



Dutch Caribbean
Securities Exchange

Listing on a Securities Exchange

General information for companies who are considering listing on a Securities Exchange



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Introduction

Financial Institutions, companies, and individuals on Curaçao have significant 'idle savings' that are currently not being invested back into the economy or at least not quickly enough. These savings are sitting in local and foreign investment accounts – generating often times very low returns. At the same time, it is understandable that financial institutions have to be very careful when dealing with other people's money. Financial institutions must have a well-balanced risk appetite. So, what we can do to as yet kick-start investment and finance activity?

One of the goals of the DCSX is to provide a platform where investors (the mentioned 'idle savings') can be connected to business in the Dutch Caribbean that wishes to expand or have a specific initiative in mind, on a transparent platform, thereby providing increased returns to investors, and a growing the economy. The DCSX provides this platform to Dutch Caribbean and the world.

The mission of the DCSX is to create prosperity by connecting investment opportunities for investors. Investment opportunities are created by companies who list on the exchange. By being listed on the exchange companies get connected to investors. But how does it work? When a company is considering being listed on the exchange, the company needs to select a DCSX appointed Listing Advisor (LAD) and a DCSX appointed listing Broker. The LAD will guide the company through the process of listing. This works as follows.

Prospectus or Listing Memorandum

First, the company needs to prepare a Prospectus / Listing Memorandum / Information Memorandum, which is similar to an extensive Business Plan/Case. This does not mean that the prospectus needs to be extensively long. A good case can be made in 40 pages, including all the required information. The LAD will guide the company on how to prepare the prospectus. The next step is to provide the required KYC (Know Your Client) documentation for which the LAD is responsible to deliver to the DCSX.

Approval Process

After the prospectus has been reviewed by the DCSX staff, it will be sent to the Listing Committee who will review and approve (or not) the listing.

Road Show

Once the listing is approved it is up to the LAD and the issuer/company to promote the listing with a road show with the help of the selected DCSX appointed Broker. Why is a road show important? It will let people know about your product or project. The Listing itself is not a guarantee that you will obtain all the necessary financing you are seeking. The road show is what will make a difference: that is where the company sells itself.

Successful Stories

The first local listing on the DCSX was the bond issuance for Building Depot Member Services (“BDMS”). BDMS is a consumer finance company operating under Building Depot Holding, which provides in-store credit to shoppers of Building Depot. The BDMS chose for a bond issuance on the DCSX and successfully raised funds. This was possible with the help of the financial advisor, the LAD, and Brokers that used their extensive connections in the Caribbean to raise the required capital in a very short period.

The next success story belongs to Curaçao Heritage Fund which also chose for a bond issuance on the DCSX and successfully raised the required funds. The Fund was established by the Curaçao Financial Group (CFG) who needed financing to acquire several Pietermaai Buildings from the present owners.

As you can see there is a clear appetite for these type of bond investments in the Dutch Caribbean. This should now develop into a well functioning and liquid capital market where investors cannot only buy and hold but actual trade their investments. The DCSX is the platform where this can take place. The DCSX is a marketplace not a bank or pension fund. As such the DCSX is not competing but is there to fill a need/gap in the capital market.

Why List?



1. *Recognition / Expansion*

- Attract new equity in private or public companies
- Marketability of products in a well regulated and exchange controlled environment
- Increase visibility and to improve the tradability of their shares
- Have an indicative share prices set by market forces

2. Wealth Management

- Focus on Financial planning and Asset Protection
- Focus on Investment Portfolio
- Increase transparency and ease of share exchange
- Increase transparency and ease of share allocation

3. Regulation

- Complies with substance in the Dutch Caribbean
- Meet market entry level regulations
- Increase trust through a well-regulated environment
- Meet regulatory requirements that require institutional investors to invest major proportion of assets in publicly listed instruments

4. Other International advantages

- Increase visibility of their shares
- Increase market presence
- Improve tradability of their shares
- Have an indicative share prices set by market forces

Listing Process

Offering Types

A legal entity, regardless of its industrial sector or country of origin, may request a listing on DCSX. The entity can issue its securities through a public or a private placement:

1. Public Offering: offering to the investment public, after the registration requirements with the DCSX have been complied with of new securities (IPO) or a secondary offering of previously offered stock.
2. Private Placement: the sale of securities or other investments products directly to a limited number of investors.

