

The International Stock Exchange: Continuing Obligations - Debt Securities

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1. Purpose

This client briefing has been prepared in order to assist directors of companies which have listed debt securities on The International Stock Exchange (**TISE** or the **Exchange**) pursuant to the listing rules (the **Listing Rules**) of The International Stock Exchange Authority Limited (the **Authority**). The Listing Rules are available on TISE's [website](#).

An issuer is required to observe certain continuing obligations once its debt securities have been admitted to listing on TISE and this briefing should be read in conjunction with Ogier's Client Briefing entitled: The International Stock Exchange: Debt Listings.

2. Nature of continuing obligations

It is a condition of listing that an issuer executes a listing undertaking to comply with the Listing Rules and, in particular, with all relevant continuing obligations.

Observance of the continuing obligations is essential to the maintenance of an orderly market in debt securities and to ensure that all users of the market have simultaneous access to the same information.

Failure of an issuer to comply with any applicable continuing obligation may result in the Authority taking the enforcement actions set out in the Operational Matters (3) section of the Listing Rules.

Compared with other European securities exchanges, the information that is required to be disclosed on an annual basis to the Authority in respect of debt listings is not onerous.

The key matters which must be notified to the Authority following a debt securities listing on TISE are:

- change of directors (including the provision of certain further information in respect of such directors);
- change of issuer's name and registered office;
- the filing of annual audited or non-audited accounts;
- amendments to the terms and conditions of the debt securities;
- amendments to the Listing Document; and
- the partial or full redemption of listed debt securities.

Further information in relation to these matters follows below. If an issuer is ever in doubt as to whether circumstances relating to an issuer or its listed debt securities must be disclosed to the Authority, we advise the issuer to contact us.

Notifications can be made by providing Ogier Corporate Finance Limited (**OCFL**), as the issuer's listing agent, with the relevant information. OCFL will then notify the Authority and will

publish any required announcement on TISE's website (when required to do so).
Announcements may include links to information that is available elsewhere online.

Every document submitted to the Authority must be in the English language, unless otherwise agreed with the Authority.

3. General Notifications

Generally and apart from compliance with all the specific requirements of the Listing Rules, the issuer shall, within 10 business days, notify the Authority (by instructing OCFL to submit a filing and publish an announcement) in relation to any information relating to the issuer that is necessary to avoid the establishment of a false market in its securities or that might reasonably be expected materially to affect market activity in and the price of its securities.

An issuer is also required to notify the Authority, **within 10 business days**, of any information relating to the issuer as follows:

Notifications relating to the debt securities

- any new or further issues of its listed securities;
- any decision to call, purchase, redeem or cancel any of the listed debt securities by the issuer and, where applicable, make an application to de-list such debt securities; and/or
- any change to the terms and conditions of the debt securities, including any guarantees.

The issuer must submit a pdf copy of all notices of meetings of holders of the listed debt securities to the Authority (**within 10 business days**).

Notifications relating to amendments to the issuer and relevant parties

- any change in the issuer's name and/or registered address;
- any change to an issuer's registrar, custodian or auditor;
- any takeover of, merger by or offer to purchase the issuer; and/or
- any decision or proposal to change the nature of the activities of the issuer.

Notifications relating to winding up / insolvency

- any steps by the issuer to enter into administration or other forms of insolvency;
- any proposal for a corporate voluntary arrangement in respect of the issuer;
- the appointment of a liquidator, administrator, receiver, manager, trustee, nominee or other equivalent office in respect of the business or any part of the business of the issuer, its holding company or any major subsidiary; and/or
- any material application to seek the winding up or bankruptcy against or in respect of the issuer, its holding company or any major subsidiary.

4. Directors: appointments / resignations

- An issuer must notify the Authority, **within 10 business days**, of the appointment, resignation, removal or retirement of a director and the effective date of such change. Any material change in a director's holding of the issuer's debt securities or equity must also be notified.

- A newly appointed director must, **within 10 business days**, provide a signed Directors' Declaration in the form as set out in Appendix V of the Listing Rules (unless an exemption set out in Listing Rule 5.4.4 applies).
- A copy of the board resolutions (or extracts therefrom) notifying any change in the board of directors must also be provided to the Authority (if available).
- Failure to notify a change and submit the Director Declaration within the specified timeframe will result in a breach being noted on the breaches register for the issuer.

