

**BAHAMAS INTERNATIONAL SECURITIES EXCHANGE  
LIMITED**

**BISX PRIVATE MARKET RULES**

**SECTION 1: LISTING RULES**

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**SECTION 1: LISTING RULES**

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## Subsection 1: General Principles

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1. The Private Market Rules are designed to ensure that investors and issuers have access to liquidity and transparency in the listing and trading of non-public securities, and in particular that:
  - (i) the securities for which an application for listing have been made are suitable; and
  - (ii) the issue and marketing of securities is conducted in a fair and orderly manner pursuant to the BISX Rules and the Securities Industry Act, 2024; and
  - (iii) investors are given sufficient information to enable them to make a properly informed assessment of an issuer and of the securities for which listing and trading are sought; and
  - (iv) all holders of private market securities are treated fairly and equally.
2. The Private Market Rules are not exhaustive and the Exchange may impose additional requirements or make listing subject to special conditions whenever it considers it appropriate. The Exchange may waive, modify or not require compliance with these Private Market Rules in individual cases, as a variety of circumstances may exist which require the Exchange to make decisions based on specific circumstances.
3. The Exchange retains the discretion to accept or reject applications. Prospective private market issuers are therefore encouraged to contact the Exchange to discuss application of the rules.
4. References made to issuer should also be read as referring to Directors where the circumstances apply.

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## Subsection 2: Conditions for Admission to Listing

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### 2.1 General

This sub-section sets out the basic conditions that must be met as a pre-requisite to the listing of Private Market securities on the Exchange. These requirements are not exhaustive, and the Exchange may impose additional requirements in any particular case.

All applicants seeking admission to listing on the Exchange must be in compliance with the Securities Industry Act, 2024 or any subsequent amendments or restatements where applicable.

In order for the securities to be admitted to listing, the Exchange must be of the view that the private market issuer and its business are suitable for listing.

The Exchange may make the admission of securities to listing subject to any special conditions which it considers appropriate in the interests of protecting investors and of which the Exchange has explicitly informed the applicant in writing.

All documents and information submitted to the Exchange in support of an application for listing under these Rules become the property of BISX.

For the purposes of these Rules a “Listing Document” shall be defined as: “Any document or set of documents issued in connection or proposed to be issued in connection with an application for listing.”

## 2.2 Types of Securities Acceptable for Listing

BISX will accept listing applications for the following types of securities:

1. Issuer listed securities – securities of a non-public operating company listing their own securities including equities, fixed income instruments and other hybrid securities.
2. Sponsored securities – financial products issued by a Sponsor.

## 2.3 Conditions relating to securities:

### 1. Legal position

The security must conform to the laws and regulations to which it is subject both as regards to formation and to operation and be operating in accordance with its constitution or any other formative legal documents.

### 2. Minimum size

The security must reasonably expect a market value of at least B\$250,000.

### 3. Quality of financial information

For operating companies, issuer's accounts must have been drawn up in accordance with either International Financial Reporting Standards or Generally Accepted Accounting Principles prior to the application for listing. In the case of a company with subsidiaries, its annual accounts must be in consolidated form. The issuer's latest annual accounts must have been reported on by the auditors without qualification or reference to a matter of fundamental uncertainty.

For other types of securities, financial information may be required on their Issuer or Sponsor. The Exchange may also require financial information on any guarantor or other party who is materially responsible for fulfilling portions of the security's stated performance.

### 4. Auditor Independence

The auditor must be wholly independent of the Issuer and/or Sponsor, its directors and shareholders.

### 5. Insider Trading Policy and Guidelines

In certain circumstances, the Issuer and/or Sponsor may be required to demonstrate to the Exchange that it has a policy and a written set of guidelines setting out specific periods during which insiders may be prohibited from engaging in transactions of the securities whether owned directly or indirectly by them.

### 6. Definition of Insider

For the purposes of the BISX Rules the definitions of "insider" and "connected person" contained in the Securities Industries Act, 2024 or any subsequent amendments or restatements shall apply.

## 2.4 Conditions relating to Directors

### 1. Suitability of Directors

The directors of an applicant are expected to have experience and a disciplinary and financial record suitable for the director of a BISX Private Market issuer. The BISX Listing Committee reserves the right to investigate any director or proposed director of an applicant. If the Listing Committee determines based upon its investigation that a director or proposed director is not suitable to hold the

position of director of a BISX Private Market issuer the Listing Committee may reject the individual and/or review the suitability of the listing applicant. In the event that the Listing Committee determines that an individual is not suitable to be a director of a BISX Private Market issuer, the affected person, can request a written explanation for this finding.

2. Expertise and experience of Directors

The directors of an applicant must have collectively, on an ongoing basis, appropriate expertise and experience to manage its business.