DCSX Listing Process

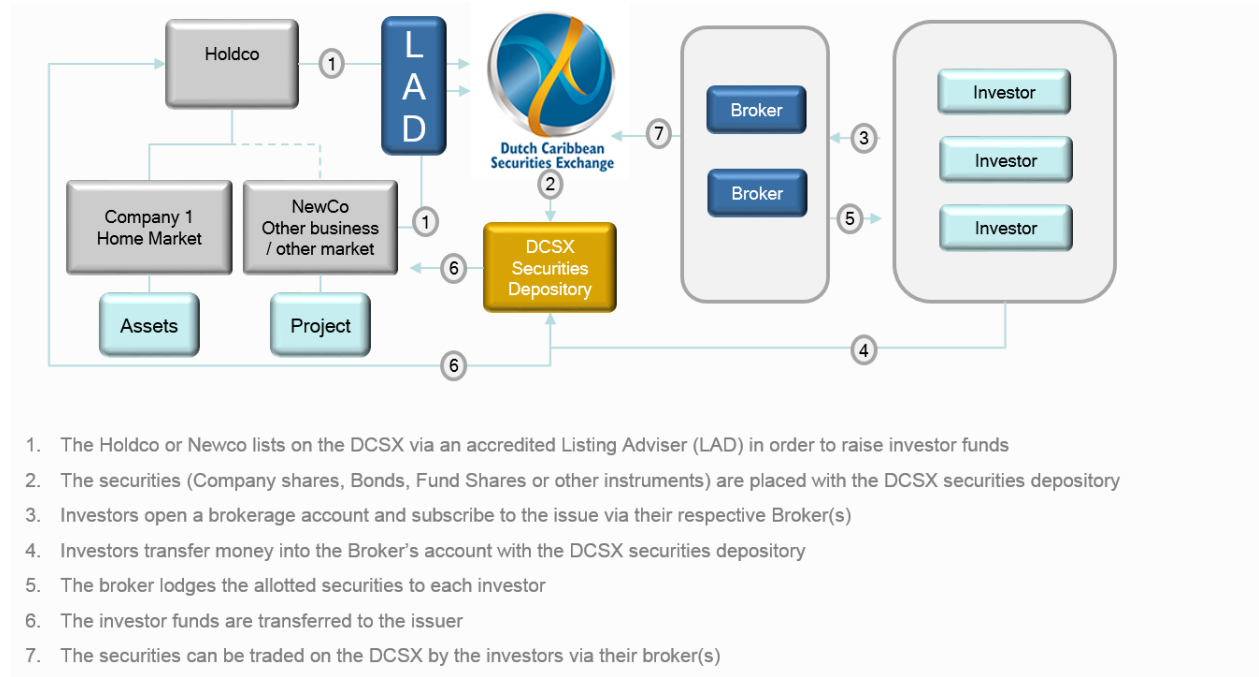
Public Offering	Private Placement
Step 1. Partner Selection: Listing Advisor/ Brokers	Step 1. Partner Selection: Listing Advisor/Broker
Step 2. Preparation: Prospectus/Information Memorandum, Legal, Accounting	Step 2. Preparation: Offering Circular/ Private Placement Memorandum
Step 3. Registration: DCSX	Step 3: Registration: DCSX
Step 4. Listing: Tradeable Listing <ul style="list-style-type: none">- Approval Listing Committee- Dematerialization of Shares- Deposit with Custodian- Trading on Main Market Technical Listing <ul style="list-style-type: none">- Approval Listing Committee- Direct Listing on Entry Market	Step 4. Listing: Tradeable Listing <ul style="list-style-type: none">- Approval Listing Committee- Dematerialization of Shares- Deposit with Custodian- Trading on Main Market Technical Listing <ul style="list-style-type: none">- Approval Listing Committee- Direct Listing on Entry Market

The objective is to provide a cost-effective listing, while ensuring that certain standards are met to ensure investor confidence.

Once the instrument is listed (Public Offering or Private Placement), all interested investors, with a brokerage account at the selected DCSX approved Broker(s) of the Legal Entity's listing, will be able to trade/invest.

To meet investor expectations in terms of transparency, companies are required to communicate to the DCSX key information to the market, interim internal and (audited) annual statements, group management discussions and analysis, and in general any information that is of “material importance” for the investor, through their selected DCSX approved Listing Advisor.