5. Financial information

- The issuer shall (within nine months of the end of the period to which its audited annual accounts or unaudited financial statements relate) provide a copy of such accounts or financial statements (or a link to publicly available information online) to OCFL who will file them with the Authority.
- An issuer must notify the Authority of any change to its accounting reference date.
- Filing of such financial information will mean that it is publicly available via TISE's website.
- In the event of late filing or non-filing of audited annual accounts or unaudited financial statements, the Authority will levy a £1,000 late filing fine. It is therefore important that such accounts or unaudited financial statements are provided to OCFL as soon as possible.

6. Convertible debt securities

If the listed debt securities may be converted into or exchanged for securities of another company, the issuer must ensure that adequate information that might reasonably be expected to materially affect market activity in, or the price of, its securities, is at all times available to the Authority, the public and the holders of the listed debt securities:

1. concerning the rights, powers and privileges of the securities into which the listed debt securities are convertible or for which they are exchangeable;
2. by providing the audited annual accounts and any half-yearly reports of the other company;
3. by providing all other information necessary for a realistic valuation of the listed securities; or
4. by stating on TISE's website where equivalent information may be obtained in respect of the company issuing the equity into which the debt securities are convertible.

7. Secondary listings

Where an issuer has its primary listing on another stock exchange it must comply with the following continuing obligations in respect of its secondary listing on TISE:

- Information that is required to be disseminated pursuant to the Listing Rules must not be given to a third party before it is notified to the Authority except as permitted by the Listing Rules.
- An issuer may give information in strict confidence to its advisers and to persons with whom it is negotiating with a view to effecting a transaction or raising finance, including prospective underwriters, providers of finance or loans or the places of the balance of a

rights issue or any other placing not taken up by holders of the securities. In such cases, the issuer must advise the recipients of such information that it is confidential and that they should not deal in the issuer's debt securities before the information has been made available to the public.

- An issuer whose debt securities are listed on TISE and on any other exchange must ensure that equivalent information is simultaneously made available to the Authority and such other stock exchange.

8. Listing payment-in-kind notes (PIK Notes, also known as Funding Notes/Bonds)

It is possible to list PIK Notes on TISE. Typically, OCFL will apply for in principle consent to list PIK Notes (as and when they are issued) at the time of making the listing application for the admission of the principal debt securities to be listed.

An application can be made to list an unlimited number of PIK Notes or alternatively an "up to" number or ceiling can be set.

Please note that if any PIK Notes to be listed are fully fungible with the existing debt securities (i.e. they are to form a single series/the same class as the existing debt securities), then the PIK Notes must be listed **as soon as possible** after they are issued (ideally on the same day). Otherwise, if they are not the issuer will be in breach of the Listing Rules (all debt securities forming the same class must be listed when they are issued).

If the PIK Notes are not fully fungible with the existing debt securities, then the first PIK Notes that are issued can be listed following issuance. However, any further PIK Notes that are issued will be fully fungible with the first PIK Notes and should therefore be listed **as soon as possible** after they are issued.

We can advise on the most efficient process to deal with listing PIK Notes on an on-going basis.

9. Annual fees

The Authority charges an annual fee of £1,200 per class of debt securities listed.

The first annual listing fees will be payable in advance along with the initial listing fee. Subsequent annual fees will be payable within **30 days** of the anniversary of the listing date. The Authority has indicated that debt securities may be delisted if the annual fee is not received within this timeframe.

Should an issuer whose debt securities are granted a listing on TISE fail to pay the prescribed initial and annual fees to the Authority in accordance with the Listing Rules, then the Authority may suspend dealing in or cancel the listing of the issuer's debt securities (as the case may be), at the Authority's discretion.

OCFL also charges an annual responsibility fee for acting as listing agent to the issuer.

10. Enforcement actions

If the Authority considers that an issuer has contravened the Listing Rules it may, where it considers it necessary for the protection of investors or the maintenance of an orderly market, take one or more of the following actions:

- censure the issuer, which may include a formal written notice of censure being served upon the issuer and the requirement that the issuer provide a written explanation of its actions to the Authority and an undertaking to rectify the breach immediately;
- publish the fact that the issuer has been censured for failing to comply with the Listing Rules;
- refer the matter to the relevant criminal prosecuting authorities if empowered to do so and without notice if appropriate; and
- suspend or cancel the listing of all or any of the issuer's debt securities.

Unless the Authority considers that the maintenance of the smooth operation of the market or the protection of investors otherwise requires, the Authority will give advance notice to the parties involved on any action which it proposes to take and will give them an opportunity to make representations to the Authority.

If you have any queries in relation to the above continuing obligations requirements, please contact a member of the Ogier Listings Team.

About Ogier

Ogier provides practical advice on BVI, Cayman Islands, Guernsey, Jersey and Luxembourg law through its global network of offices. Ours is the only firm to advise on these five laws. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

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