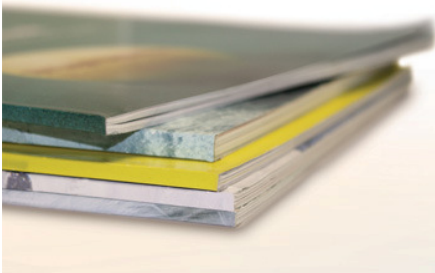


# Jersey Companies Accepted on the Hong Kong Stock Exchange

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BY DANNY COLE

## Jersey Companies Accepted on the Hong Kong Stock Exchange

The application for Jersey companies to be listed on the Hong Kong Stock Exchange (“HKEX”) was submitted earlier this year by Jersey Finance Limited and the listing committee of the HKEX have now finally approved the application. A public announcement was made in October 2009 stipulating that Jersey companies are now accepted as vehicles for listing on the HKEX.

Establishing the capability for Jersey companies to be listed on the HKEX now presents Jersey’s finance industry with a tremendous opportunity in Asia.

### The Hong Kong Stock Exchange

The HKEX (also known as the Hong Kong bourse) is one of the world’s largest stock exchanges with over 1,200 listings and a total market capitalisation of US\$2.3 trillion. Ninety percent of companies on the HKEX are incorporated in an offshore financial centre (including Hong Kong). Forty one percent of the HKEX is non-Hong Kong companies\*.

For those looking for a listing vehicle on the HKEX, Jersey holding companies could be a very attractive proposition. Currently there are 86 Jersey companies listed on worldwide stock exchanges (including London and New York), with a combined market capitalisation of over £16 billion. Consequently,

Jersey is now one of the leading international finance centre jurisdictions to be used for listing vehicles\*\*.

### Jersey Holding Companies

The advantages of using Jersey holding companies as listing vehicles include:

- 0% corporation tax;
- free of withholding tax on dividends, interest and royalties;
- shares in Jersey incorporated holding companies are free of stamp duty in Jersey;
- three resident share registrars;
- ability to trade shares directly through CREST (the UK share settlement system);
- mind and management can be based on Island;
- efficient management of share capital via treasury shares;
- recently introduced Incorporated and Protected Cell Companies.

### The Channel Islands Stock Exchange

In addition to the access that Jersey companies will now get to the HKEX, closer to home, the Channel Islands Stock Exchange (the “CISX”) continues to flourish. As at September 2009 the CISX had over 3,000 securities listed for a total market capitalisation

of US\$17 billion. The CISX was launched in 1998, and Appleby Securities (Jersey) Limited was one of the founder members and continues to act as sponsor to many companies and investment funds listed on the exchange.

The CISX provides a platform for the listing and electronic trading of shares, debt securities issues and other instruments issued by trading companies, investment funds and other investment vehicles. In addition to Jersey and Guernsey registered companies, companies from around the world have benefited from a listing on the CISX.

The benefits of the CISX include:

- speedy turnaround time and consistency of response;
- competitive pricing and cost effectiveness;
- international standards of issuer regulation which are easy to understand;
- the Market Authority is receptive to innovative product structures and there is flexibility in a range of areas (including choice of settlement or paying agents, for example);
- responsive and approachable Market Authority (which meets every day to consider listing applications);
- pragmatic approach to disclosure requirements;
- enhanced marketability and added value service;

- premier location (an OECD jurisdiction in a European time zone);
- no requirement to adopt IAS or IFRS providing the accounting standards acceptable to the CISX are adopted.

The CISX is licensed to operate as an investment exchange under **The Protection of Investors (Bailiwick of Guernsey) Law 1987**, as amended, and is regulated by the Guernsey Financial Services Commission, a member of IOSCO, the International Organisation of Securities Commissions.

### **The Bermuda Stock Exchange and Cayman Stock Exchange**

In addition to listing services provided by Appleby on the CISX, a subsidiary of Appleby Management, Appleby Securities (Bermuda) Ltd., is an approved listing sponsor for the Bermuda Stock Exchange (the “BSX”). Appleby Trust (Cayman) Limited is also an approved listing sponsor for the Cayman Islands Stock Exchange (the “CSX”).

\*Statistics taken from Jersey Finance Limited’s website [www.jerseyfinance.je](http://www.jerseyfinance.je)

\*\* Statistics published on March 2009 Fact Sheet by Jersey Finance Limited.

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