of “Specialist Companies” which are principally aimed at SPV companies looking to raise capital for new projects.

### The New “Specialist Company” Listing Regime

Chapter 14 of the Rules now allows for a greater degree of flexibility with respect to companies that do not have a two year audited financial statements ‘track record’ and the prior requirement to subscribe for a minimum of US\$100,000 of securities has been removed for specialist companies. The new Rules now cater for investors with higher overall levels of participation in investments generally, subject to satisfying the new qualified purchaser/qualified investor criteria (see below). The CSX will allow the listing of an issuer without the standard ‘track record’, provided the issuer:

- a) satisfies the CSX that, amongst other things, the investors have access to such financial and other information deemed necessary or appropriate in order to make an informed investment decision;
- b) provides a detailed business plan which sets out certain specified criteria; or
- c) is a wholly owned subsidiary of a listed company and is included in the consolidated accounts of its listed holding company.

A “qualified purchaser” is any individual who owns not less than US\$1,000,000 in investments or any entity which in the aggregate owns not less than US\$5,000,000 in investments. A “qualified investor” is an investor who is a qualified purchaser and represents in writing to the issuer that they are particularly knowledgeable in investment matters or is a director or manager of the issuer and is particularly knowledgeable in investment matters. An investor is ‘particularly knowledgeable in investment matters’ if such investor: (i) has the knowledge and experience in financial and business matters to enable that investor to evaluate the merits of a proposed transaction and investing in the issuer; (ii) is aware of the risks inherent in investing in the securities; and (iii) can afford the loss of their entire investment.

The updated Listing Rules also contain a number of clarifying revisions and general content updates. The Listing Rules are available on the CSX website at [www.csx.ky](http://www.csx.ky).

### How can we help?

Conyers Dill & Pearman regularly acts on the listing of securities on the CSX, including securities qualifying for the Quoted Eurobond Exemption for the purpose of UK withholding tax. Please contact one of the Conyers’ listing team referenced below or your usual contact at Conyers Dill & Pearman for further information.

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