

# Listing on Gibraltar's Stock Exchange an Introduction

## GSX, Gibraltar's first Stock Exchange

GSX Limited ("GSX") was granted its authorisation to commence its operations as Gibraltar's first ever regulated stock exchange on the 10th October 2014. ISOLAS law firm are delighted to have been involved as the legal advisors to GSX throughout the application and authorisation process.

GSX currently offers a listing only exchange for open-ended funds that are licensed, registered, authorised and/or regulated as a Collective Investment Scheme ("CIS") by a competent authority empowered to supervise financial services in a GSX recognised State. To that end, GSX is a regulated exchange that operates in many ways as a European fund distribution platform.

*"GSX, a regulated exchange  
that operates as a Fund  
distribution platform"*

The GSX Exchange operates within a robust and dynamic regulatory environment, the tone of which is set by the Gibraltar Financial Services Commission ('the Regulator') in a manner which retains the characteristic advantages of a small and specialist onshore jurisdiction. This was recently recognised in the latest edition of the Global Financial Centres Index (16th ed). In that review, Gibraltar ranks higher than Cayman, Malta, the Isle of Man or Jersey as a Financial Centre, the result of years of investment in the development and accessibility to the Regulator – factors critical to the jurisdiction's competitiveness on the emerging level playing field.

Gibraltar has emerged as a popular alternative

jurisdiction for investment funds and their managers, offering robust fund legislation, favourable tax advantages, efficient regulation, the flexibility of a small jurisdiction, and quality infrastructure, within an EU-compliant framework.

*"Gibraltar ranked higher  
than Cayman, Malta and  
the Isle of Man in this  
year's GFCI Index"*

GSX will be responsible for maintaining an orderly market, the oversight of its listings and Member Firms, and liaising with the Listing Authority. We believe that GSX will play an integral role in cementing Gibraltar's position as a full-service financial hub within the EU. It is its ambition to put Gibraltar at the heart of the global fund industry.

## About GSX

GSX is the brainchild of seasoned financial services professionals whose idea of establishing Gibraltar's first ever stock exchange, has now become a reality after well over two years of relentless hard work and determination. GSX intends to manage its opening in two distinct phases. The first phase has been to invite firms to apply for membership as Listing Members from early November 2014, with full operations beginning in the first quarter of 2015.

## The Advantages of a GSX Listing

GSX provides a secure platform for investors and managers, and it delivers a reliable, fast to market, and cost effective service that enables applicants to market to investors looking for greater

transparency and visibility through an EU listing. Their unique portal allows investors to filter their searches by individual or multiple criteria in order to identify their preferred choice of investments including geography, asset class, manager, and currency.

GSX has identified a viable market from which it is confident that there is demand for listing and they are confident that listing of CISs is relevant in the recent trend of transparency, accountability, oversight and regulation. A GSX listing promotes investor awareness of an issuer's financial standing and credibility. The Fund is required to comply with the standards of the GSX listing rules which have been designed to promote investor security and financial stability. This is provided within a GSX, EU-compliant framework that offers a reliable, fast to market, and cost effective service for CISs that wish to make themselves available to investors who are registered users of GSX. Over time, GSX plans to adopt a graduated progression to a full-service stock exchange providing trading and execution services across a wide range of products, but not limited to debt and equities.

*"...a reliable, fast to market  
and cost-effective solution for  
an EU listing of your Fund"*

GSX leverages Gibraltar's unique competitive advantages, offering a first class listing service:

- Access and connectivity with investors.
- An innovative website.
- A cost effective solution.
- Fast to market.
- An accessible and responsive regulator.



## Fiduciary Exchange Services Limited ('FESL')

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Fiduciary Exchange Services Limited ("FESL" is part of the Fiduciary Group which has been providing international corporate and trust services from Gibraltar since 1982 and is regulated by the Regulator. Fiduciary is one of the largest corporate services providers in Gibraltar. FESL will be responsible for dealing directly with GSX and the Listing Authority on all matters relating to the Application, listing and continuing obligations of an Applicant admitted to the Official List.

FESL will also be responsible for ensuring that the issuer is guided and advised on their application and they will be responsible for all communications with the stock exchange with regard to the listing code, the listing process and all post listing obligations that may apply.

