



The Cayman Islands Stock Exchange ("CSX") offers a unique and convenient listing service in the US time zone and has become the specialist exchange of choice for a growing number of US CLO issuers.

The CSX provides a responsive and innovative listing and trading facility platform of shares, specialist and corporate debt securities and other instruments issued by trading companies, investment funds and other investment vehicles. Based in George Town, Grand Cayman, the CSX began trading in 1996 and since its inception, it has admitted securities to the Official List for a total market capitalisation of over US\$800 billion.

### **Why use the CSX for listing CLOs rather than any other exchange?**

The CSX offers the following advantages:

- fast and efficient listing services from an experienced and highly qualified team.
- no listing agent required.
- a comprehensive but not overly burdensome Listing Rules that are easy to understand.
- responsive and approachable Listing Committee which meets daily to consider approving securities for admission to the Official List of the CSX.
- a pragmatic approach to application of the Listing Rules and associated disclosure requirements.
- competitive pricing.
- the Cayman Islands is a leading international financial centre and continues to demonstrate their commitment to the highest of regulatory standards.

### **CLO specifics:**

- No requirement for audited financial statements (investors must have access to sufficient information on the underlying loan portfolio through quarterly reporting).
- Collateral Managers must demonstrate to the CSX adequate experience and expertise and there must be disclosure of eligibility and investment criteria.
- Loan assets to be held by a suitable custodian or trustee.



## International Recognition

In 2004, the UK Inland Revenue (now "HM Revenue & Customs") designated the CSX as a Recognised Stock Exchange under Section 1005 of the Income Tax Act (2007) (ITA). Consequently, qualifying debt securities listed on the CSX to be eligible for the Quoted Eurobond Exemption. Where this exception is available, there is no requirement for tax to be withheld from payments of interest. The main condition which must be satisfied to obtain such treatment is that the debt instrument is admitted to listing and trading on a recognised stock exchange. This condition is satisfied through admission to the official list of the CSX.

### The Procedure for listing- two stages:

The listing process essentially involves the review and approval of an offering document, referred to as listing document, which must demonstrate compliance with the listing requirements of the CSX. The listing document must include all information necessary for an investor to make an informed decision of its investment.

We would generally advise that CLO issuer may be listed within one to two weeks of the listing document being initially submitted to the CSX, although shorter timeframes may also be accommodated. The application process is normally carried out in two main stages. The first stage is the initial submission of documents in draft and the second stage is the submission of final signed documents.

### Stage 1: Initial Application

The listing agent (if appointed) will prepare drafts of the formal listing documentation for review and comment by the CSX. An initial application is made to give the CSX an opportunity to comment on draft documentation. All applications for listing are processed by the Listing Department of the CSX.

### Stage 2: Final Application and Admission to listing

If the Listing Committee approves the application, the listing documentation is then filed. In case of an issuer that is listing and issuing securities simultaneously confirmation of allotment of securities is provided to the CSX on the intended listing date. The application documents will include the following:

- a formal application for listing.
- a copy of the listing document in final form.
- a declaration by the issuer.

*It is recognised that this guide will not completely answer detailed questions and is intended to provide a sketch of the subject matter covered. This guide is therefore designed as a starting point for a more detailed and comprehensive discussion.*