

# REASONS FOR LISTING

In general, there are a number of reasons for companies to list their securities. These reasons differ and strongly depend on the structure and needs of an individual company, its shareholders and its management. In the vision of the DCSX, important advantages of a listing on the DCSX per se are:

## Recognition/Expansion

- Attract new capital and broadening of shareholder/investor base;
- Marketability of products in a well regulated and exchange controlled environment;  
An increased visibility and the improvement of the tradability of shares;
- An indicative price set by market forces;
- Economic alternative for smaller issues that lack the size to meet the listing requirements of larger exchanges.

## Wealth management

- Asset protection and wealth management structuring possibilities;
- Increase transparency and ease of securities exchange/allocation;
- Ability for private and family owned companies to list in preparation for future privatization or attraction of capital.

## Regulation

- It meets regulatory requirements that require institutional investors to invest a major proportion of assets in publicly listed instruments;
- Creates fiscal substance in the region and for some jurisdictions it can facilitate the listing of international funds (and other securities) that are restricted from listing on that particular exchange without having previously been listed on another recognized exchange.

## International tax advances

- Several possible Fiscal advantages;
- No withholding tax levied on the distribution of dividends from Curaçao;
- Transactions on the DCSX are not subject to stamp duties, sales turnover or any other form of similar taxation;
- Avoid limitative foreign exchange laws in the home country.



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# DUTCH CARIBBEAN SECURITIES EXCHANGE

The Dutch Caribbean Securities Exchange (DCSX) is an international Exchange for the listing and trading in both domestic (i.e. Curaçao based) and international securities (bonds, equities and funds). The DCSX provides local as well as international companies and Investment funds with a time- and cost-efficient listing procedure.

## DCSX CHARACTERISTICS

### Efficient Operations

- Cost- and time effective listing procedures;
- A transparent organization and listing process;
- Listings in USD, EUR and ANG and several other major currencies;
- Highly competitive fee structure.

### Financial expertise

- A highly developed financial services environment;
- Extensive professional presence in the financial and legal field;
- Both Civil- and Anglo-Saxon structures possible;
- White-listed status by the OECD;
- A- country rating by S&P.

### Affinity with the target market

- Creation of financial products, aimed at the Latin American and international markets;
- In-dept knowledge of the fiscal requirements and providing products that meet the requirements of the international investors and fund managers;
- Very important similarities with Latin America such as: Civil law, language, culture.

### Efficiency, transparency and competitive fees

DCSX listing regulations are tailored to the needs of the market. Participants are obliged to the disclosure of vital information through a very clear listing process, in which participants are guided through the administrative procedures. It offers

great transparency to investors and guarantees visibility for the issuer at all times. Listing fees are, as stated before, highly competitive.

### Self-regulatory and supervised

The DCSX is a Self-Regulatory organization. It is membership-owned and supervised by a board of experienced professionals from the financial and legal community. The DCSX is licensed by the Minister of Finance and external supervision is executed by the Central Bank of Curaçao and St. Maarten. It has a one-tier Management Board with executive and non-executive directors. There is an Appeals Committee in place in case arbitration is necessary.

### Highly developed financial environment

The DCSX operates in a stable and highly developed financial services environment. The Curaçao financial center in which it operates has a long-standing reputation that dates back to the early 1930's. The Civil Law system of Curaçao is in accordance with Dutch law and offers a high-standard alternative for Anglo-Saxon legal and regulatory framework of the regional exchanges. The highest legal recourse is with the Supreme Court of the Netherlands.

### Listing Advisors

Any company that wants to list on the DCSX must appoint a Listing Advisor (LAD) that is approved by the exchange. To apply for the status of LAD, a party must have a thorough understanding of the listing process and be able to put together a team of specialists that will assist the issuing company.

A LAD assists with the listing process and stays closely connected to the specific company during the entire period of being listed on the DCSX. The LAD is the coordinator between the issuer and the exchange at all times and is responsible for the correctness of information. It guarantees that the issuer fulfils all its duties with regard to transparency and information requirements. A company can issue its securities for a public or a private placement on the DCSX. In both cases, the LAD coordinates the entire listing process.

# PUBLIC AND PRIVATE PLACEMENTS

A public offering can only take place after all regulatory requirements of the DCSX for an IPO (Initial Public Offering) in the primary market or the issuance for secondary offering of listed stocks have been complied with.

A private placement takes place when securities or other investment products are sold to a limited number of investors. Although the rules of a private placement are less stringent than that of a public placement, it can only take place after all regulatory requirements of the DCSX have been met.

| DCSX Listing Process   |  |
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| INITIAL PUBLIC OFFERING  | PRIVATE PLACEMENT  |
| <b>Step 1. Partner Selection:</b><br>Listing Advisor/ Brokers  | <b>Step 1. Partner Selection:</b><br>Listing Advisor/Broker  |
| <b>Step 2. Preparation:</b><br>Prospectus/Information Memorandum, Legal, Accounting  | <b>Step 2. Preparation:</b><br>Offering Circular/ Private Placement Memorandum   |
| <b>Step 3. Registration:</b><br>DCSX   | <b>Step 3. Registration:</b><br>DCSX   |
| <b>Step 4. Listing:</b><br>Tradeable Listing <ul style="list-style-type: none"> <li>• Approval Listing Committee</li> <li>• Dematerialization of Shares</li> <li>• Deposit with Custodian</li> <li>• Trading</li> </ul> Technical Listing <ul style="list-style-type: none"> <li>• Approval Listing Committee</li> <li>• Direct Listing</li> </ul> | <b>Step 4. Listing:</b><br>Tradeable Listing <ul style="list-style-type: none"> <li>• Approval Listing Committee</li> <li>• Dematerialization of Shares</li> <li>• Deposit with Custodian</li> <li>• Trading</li> </ul> Technical Listing <ul style="list-style-type: none"> <li>• Approval Listing Committee</li> <li>• Direct Listing</li> </ul> |