3. Management responsibility

The Board of Directors of a Private Market issuer must include persons who have appropriate oversight of the management of the major part of its business.

4. Director's Conflict of Interest

A Director of a Private Market issuer should not have a private business or other endeavours that conflict with the business of the issuer. If this is not possible due to unique circumstances, the relevant director would be required to provide an explanation to the Exchange.

**2.5 Independent Directors**

1. The Exchange may require the appointment of independent directors to ensure that the applicant can operate and make decisions with the benefit of input from independent directors.
2. For the purpose of the BISX Rules, an "Independent Director" is defined as a person who is not a member of management and has no other relationship with the issuer that could make them materially dependent on the issuer or could reasonably be perceived to materially interfere with the director's ability to make unfettered and independent judgments.
3. Where applicable, the Issuer and/or Sponsor will be required to regularly assess the independence of its directors and to declare the independence status of its directors on an annual basis to the Exchange.
4. Where the independence status of a director changes, an issuer is required to notify the Exchange.

**2.6 Conditions relating to the securities**

The securities must conform to the laws and regulations to which they are subject.

**2.7 Securities of the same class to be listed**

All securities of the same class must be the subject of the initial application for listing, or on a subsequent issue, a later application for listing.

**2.8 Dematerialised form of securities**

The record of ownership of securities issued by a Private Market Issuer must be maintained in an electronic form agreed to by the Exchange. Whenever required, by the Exchange or its shareholders, the issuer must supply a legible extract from such electronic record.

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## Subsection 3: Listing Application Procedures and Approvals

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### 3.1 Director's Responsibility

1. The directors of an issuer, are wholly responsible, both collectively and individually, for all actions of their company its omissions, commissions and wrongful acts and such persons are accountable to the Exchange for fulfilment of the Issuer's obligations to comply with these Rules.
2. At the time of initial application for listing the directors must declare to the Exchange in the form required by the Exchange that they:
  - (i) are fully capable of honouring the obligations set out in the Private Market Rules;
  - (ii) fully understand the nature of these responsibilities and to the best of their knowledge and belief have taken or will take all necessary steps to ensure that they and their issuer comply with all relevant requirements and will do so in the future, for so long as the issuer has these securities listed on the Exchange;
  - (iii) will ensure that all other relevant requirements of the Private Market Rules have been or will be complied with; and
  - (iv) that there are no matters other than those disclosed in the Listing Document or otherwise in writing to the Exchange which, in their opinion, should be taken into account by the Exchange in considering the application for listing of the relevant securities.

### 3.2 Private Market Sponsor

Every Private Market Issuer applying for listing on the Exchange must appoint a Private Market Sponsor to assist it with the initial listing application process. The Private Market Sponsor need not be independent of the Issuer, in cases where the Sponsor is not independent of the Issuer, the Sponsor must disclose in the Listing Document any material interest it holds in the Issuer, including but not limited to equity ownership, debt financing, or common directorships.

### 3.3 Authorized Representatives

Every Issuer and/or Sponsor must appoint two authorized representatives based in The Bahamas to act as their principal channel of communication with the Exchange on an ongoing basis. The authorised representatives must be either directors of the issuer, the secretary of the issuer, a representative of the Sponsor or other persons acceptable to the Exchange.

### 3.4 Form of Application

1. An application for listing shall be made by way of a Listing Document. A Listing Document is filed in such form as is specified by the Exchange from time to time accompanied by the following documents:
  - (i) the application form incorporating the declaration signed by two of its directors on the issuer's behalf in the form prescribed by the Exchange at Appendix I to this section of the Rules;
  - (ii) a certified extract from the issuer's board minutes authorising submission of the application for listing including any other documents issued pursuant to the issuer's constitutive documents that authorised this application;
  - (iii) a copy of the company's memorandum and articles of association and/or any other constitutive documents;

- (iv) Where applicable a copy of the Offering Memorandum for the securities for which listing is being sought;
- (v) a copy of the trust deed or other document constituting a class of debt capital of the company that is the subject of an application where applicable;
- (vi) where applicable, a copy of the report and accounts for financial reporting periods in respect of at least the last three years;
- (vii) an initial Director Listing Form, in the form prescribed by the Exchange from time to time;
- (viii) a Director's Declarations Form for each Director, in the form prescribed by the Exchange from time to time;
- (ix) A statement from the Private Market Sponsor that in their opinion, the Private Market Issuer complies with all requirements to be listed on the BISX Private Market;
- (x) A copy of the Company Register;
- (xi) any other documents specified by the Exchange from time to time; and
- (xii) remittance for the initial and annual listing fees calculated in accordance with the scale of charges set by the Exchange from time to time.

### 3.5 Submission of draft documents

Drafts of documents shall be submitted to the Exchange by electronic means.

