



## Brexit - Listing debt securities on the Irish Stock Exchange as an alternative to the London Stock Exchange

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Following the decision of the UK to leave the EU, issuers of debt securities will need to re-consider their preferred market for listing purposes.

At present it is unclear whether the London Stock Exchange would continue to be regarded as a regulated market for purposes of the Prospectus Directive and other EU securities laws after the date on which the UK's departure from the EU takes effect.

Unless an arrangement for mutual recognition is reached between the UK and EU or, failing that, such arrangements are reached on a bilateral basis between the UK and individual EU Member States it, seems that the main securities market (MSM) of the Irish Stock Exchange (ISE) will offer the main credible alternative within the European Union for issuers who currently list on the London Stock Exchange for purposes of availing of EU wide passporting or who are required to list on an EU regulated market for some other purpose.

Given Ireland's commitment to remain a member of the EU, we anticipate that business as usual apply to all existing issuers who have listed their securities on the Irish stock exchange. This is the case for both the MSM and the Global Exchange Market<sup>1</sup> The purpose of this advisory is to inform clients of the alternative offered by the MSM to issuers who currently list on the regulated market of the London Stock Exchange.

### The Main Securities Market of the Irish Stock Exchange

The MSM is a regulated market for the purposes of the Prospectus Directive. As such issuers of debt securities listed on this market must publish a prospectus in compliance with the Prospectus Directive and the full suite of EU securities legislation including the Market Abuse Directive and Transparency Directive must be considered.

### MSM listing procedure

The Prospectus Directive requires persons who make an offer of securities to the public and/or seek admission of securities to trading on a European Economic Area (EEA) regulated market, such as the MSM, to publish a prospectus that is subject to prior approval by a competent authority of an EEA state. The competent authority in Ireland under the Prospectus Directive is the Central Bank of Ireland (the CBI).

Where an issuer seeks to list on the MSM, Walkers conducts a dual prospectus approval and listing process where we liaise with the CBI to review and approve the prospectus and we liaise with the ISE to satisfy the ISE's listing rules and conditions and, ultimately, to admit the securities to listing.

In our capacity as listing agent we are responsible for co-ordination of the listing process including all communications with the ISE and the CBI. The initial review of a prospectus at both the ISE and CBI is conducted within 3 business days and each subsequent review within 2

<sup>1</sup> The GEM is an exchange-regulated market operated under the supervision of the ISE. As GEM is not a regulated market for the purposes of MiFid, securities listed on GEM are not subject to the requirements of the Prospectus and Transparency Directives. However, the GEM is a multilateral trading facility under MiFid and the ISE operates the GEM under the supervision of the Central Bank of Ireland.



business days. We manage the reviews in tandem in order that, following each submission, you receive one set of comments from Walkers reflecting both ISE and CBI queries. A typical listing process, involving an appropriately drafted prospectus, may require 3 submissions and once a prospectus has been cleared of comments, we coordinate the simultaneous approval of a prospectus and admission of securities to listing. A listing on the ISE is therefore facilitated in a highly efficient and responsive timeline.

## Reasons for listing on the Irish Stock Exchange

### Marketing to investors

A listing on an EU market such as the MSM or GEM facilitates the sale and distribution of securities to investors who are otherwise precluded from investing in unlisted securities, whether for regulatory or other reasons e.g. institutional investors, pension funds.

### Tax Advantage

One of the primary reasons issuers of debt securities seek to list on the ISE is to avail of the quoted Eurobond exemption from withholding tax which can apply in certain circumstances to interest payments made on such securities.

### Passporting

A listing on the MSM allows issuers to avail of a passport to list securities on other EEA regulated markets and to offer securities to the public in other EEA nominated states.

### Reputation

The ISE is recognised as one of the leading stock exchanges in the EU for debt security listings and continuously adapts to the ever-changing debt markets. The ISE has built a strong reputation as an approachable, responsive and adaptable exchange.

### Guaranteed Timing

The ISE guarantees an initial review of an offering document within three business days and subsequent reviews within two business days. This certainty of timing is essential to issuers bringing products to market.

### Expert Personnel

The listing teams at the ISE and CBI comprise highly proficient and experienced personnel whose aim is to provide consistent application of the ISE's requirements.

### Transparency

A listing on the ISE requires issuers to comply with certain continuing obligations requirements which ensures dissemination of material information to the markets and investors on a timely basis.

## Walkers Listing Services

Walkers Listing Services Limited (WLS) is a registered Listing Agent of the ISE and is recognised as a Prospectus Advisor by the Central Bank of Ireland (the CBI).

Our team is vastly experienced and has an excellent knowledge of the disclosure requirements of the Prospectus Directive, Transparency Directive and Market Abuse regime and the relevant Irish implementing regulations and rules and requirements of both the ISE and CBI



## Key Contacts

If you have any queries on the above or would like to discuss in more detail please do not hesitate to contact us or your regular Walkers contact.



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This advisory is part of a series of client advisories on the potential impact of Brexit prepared for clients of Walkers' office in Ireland. The full series may be found in the Brexit section of our website.

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