Basic oversight “players” in DCSX listing process:



This oversight flow chart was prepared by Amergeris Global and Exchange Services N.V. (an approved DCSX LAD)

Listing Requirements

Initially, each potential Technical or Tradeable listing must nominate a Listing Advisor and submit a listing application letter accompanied with the following:

Declarations:

- A Director's Undertaking
- An Issuer's Undertaking
- Listing Advisor declaration

Documentation:

- A Prospectus signed off by the Listing Advisor
- Audited Financial Statements of previous 2 years

Continuing obligations:

- Market data
- Corporate actions
- Comply with the rules of the DCSX

A more detailed description of listing requirements for Technical and Tradeable listings can be downloaded here: <https://www.dcsx.cw/downloads/>

Specific product related listing requirements can be obtained through the Listing Advisor.

Listing Fees

The Exchange will charge initial listing fees (Listing Application Fee), payable on application, for each class of securities for which application is made for listing. Once approved by the DCSX, the Annual Listing Fees will be charged and are due within seven (7) days of written confirmation to the LAD. An overview of our fees is available for download [here](#).

DCSX Schedule of Fees



Membership Fee

Class B share purchase	USD 60,000
Application fee	USD 5,000
Annual Membership Fee	USD 5,000

Listing Advisor (LAD) Fees (for non-members)

Non-refundable LAD Application Fee	USD 3,500
Annual LAD Fee	USD 4,000

Exchange Trading Fees

DCSX Commission on Trading	0.15% on both sides
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Listing Fees

The Exchange will charge initial listing fees, payable on application, for each class of securities for which application is made for listing. Once approved by the DCSX, annual listing fees will be due within seven (7) days of written confirmation to the LAD. These initial fees are standard fees. In exceptional cases, a Listing requires the Exchange to assist in the listing process beyond normal guidance and support. In such cases, the Exchange has the right to charge additional service fees. This will always be communicated through and with the respective LAD.

Equities

Equity Securities (according to monetary/market value of securities)	Tradeable Listing			Technical Listing		
	Initial*	Annual**	Total***	Initial*	Annual**	Total***
Up to USD 5 million	USD 5,000	USD 4,000	USD 9,000	USD 3,500	USD 3,500	USD 7,000
Up to USD 10 million	USD 5,500	USD 5,000	USD 10,500	USD 4,000	USD 4,000	USD 8,000
Up to USD 50 million	USD 6,000	USD 7,500	USD 13,500	USD 4,500	USD 4,500	USD 9,000
Up to USD 100 million	USD 7,500	USD 8,500	USD 16,000	USD 5,500	USD 7,500	USD 13,000
Over USD 100 million	USD 10,000	USD 10,000	USD 20,000	USD 8,500	USD 8,500	USD 17,000

* (per class)

** (per class)

*** (payable on application - per class)

Bonds / Debt

Debt (Program)	Tradeable Listing			Technical Listing		
	Initial*	Annual**	Total***	Initial*	Annual**	Total***
Debt (Program)	USD 3,500	USD 3,000	USD 6,500	USD 3,000	USD 2,500	USD 5,500
Per series under program	USD 1,000	USD 500	USD 1,500	USD 750	USD 250	USD 1,000

* (per application-including all co-issuers/series/classes)

** (payable on initial application - covers all co-issuers/series/classes)

*** (payable on application)

Funds

Fund	Tradeable Listing			Technical Listing		
	Initial*	First Annual**	Total***	Initial*	First Annual**	Total***
Fund	USD 3,500	USD 3,500	USD 7,000	USD 3,000	USD 3,000	USD 6,000
	Subsequent Annual****			Subsequent Annual****		
1.	USD 3,500			1.	USD 3,000	
2.	USD 4,000			2.	USD 3,500	
3.	USD 5,000			3.	USD 4,000	
4.	USD 6,000			4.	USD 5,000	
5.	USD 7,000			5.	USD 6,000	
6.	USD 8,000			6.	USD 7,000	
7.	USD 9,000			7.	USD 8,000	
8.	USD 10,000			8.	USD 9,000	
9. upwards:	USD 500 per additional sub-fund/class.			9. upwards:	USD 500 per additional sub-fund/class.	

* (per PPM, per issuer - including all share classes/sub-funds)

** (per issuer - including all share classes/sub-funds)

*** (payable on application)

**** (per line item according to number of share classes/sub-funds/series)

Delisting Fees

	Tradeable Listing	Technical Listing
DCSX Delisting Fee	USD 3,000	USD 3,000

Third party due diligence fee for Asia listings

Non-refundable due diligence fee for Asia listing requests	USD 40,000
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As of January 2020

Above prices do not include 6% taxes

Listing Advisors (LAD)

DCSX has created a LAD status for reputable Listing Advisor firms to assist and sponsor the issuer in the listing procedure. The LAD acts as coordinator between the issuer and the Exchange at all times. Any company or fund that seeks to list on DCSX must have a LAD, both in the process of the listing and throughout its life as a listed entity. The LAD will be accountable for the correctness of information and ensures that an issuer fulfils its transparency requirements.