## ISOLAS

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ISOLAS is the longest established law firm in Gibraltar. The team at ISOLAS were engaged to work with GSX throughout their application process and were responsible for drafting the various codes, including the Listing Code for Open-Ended CISs ("CIS Code"), Members Code for Listing Members, and various other documents relating to the application process. ISOLAS is able to offer a fast and efficient service to FESL due to their intimate knowledge of GSX's requirements and procedures for listing. They are also able to act in making the listing particulars of any qualifying fund compliant with the CIS Code.

*"ISOLAS were the legal advisors to GSX and have an intimate knowledge of the Listing Code, procedures and application process."*

## Listing of Open-ended Collective Investment Schemes - Need to Know

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Other than the conditions specified in the CIS Code, the following general conditions must be met for those wishing to apply for listing:

- An applicant must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment of a GSX Recognised State, and must operate in conformity with its Constitutive Documents.
- An Applicant must be an Open-Ended Fund and must be regulated by the Competent Authority of a GSX Recognised State or be otherwise acceptable to GSX Limited and the Listing Authority.
- An Applicant must have audited accounts for the last financial year.
- An Applicant may not change its principal investment objectives and policies as set out in its Listing Particulars unless the consent of the unit-holders representing a majority of the Units of the Applicant that are in issue has been obtained in advance.
- An Applicant must not be permitted to issue bearer shares and/or Units under its constituting documents.
- The Applicant must satisfy GSX and the Listing Authority that its Controllers together with any appointed investment manager have sufficient and satisfactory experience in the management of investments of the type in which the Applicant intends to invest, or currently invests.
- The Controllers of the Applicant must be able to demonstrate their ability to act independently of any appointed investment manager of the Applicant.
- The aggregate market value of the Units of an Applicant must be at least €1,000,000 or the foreign currency equivalent within 12 months of the Applicant's launch if the Applicant is a new Fund, or above €1,000,000 if the Fund has been active for more than 12 months.

Once listed, an Applicant must continue to comply with all requirements of the CIS Code.



## Application Process: An Outline

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FESL will manage the application process adhering to the application for admission to listing set down in the CIS Code.

FESL is responsible for dealing with GSX on all matters relating to the listing application and will work closely with ISOLAS and the Applicant in preparing the Applicant for listing and working with the Applicant post-listing in ensuring that the Applicant is aware of and adheres to its continuing obligations, fulfilling its regulatory responsibilities.

The Applicant will require that its Listing Particulars comply with the GSX requirements. This will involve the disclosure of detailed information relating to the fund and its business, including the fund's controller names and contact information, its location, legal status, investment strategy and assets under management.

Once an application has been completed and submitted, membership is then considered by GSX's Membership Committee. Currently GSX offers one class of membership with one primary privilege: listing only. Once the application is completed, GSX will then consider the application and, once approved, deliver this to the Listing Authority. At this point further documents may be requested, and in some cases further conditions or restrictions may be discussed before admission to the Official List. However, this entire process is set out and agreed at an extremely competitive service level standard between GSX and the Listing Authority.

Separate applications must be made for sub-funds and separate classes of shares.



## Documents to be submitted to GSX: an overview

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The documents required to be filed on application for listing include:

- Application form for listing CISs.
- Checklist of Listing Particulars of CISs.
- Application Fee.
- Annual Fee for first year of listing.
- Electronic copy of Listing Particulars dated and signed by each Controllor or his agent or attorney authorised in writing.
- Confirmation referred to in Section 1.3.2 of the CIS Code signed by each Controllor or his agent or attorney.
- Listing Member's declaration signed by each Controllor or his agent or attorney.
- A statement that the Constitutive Documents in accordance with the laws of the GSX Recognised State of the Applicant, the material contracts entered into by the Applicant and the audited accounts of the Applicant may be inspected at the offices of the Listing Member or any such other place as GSX and the Listing Authority determine.
- A copy of the last audited accounts of the Applicant.
- A copy of all net asset values for the period from inception and/or commencement of investment activity up to the date of listing of the Units of the Applicant that are applying to be listed on the Official List.
- Evidence that the Applicant is licensed, registered, authorised and/or regulated by a Competent Authority.
- In the case of an Applicant that is already listed details of the listing, and in the case of an Applicant having made an application for a contemporary EU listing, or where such an application will be made in the near future, details of the application or proposed listing.
- Any other such document that GSX and/or the Listing Authority may require whether in general or in respect of a specific application.

## Continuing Obligations

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Once listed, a Fund admitted to GSX must ensure that it fulfils its on-going regulatory reporting requirements, as detailed in GSX's CIS Code.

