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Arthur Cox provides listing services through Arthur Cox Listing Services Limited ("Arthur Cox Listing"), which is headed up by Helen Berrill, formerly Head of Structured Products Listing at the Exchange. Helen was responsible for establishing and expanding the successful Structured Products listing team and also played an instrumental role in establishing the efficient review process which has been a key element in the Exchange's success in this area.

Sukuk/Islamic Securitisation

# Listing Guide

## Admission to trading on the Irish Stock Exchange

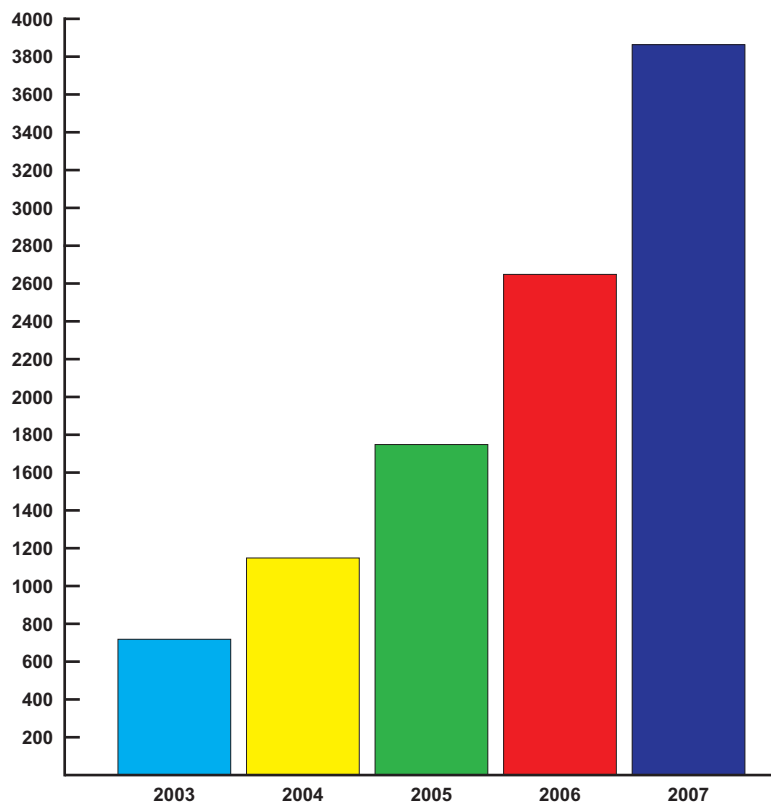
### Introduction

Dublin has already earned a reputation as being a major centre for specialist securitisation and is recognised globally as an investment hub for asset-backed securities.

Having grown enormously in terms of issuance volumes and transaction type in recent years, the Irish Stock Exchange has placed itself as the leading exchange for listing specialist debt securities in Europe including Islamic Financing, listing its first Islamic transaction in 2005.

The listing of the first Sukuk transaction on the ISE in 2005 has not only enhanced Ireland's profile in the global Islamic finance industry, but is a perfect illustration of the flexibility of the Irish Stock Exchange towards Sharia-compliant products.

The chart below shows the growth in listings on the Exchange in the last six years:



### Why is the Irish Stock Exchange so successful in listing debt securities including Sukuk/Islamic Securitisation?

Since 1999, the Exchange provides a listing regime for most specialised debt securities including Asset Backed Securities, Specialist Bonds, Asset Covered Securities, Loan Participation Notes, European Commercial Mortgage Backed Securities Paper and also Shipping Securitisation. The success of the Exchange's approach to listing Sukuk/Islamic Securitisation is due to the following factors:

- > **sufficient flexibility** of approach to embrace new products types, while maintaining the **integrity** of a listing on a regulated European stock market;
- > **experience/specialist product knowledge** - the Exchange has a dedicated, technically proficient team and also has a policy of senior involvement in all deals;
- > **consistent application of a comprehensive set of listing guidelines** - all structural comments addressed up front, no surprise comments at the end;
- > **an approachable attitude** - the Exchange operates an open-door policy and encourages communication;
- > **timing** - the Exchange guarantees comments on the first submission of an offering document within three days;
- > **a streamlined user-friendly listing process**; and
- > **a macro rather than micro approach.**

### Main Market and Global Exchange Market

The Exchange lists specialist debt securities on its regulated market (the "Main Market") and also on its unregulated market, the Global Exchange Market ("GEM"). This choice of markets gives Islamic Finance issuers a greater degree of flexibility when deciding upon a market to list on.