Pre Listing

The LAD will guide the issuer through the entire process of the listing. Also, conducts due-diligence to obtain assurance that the prospectus or the offering circular provides a true and fair view of the company and that it has been prepared in compliance with the legal requirements and DCSX rules.

Post Listing

Once the company is listed, the LAD must help the listed company to fulfill its obligations to the DCSX and the investors. The LAD will inform the DCSX immediately of any discrepancy in the flow of information or when the issuer fails to meet any of its obligations.

The LAD license can be awarded by DCSX to financial service providers, legal sponsors as well as audit firms. The DCSX appoints a LAD after a formal filing has taken place and ensures that those LADs will respect their commitments.

For Issuers:

The LAD plays a key part in the preparation of the public offer or private placement and helps the listed company to fulfill its ongoing obligation to disclose information.

For Investors:

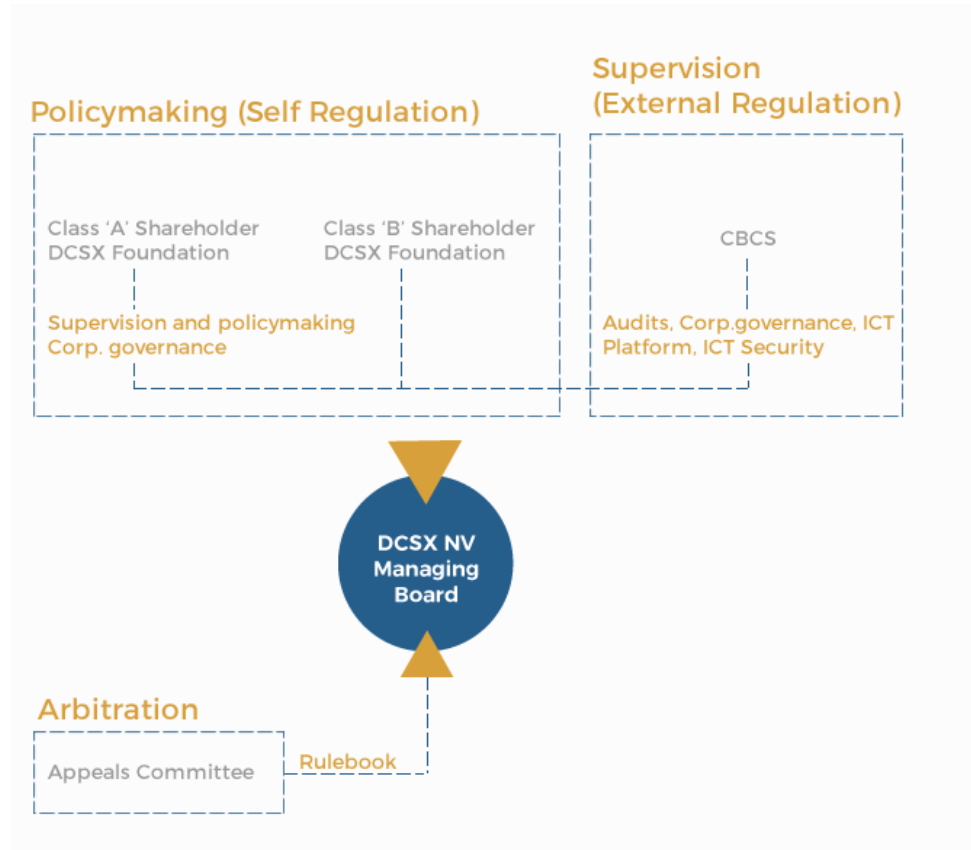
The LAD plays a defining role for investors as it ensures that the listed company will fulfill its obligation to inform the public of market relevant data.

Regulation

The DCSX is a regulated membership organization, licensed by the Minister of Finance and supervised by the Central Bank of Curaçao and Sint Maarten. It has a set of well-defined rules to regulate and supervise the market and its participants.

Measures have been taken to ensure the DCSX, once in operation, functions fairly through:

- Ongoing information disclosure;
- Supervision by The Central Bank of Curaçao and Sint Maarten;
- Regulation by a board of independent experienced representatives of the financial community;
- An Appeals committee.



Please contact us at info@dcsx.cw for any practical questions you may have.