



LISTING OF DEBT SECURITIES



Want to generate more business by bringing your professional profile to public notice?

At LFX, we provide the investment community with opportunities to list a range of debt securities for investors to choose from.

THE LFX ADVANTAGE

Labuan International Financial Exchange is a full-fledged, international exchange with listing and trading facilities for a wide range of financial instruments and securities in multi-currencies. These can be based on either conventional or Islamic (Shariah) principles.

LFX is investor-friendly, market-driven and transparent - an ideal funding mechanism for international companies seeking to raise capital effectively and efficiently. As a one-stop financial exchange, LFX offers the full spectrum of services from submission of application, approval, listing, trading, settlement and as depository for the instruments listed. Subject to conditions being met, licensing and listing applications are approved within 7-10 and 3-5 market days respectively.

Not only that. Our liberal rules allow you to submit your application electronically via the @LFX System, available on the LFX [website www.lfx.com.my](http://www.lfx.com.my). And being a web-based Exchange, you can trade without interruption from anywhere in the world, while your clients or investors can have access to timely information regarding their investments.

GETTING THE ELEMENTS RIGHT

These requirements apply to the following:

- Bonds such as Sovereign Bonds, Government Bonds, Corporate Bonds etc
- Notes such as Treasury Notes, Floating Rate Notes (FRNs) etc
- Bills such as Treasury Bills etc
- Debentures
- Other bond investments eg. Asset-Backed Security, Mortgage-Backed Security, Collateralised Mortgage Obligations (CMOs), Treasury Mutual Funds, Convertibles, Bonds with Warrants etc
- The securities listed on LFX must be placed in custody with Citibank Worldwide Securities Services and Deutsche Bank (Malaysia) Berhad, LFX's appointed settlement and depository service providers or alternatively issuers' existing custodian banks that have access to global clearing and settlement houses
- Directors must, collectively, have adequate experience and expertise in management of specialist securities
- Directors must, individually, be responsible for the contents of listing documents by stating such responsibility in these documents
- The Manager or Arranger must demonstrate appropriate experience and expertise in the management of specialist securities i.e. track record etc

PRE-REQUISITE FOR LISTING OF DEBT SECURITIES

To be eligible for listing, the issuer must comply with the following conditions:

- The issuer must be incorporated or established according to the relevant laws of its place of incorporation and establishment or be acceptable to the Exchange
- Must have appointed an independent auditor
- All service providers must disclose any conflict of interest in the operation of the securities
- The securities must be freely transferable and able to be traded on equal basis i.e. rank pari passu

- All audited annual accounts or interim financial statement or statement of NAV must be prepared in accordance with the United States (“US”) or United Kingdom (“UK”) Generally Accepted Accounting Principles (“GAAP”) or International Accounting Standards (“IAS”)

PUTTING IT TOGETHER

Contents of Listing Documents

The documents must contain all material information that a knowledgeable investor would require or expect to have in order to make an informed assessment of the issuer and the securities to be listed. As Debt Securities cover a variety of financial instruments, the following details are to be included where applicable:

General Information

- a) Details including name, business address and domicile or legal constitution of funds
- b) Responsibility statement by the directors of specialist securities
- c) Disclosure of all principal risks
- d) Details of manager/arranger, advisers and underwriters
- e) Summary of business and operations of applicant issuer

General Description

A statement that application has been made to list i.e. declaration of undertaking

- a) Description of the nature, amount and price of issue, details of valuation, the date from which interest becomes payable and due dates for interest
- b) Arrangement for amortization, including repayment procedures
- c) Estimated sources and uses of proceeds
- d) Details of auditors and other service providers
- e) Disclosure of any pending legal proceedings

Investment Policy and Restriction of Specialist Securities

- a) Description of investment objectives and policies
- b) Description of principal strategies and restrictions Management of Securities

Management of Securities

- a) Details of service agreements and aggregate remuneration of directors

- b) Disclosure and a summary of provisions of all material contracts

Other Related Information

- a) Procedures of redemption
- b) Costs of investments
- c) Tax information
- d) Dividends & distributions
- e) Underwriting arrangement
- f) Continuing disclosure
- g) Maturity schedule
- h) Insurance policy
- i) Ratings
- j) Trust deed
- k) Board resolutions
- l) Registrar

Continuing Obligations

Disclosure of material changes for dissemination

Immediate notification to the Exchange is required for any price sensitive information, material changes in management, material developments or operational changes and any material changes in performance or the financial position of listed specialist securities.

Audited financial statements

Audited annual reports and accounts are to be sent to the Exchange and shareholders within six months of the period to which they relate. These annual reports and accounts and any interim financial accounts published must be made available upon request.

Marketing materials

A complete file of any marketing materials must be maintained by the issuer of the listed specialist securities and must be made available upon request to the Exchange's authorised representative.

Disclaimer: Notwithstanding the performance of these requirements, LFX reserves the right to make any changes from time to time. Any changes to the requirements will be communicated to the users within reasonable time. In any event, users are advised to contact LFX further for clarification.

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