As a regulated market, the Main Market complies with the requirements of European Directives, specifically the Prospectus Directive and the Transparency Directive, in relation to securities listed and admitted to trading on the Main Market of the Exchange. Ultimate approval is granted by the Irish Financial Services Regulatory Authority (the "Financial Regulator") and the listing is the responsibility of the Exchange.

In June 2009, the Exchange launched the Global Exchange Market. GEM is an exchange-regulated market which meets the criteria of a Multilateral Trading Facility ("MTF") within the meaning of the Markets in Financial Instruments Directive ("MiFID"). GEM is operated by the Irish Stock Exchange as a market operator. It does not fall within the scope of the EU regulated markets as defined in MiFID and therefore the requirements of the Prospectus Directive and the Transparency Directive do not apply. GEM offers a greater degree of flexibility than can be afforded to issuers choosing the regulated market.

### Treatment of Sukuks from a Listing Perspective

As a result of the varying nature of Sukuks, from a listing perspective they can be admitted to trading using the Asset Backed

or Debt Securities Guidelines. The disclosure required depends on whether the securities to be listed are asset backed or asset based. The difference lies in the ownership rights of the assets attached to the Issuer. To date the majority of Sukuks listed on the Exchange have been asset based in nature however it is possible to also follow the asset backed route.

### Advantages of listing on the Irish Stock Exchange

There are many reasons for obtaining a listing on the Exchange

1. One of the most important reasons is to facilitate institutional investors, many of whom are required to hold at least 90% of their investments in listed securities. With only 10% of their funds available for investment in unlisted securities they are unlikely to invest in securities if listing is not sought. Listed securities will therefore be in demand.
2. A listing can help liquidity in an issue therefore creating a better market
3. A listing on a long established, recognised and reputable stock exchange can raise the status of the securities and provide a very valuable marketing tool.

### Application Procedure

The Irish Stock Exchange has taken a very flexible approach to listing Islamic Finance Securities and we are happy to discuss a transaction with the ISE prior to making a formal submission to ensure an efficient and streamlined service.

A draft version of the Prospectus must be submitted to the Exchange in electronic format, annotated against the Exchange's admission to trading Guidelines (the "Guidelines") via the Listing Agent. Arthur Cox Listing will review and annotate the draft Prospectus against the Guidelines and complete the necessary checklists prior to an initial submission being made to the Exchange.

At final approval stage, the Exchange requires certain support documents to be submitted. Arthur Cox Listing will prepare these support documents and arrange for their execution prior to the Prospectus being submitted to the Exchange for final approval.

Arthur Cox Listing can provide guidance to an issuer seeking admission of securities to trading on both the Regulated Market and the Global Exchange Market of the Exchange. Arthur Cox Listing will prepare these support documents and arrange for their execution prior to the Prospectus being submitted to the Exchange for final approval by the Financial Regulator.

### Timing

The Exchange has committed to very aggressive and set turnaround times on all documents submitted for review. These timeframes are three working days for first submissions and two working days for all subsequent submissions.

### Post listing obligations

As with all listing securities, certain continuing obligations of the Exchange have to be complied with. These include the filing of financial statements, filing of notices in relation to any events

likely to have a material impact on the securities admitted to trading or the issuer of the securities and the obligations under the Market Abuse Directive.

In addition, transactions which are listed on the Regulated Market are subject to the obligations under the Transparency Directive.

Arthur Cox Listing Services Limited are happy to advise on any queries in relation to continuing obligations and will assist any issuer on all aspects of the continuing obligations.