### 3.6 Initial applicants for listing

A draft of a Listing Document must be submitted to the Exchange for scrutiny prior to the formal review of the application for listing.

### 3.7 Admission to listing

1. Securities are admitted to listing on the Exchange when the decision of the Exchange to admit the securities to listing:
  - (i) has been communicated to the applicant in writing.
2. Dealings in such newly listed securities shall only commence after:
  - (i) the satisfaction of all conditions precedent to the issue of the securities.

### 3.8 Refusal of an Application

1. The Exchange may refuse an application for listing where it considers that:
  - (i) admission of the securities would be detrimental to the interests of investors or the Exchange;
  - (ii) the issuer has a director or directors on its Board that the Exchange deems unsuitable; or
  - (iii) the applicant does not comply or has not complied with the Private Market Rules or with any special condition imposed upon the applicant by the Exchange.
  - (iv) The Exchange is unable to proceed with the listing due to a regulatory action or instruction received from the Commission or another relevant regulator.

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## **Subsection 4: Listing Documents: Contents, Publication and Availability**

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### **4.1 Previously published documents**

The Exchange may permit an issuer to wholly or partially incorporate or substitute previously published documents to form a Listing Document.

### **4.2 Responsibility statement**

Listing Documents must include a Covering Letter containing the following statement:

"This Listing Document is issued for the purpose of giving information to the Exchange with regard to the issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement in the Listing Document misleading."

### **4.3 Disclaimer of Exchange Responsibility**

Listing Documents must include a Covering Letter containing the following statement:

"The Bahamas International Securities Exchange accepts no responsibility for the contents of this Listing Document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Listing Document."

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## **Subsection 5: Sponsors Qualifications and responsibilities**

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### **5.1 Qualifications**

A BISX Private Market Sponsor must be:

- (i) a firm who is entered on the Exchange's Register of Private Market Sponsors;
- (ii) in respect to a listing application for which it is acting as Private Market Sponsor undertake to the Exchange to accept the responsibilities of a Sponsor and discharge those responsibilities at all times to the satisfaction of the Exchange; and
- (iii) meet the eligibility criteria set out below in 5.2 and which are further described in the guidelines published by the Exchange from time to time.

### **5.2 Eligibility Criteria**

1. The eligibility criteria referred to in Rule 5.1 are that a Private Market Sponsor must be established as an entity in The Bahamas or other recognized jurisdiction, and either:
  - (i) have, in the opinion of the Exchange, sufficient suitably qualified staff who are members of appropriate professional bodies, who have relevant experience in the fields of corporate finance,

the management and/or accounting of companies, and/or the listing of companies or other products on stock exchanges, and

(ii) Must demonstrate that it:

- a. employs suitably qualified staff based in The Bahamas, or,
- b. subject to the prior agreement of the Exchange, deploys other suitably qualified staff from within the sponsor's wider organization.

2. At the beginning of each calendar year, confirm to the Exchange that it is still eligible to act as a Private Market Sponsor.

### 5.3 Application for Sponsorship status

1. An applicant for Sponsorship status shall apply to the Exchange using the form set out in the Appendix to the Rules. Applications will be considered by the Exchange's Membership Committee.
2. Where the Exchange notifies an applicant desiring to become a Sponsor that it does not approve its application, the applicant may appeal against the decision to the Exchange's Appeals Committee.

### 5.4 Sponsors' Responsibilities

1. The Sponsor must:
  - (i) in the case of a new applicant, satisfy itself, to the best of its knowledge and belief, and having made due and careful enquiry of the Private Market Issuer and its advisers, that the Private Market Issuer has satisfied all relevant conditions for listing, and other relevant requirements of the Rules and is suitable to be listed on the Exchange;
  - (ii) ensure that the Private Market Issuer is guided and advised as to the application of the Private Market Rules and have satisfied itself that the Issuer is not in breach of the Private Market Rules to the best of the sponsor's knowledge;
  - (iii) have satisfied itself that with respect to all available information, the directors of the issuer appreciate the nature of their responsibilities and can be expected to honour their obligations under the Private Market Rules;
  - (iv) confirm to the Exchange in writing that each of its responsibilities in paragraphs (i) to (iii) of this Rule have been fulfilled.
2. The Sponsor is responsible for the following in relation to any application for listing of a Private Market Issuer:
  - (i) communications and dealings with the Exchange on all matters arising in connection with the application for listing; and
  - (ii) preparing the formal application for listing and lodging it and all the documents supporting the application with the Exchange; and
  - (iii) seeking the approval of the Exchange for the Listing Document.

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## **Subsection 6: Listing Committee Composition & Functions**

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### **6.1 Listing Committee Functions**

The functions of the BISX Listing Committee are as detailed in Section 6; Sub-section 3 of the BISX Rules

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