

HKEx Approves Listing of BVI Companies

The British Virgin Islands (BVI) has been approved as an Acceptable Overseas Jurisdiction ("AOJ") by the Hong Kong Stock Exchange ("HKEx") enabling BVI companies to float on HKEx. It is estimated that there were 65,000 BVI Business Companies incorporated in the BVI last year and the inclusion on the AOJ list will expand the opportunities for BVI companies to tap Hong Kong's capital markets currently hungry for investment opportunities.

BVI companies are well-known to the industry players in Hong Kong and China, where their use is favoured in commercial property transactions, and for structuring private equity investment. The initiative to include BVI companies to the HKEx list of accepted jurisdictions is in part driven by Hong Kong's commitment to maintain its status as a leading international IPO destination, which according to a report of the World Federation of Exchanges has seen over US \$13.82 billion raised in the first 10 months of 2009, well ahead of listings on exchanges in Shanghai, Brazil and New York.

With the inception of the BVI Business Companies Act, 2004, previous concerns in relation to minority shareholder protection were addressed, allowing BVI Business Companies to fall within more generally accepted international guidelines for the protection of minority shareholders. HKEx and shareholders of any BVI Business Company should be comforted by this fact.

The BVI government has also signed a Tax Information Exchange Agreement ("TIEA") with China on 7 December 2009 and the TIEA will allow for exchange of information in relation to direct taxation. With this TIEA in place, the BVI's position as a corporate domicile for Asian businesses is further enhanced. This positive development, together with the HKEx's decision to accept BVI companies for listing in Hong Kong increases the appeal of the BVI to international investors. It is expected that the BVI will become even more prominent as a preferred jurisdiction for investors looking to make pre-IPO investments in China with the aim of eventually listing on HKEx.

The number of overseas jurisdictions that Hong Kong-listed firms can be incorporated in has risen to 10 following the inclusion of the BVI. The HKEx is also currently considering an application from a Jersey-incorporated company with principal operations in Russia to list in Hong Kong. In addition to the potential listing of companies domiciled in BVI and Jersey, companies incorporated in the Cayman Islands are already commonly listed on the HKEx. Ogier provides legal services in all of these jurisdictions.

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About Ogier

Ogier is an award winning world leader in the provision of offshore legal and fiduciary services. Our integrated legal and fiduciary approach has proved a winning combination which enables us to secure awards for the quality of our services and our people.

The Group employs over 850 people and provides advice on all aspects of BVI, Cayman, Guernsey and Jersey law and fiduciary services through our international spread of offices that cover all time zones and key financial markets. Our network includes Bahrain, BVI, Cayman, Guernsey, Hong Kong, Ireland, Jersey, London, Shanghai and Tokyo.

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