Observance of these continuing obligations is essential to maintain an orderly listing and to ensure that potential investors have simultaneous access to the same information and are kept informed of developments in the nature and conduct of the activities of a Listed Fund. The applicant will be expected to sign an Annual Statement of Compliance stating that they have fulfilled their obligations for the previous year.

For the avoidance of doubt, all notifications between the Listed Fund and GSX and the Listing Authority, must be via the Listing Member.

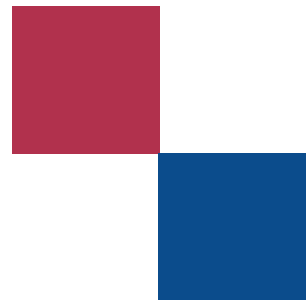
Failure by a Listed Fund to comply with any applicable continuing obligation or to continue to comply with the conditions for listing contained in the CIS Code may result in GSX and the Listing Authority taking disciplinary action as provided for in Section 6 of the CIS Code.

## Listing costs

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For a quote relating to the listing of your Fund through one single service provider in Gibraltar please contact [listingservices@isolas.gi](mailto:listingservices@isolas.gi)

This will include a quote for the legal services in making your Fund documents compliant with the GSX Listing Code, the FESL sponsorship of your application, the Listing Fee payable to GSX and the Listing Authority Fee payable to the Listing Authority.



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Meet the teams...

# Fiduciary Exchange Services Limited

The Board of Fiduciary Exchange Services Limited are Peter Isola, David MacGregor and Peter Thomson



## Peter Isola - Chairman

Peter is recognised as an expert in financial services with over 30 years' experience. He is the Senior Partner of ISOLAS and Chairman of the Fiduciary Group of Companies. Peter was the founder Chairman of STEP Gibraltar, is a Council Member of the Gibraltar Bar Council and the Gibraltar Finance Centre Council.

Peter also specialises in gaming law and regulation and has been instrumental in the development of the law in this area. In addition to his advisory role Peter is a director of various regulated entities involved in financial services including banking and insurance as well as telecoms and gaming.



## David MacGregor - Managing Director

David is a Chartered Banker and has accumulated 30 years' experience in Retail, Commercial and Corporate banking with a number of International Banks. He was latterly the Managing Director of an International bank in the Isle of Man and has a broad range of experience within Wealth Management and Financial Services.



## Peter Thomson - Director

Peter is a Chartered Accountant with many years' experience in the Management Corporate Sector internationally. He was the Group Finance Director of one of the largest global corporate services company and Managing Director of a management company in the Isle of Man.

Peter Thomson also holds directorships with Fiduciary Wealth Management Limited and Fiduciary Fund Administration Limited and is able to advise clients on the benefits of establishing a fund and having it administered in Gibraltar, together with providing clients access to wealth planning services. Peter is a licensed Experienced Investor Fund Director and Company Manager

## ISOLAS

The team at ISOLAS responsible for the day to day management of the listing process will be Joey Garcia and Jonathan Garcia.



## Joey Garcia - Partner

Joey advises on a variety of structures and solutions to an international client base which includes funds, investment managers and banks as well as family offices and larger private clients. He was the legal advisor to GSX Limited in their application process in Gibraltar.

He was elected as the Chairman of the Gibraltar Funds & Investments Association ("GFIA") for the year 2014/2015. Joey sits on the Financial Services Commission ("FSC") 'Funds Panel' and AIFMD working group. He was also the author of the Corporate Governance Code for Gibraltar CISs which was introduced by GFIA in 2013; during the latter part of 2013 he was seconded to the FSC in relation to AIFMD technical issues. He is licensed to act as an Experienced Investor Fund Director and Company Manager, and sits on the Board of a number of funds and family office investment companies.



## Jonathan Garcia - Senior Associate

Jonathan is part of the Financial Services and Corporate team and has assisted the team in respect of the licensing and approval of GSX Limited in Gibraltar. He is regarded as an expert on local company law having sat on the company legislative reform technical committee.

Jonathan has predominantly been involved in the funds practice and his expertise in this area is varied, it includes preparation of underlying formative documents and advising in relation to protected cell company issues and general structuring arrangements. Jonathan has also developed corporate governance expertise and knowledge of relevant regulatory frameworks. Jonathan is licensed by the FSC to provide directorships to Gibraltar investment companies.