

Business Update:

Using Isle of Man Companies as listing vehicles

A company incorporated under the Isle of Man Companies Act 2006 (the “Act”) (an “NMV”) offers significant benefits for use in an IPO.

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| <ul style="list-style-type: none"> • Established track-record of listing Isle of Man companies on recognised stock exchanges (including London, Singapore, Frankfurt and Toronto). | <p>Many Isle of Man companies have been listed successfully on a number of recognised exchanges as vehicles for raising equity or debt. The Hong Kong Stock Exchange (“HKSE”) has also recently approved the Isle of Man as an Acceptable Overseas Jurisdiction thus paving the way for the flotation of Isle of Man holding companies on the HKSE.</p> |
| <ul style="list-style-type: none"> • Outstanding international reputation | <p>The Isle of Man is an “AAA” rated jurisdiction which was immediately “white-listed” by the OECD in April 2009. In the words of the Minister of the UK Ministry of Justice, the Isle of Man “leads the way in terms of how small jurisdictions with financial services should operate”.</p> |
| <ul style="list-style-type: none"> • Standard 0% rate of corporation tax | <p>No capital gains tax, stamp duty or withholding tax on the payment of dividends or interest is payable.</p> |
| <ul style="list-style-type: none"> • Quick and simple incorporation process with an incorporation fee of £195 and an annual filing fee of £360 | <p>Incorporating an NMV generally takes no more than two business days from filing of the relevant documents with the Isle of Man Companies Registry (the “Registry”).</p> |
| <ul style="list-style-type: none"> • No regulatory approvals required | <p>A closed-ended company is not subject to financial services regulation in the Isle of Man and there is no requirement to obtain pre-incorporation approval from any government agency.</p> |
| <ul style="list-style-type: none"> • No distinction between public and private companies | <p>Subject to any restrictions in a company’s constitutional documents, any type of company incorporated under the Act may offer its securities to the public.</p> |
| <ul style="list-style-type: none"> • No depositary receipts | <p>Shares in an Isle of Man company can be traded through CREST without the need for depositary receipts.</p> |
| <ul style="list-style-type: none"> • No approval required to issue and transfer securities | <p>No Isle of Man regulatory approval is required for any issue or transfer of securities by an NMV.</p> |
| <ul style="list-style-type: none"> • Limited offering document requirements | <p>No requirement to file the offering document with the Registry. No prescriptive content requirement for offering documents. Such documents must contain all material information required to enable informed investment decisions to be made by recipients.</p> |
| <ul style="list-style-type: none"> • Simple statutory requirements relating to a distribution | <p>Subject to satisfying a statutory solvency test, the directors may make a distribution (including a dividend) without the need for a formal members’ resolution (unless provided otherwise in the company’s constitutional documents).</p> |

Business Update:
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| <ul style="list-style-type: none"> • Simple requirements relating to share buy-backs and an increase /decrease in a company's share capital | Traditional company maintenance of capital rules do not apply. The Act only requires that an approving directors' resolution be passed and, where a share buy-back or return of capital is contemplated, the satisfaction of the statutory solvency test. |
| <ul style="list-style-type: none"> • No financial assistance or related party prohibitions | There is no prohibition under the Act on a NMV providing financial assistance, entering into any interested person transaction and/or providing loans to its directors. |
| <ul style="list-style-type: none"> • Simplified merger and consolidation provisions | A NMV may be merged with one or more other Isle of Man companies by following an administrative process with no need for the involvement of the courts. |
| <ul style="list-style-type: none"> • Easy redomiciliation process | The Act makes provision for certain companies formed elsewhere to change its jurisdiction of incorporation to the Isle of Man by following a straightforward procedure. |

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For more information please contact:



Isle of Man Office

Richard Vanderplank
e-mail: richard.vanderplank@cains.com
Tel: +44 1624 638316



Isle of Man Office

Tristan Head
e-mail: tristan.head@cains.com
Tel: +44 1624 638393



London Office

Geoff Kermeen
e-mail: geoff.kermeen@cains.com
Tel: +44 20 7367 0036



Singapore Office

Mike Edwards
e-mail: mike.edwards@cains.com
Tel: +65 6307 9928

www.cains.com

Please note that this guide is intended to provide an introduction to the Isle of Man and the possibilities that exist for establishing various types of structure in the jurisdiction. It seeks only to give the reader an overall view of the subject and is not a substitute for special advice.

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Directors: A J Corlett, R V Vanderplank, J R G Walton, S F Caine, P B Clucas, M T Edwards, T M Shepherd.

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