### Costs

The Exchange's fee structure for admission to trading specialist debt securities is as follows:

#### Non Programme Documents:

- › €2,000 document fee - for all documents submitted to the Exchange that require pre-vetting.
- › €1,500 annual fee - with the option to pay on an annual or upfront basis.

(Issuers who elect to pay annual fees up front can avail of a once off, non-refundable payment of €10,000 in respect of the annual fee.)

- › €500 tranche fee - applied to the first tranche of an application for listing e.g. Class A, and
- › €250 tranche fee - applied to all subsequent tranches in the same listing e.g. Class B, Class C and Class D etc.
- › €440 (plus VAT for Irish and EU issuers) publication fee applies for formal notice.

#### Programme Documents:

- › €2,000 document fee - for the main information memorandum.
- › €1,500 per document - for all subsequent documents/supplements submitted to the Exchange under the programme that require pre-vetting.
- › €1,500 annual fee - applied at programme level.
- › €500 tranche fee - applies to the first tranche of each Series to be listed, and
- › €250 tranche fee - applies to further tranches of each Series to be listed.
- › €440 (plus VAT for Irish and EU issuers) publication fee applies for formal notice.

### Listing Agent

To apply for the admission to trading of a specialist debt security on the Exchange, the issuer must appoint a listing agent which is registered with the Exchange. A listing agent is responsible for ensuring that the issuer is guided and advised on their application and is responsible for all communications with the Exchange with regard to the listing Guidelines, the listing process and all post listing obligations that may apply.

### Arthur Cox Listing Services Limited

Arthur Cox is one of Ireland's largest law firms with a leading finance, corporate and commercial practice. An international

firm, we comprise almost 300 lawyers including 96 partners. Our reputation is founded on proven professional skills, a thorough understanding of our clients' requirements with an emphasis on sound judgment and a practical approach to solving complex legal and commercial issues.

Arthur Cox provides listing services through Arthur Cox Listing Services Limited ("Arthur Cox Listing"), which is headed up by Helen Berrill, formerly Head of Structured Products Listing at the Exchange. The Structured Products team at the Exchange covers both asset backed securities and unsecured debt securities such as MTNs and Eurobonds. Helen was responsible for establishing and expanding the successful Structured Products listing team and also played an instrumental role in establishing the efficient review process which has been a key element in the Exchange's success in this area.

### Why Arthur Cox Listing Services?

Why should you instruct Arthur Cox Listing:

- › **Helen Berrill:** In her previous role as Head of Structured Products listing at the Exchange, Helen helped draft the initial building blocks for wholesale debt regime under the PD. Together with her experience at ISE, Helen has an unrivalled knowledge of the listing Guidelines and procedures and can pre-empt issues which may cause concern to the Exchange. Through her experience of acting as a regulator and her understanding of the issues important to the officers at the Exchange, Helen and the listing team at Arthur Cox Listing provide real added value to the listing service.
- › **Knowledge of Sukuk/Islamic Financing:** Arthur Cox Listing Services Limited have been involved in the listing of Islamic Finance Securities since 2006 and have valuable knowledge and expertise in listing these products. We were responsible for listing the first Islamic Finance Programme on the ISE in 2007, the Oasis Certificate Programme arranged by Citibank.
- › **Experience in Structured Products and Debt Capital Markets:** Helen works closely with Cormac Kissane, Glenn Butt and Richard Ambery, Arthur Cox's leading Structured Finance partners. This team has extensive experience of the structures and products which are suitable for listing.
- › **Professional Service:** We prioritise the efficiency and timeliness of the listing service and the minimisation of the client's time required to complete the process.

We understand that promoters and arrangers need certainty on timing and that listing should not be a leading consideration in the timetable to launch.

We have acted on many transactions - from plain vanilla transactions to synthetics to whole business securitisations, repackagings, CDOs, high yields, Islamic Financing, LPNs, CMBS, straight debt and other structured products.

## Contacts

If you are considering a listing on the Regulated Market or the Global Exchange Market of the Exchange, or would like to discuss any of the above, please do not hesitate to contact any member of the team:



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