

# **CHAPTER 3: INITIAL LISTING REQUIREMENTS**

## 8. Types of Securities

8.1 The following Securities are eligible for listing on SPX:

- i. Equity Security;
- ii. Debt Security;
- iii. Preference shares;
- iv. Derivatives; or
- v. Any other security approved by SPX.

8.2 A Company seeking a listing of its Securities should seek listing for all the Securities on issue or for all the Securities falling within a particular class.

## 9. Requirements for Listing Equity Security

9.1 A Company applying for listing Equity Security with SPX should be a Company as defined under the Companies Act 2015. Security of a foreign company shall be eligible for listing subject to Rule 14 and 15.

9.2 Both the Company and its business must, in the opinion of SPX, be suitable for listing.

9.3 Market Capitalisation Test:

A Company applying for listing Equity Securities must have an initial Market Capitalisation of at least \$1million or any other minimum requirements prescribed in the SPX guidance note.

9.4 Public Shareholding Requirement:

To facilitate an open, liquid market for listed Securities, SPX stipulates the public shareholding requirement. Subject to Rule 18, a minimum of 20% of the total issued class of security must be owned by at least fifty (50) members of the public or such other number that SPX may specify.

9.5 Shares to be Fully Paid up:

At the time of making listing application, common Equity Securities of the Company applied for listing must be fully paid-up shares of equal class carrying full voting rights.

9.6 Operating History:

At the time of listing, the Company must:

- i. have had an operating history of at least three (3) continuous financial years in its present line of business; and
- ii. have at least half of the same Senior Management and Board members in the last three (3) financial years.

#### 9.7 Working Capital:

At the time of listing, the applicant must be a going concern or the successor of a going concern and must have sufficient working capital to last at least the next twelve (12) months.

#### 9.8 Articles of Association:

The Company's Articles of Association must be consistent with the requirements of the Companies Act 2015 and the SPX Listing Rules.

#### 9.9 The SPX may, either on its own or in consultation with the Reserve Bank, include any other additional requirement.

### 10. Requirements for Listing Debt Security

10.1 A Company seeking listing of its Debt Security with SPX should be a Company as defined under Companies Act 2015. Debt security of a foreign company shall be eligible for listing subject to Rule 14 and 15.

10.2 Both the Company and its business must, in the opinion of the SPX, be suitable for listing.

10.3 The Company must enter into a Trust Deed and appoint a Trustee consistent with the requirements of Part 27 of Companies Act 2015 and these Listing Rules.

10.4 SPX may, either on its own or in consultation with the Reserve Bank, issue additional rules and/or guidance notes for listing of debt securities.

10.5 Wholesale corporate bonds shall be subject to rules, to be prescribed in a dedicated chapter, and will not be subject to these listing rules of SPX.

### 11. Preference Shares – Additional Requirements

11.1 A Company can apply for listing of preference shares only if SPX is satisfied that rights attached to preference shares with respect to the following are set out in the Company's Articles of Association or have been otherwise approved by Special Resolution of the Company:

- i. repayment of capital;
- ii. participation in surplus assets and profits;
- iii. cumulative or non-cumulative dividends;
- iv. voting; and
- v. priority of payment of capital and dividends in relation to other shares or classes of preference shares.

11.2 All requirements applicable in respect of listing Equity Security contained in Rule 9 hereof applies to listing of preference shares.

11.3 A Listed Entity having its preference shares listed with SPX must ensure that provisions of Section 191,192,198, 202, 203, 204, 205 or any other related provision contained in Companies Act 2015, are complied with.

11.4 The SPX may, either on its own or in consultation with the Reserve Bank, include any other additional requirement it may deem fit.

## **12. Derivative Securities– Additional Requirements**

12.1 SPX may permit listing of derivative securities provided that:

- i. the derivative securities derives its value from a security or class of security of an entity listed with SPX; and
- ii. the derivative securities are issued by that same Listed Entity.

12.2 Derivative securities include but are not limited to options, rights and warrants to subscribe for/or purchase other Securities. All requirements applicable in respect of listing Equity Security contained in Rule 9 hereof applies to listing of derivatives.

12.3 The SPX may, either on its own or in consultation with the Reserve Bank , include any additional requirement or modify or exclude any existing requirement it may deem fit.

## **13. Any other Security**

13.1 For listing any other security not being Equity Security, preference shares, Debt Security or Derivatives, the requirements of listing Equity Security contained in Rule 9 hereof applies with the exception of Rule 9.4 relating to public shareholding requirement. Public shareholding requirement shall be a percentage of total issued security or a certain number of members of the public holding the security or a combination of both as may be determined by SPX from time to time.

13.2 The SPX, upon the approval of the Reserve Bank of Fiji may, include any additional requirement or modify or exclude any existing requirement depending on the nature and type of security listed.

## **14. Dual/Secondary listing**

14.1 A Company incorporated outside of Fiji may be considered for listing on the SPX if the following conditions are met:

- i. it is listed on a stock exchange which is on the list of recognised stock exchanges maintained by the SPX;
- ii. it establishes and agrees to maintain a share register in Fiji or appropriate facilities for transfer registration;
- iii. it agrees to maintain a percentage of shares ascertained by the SPX on a Fiji register;
- iv. it submits audited accounts for last three financial years as per accounting standards acceptable to SPX;
- v. it meets all the requirements of Listing Rules or any other additional requirement as directed by Reserve Bank or SPX; and
- vi. its admission has the approval of the Reserve Bank, SPX and other relevant Authorities.

## 15. Foreign Unlisted Company

- 15.1 Applications from foreign companies that are not listed in any exchange may be considered for listing on the SPX if:
- i. it establishes and agrees to maintain a share register in Fiji or appropriate facilities for transfer registration;
  - ii. it agrees to maintain a percentage of shares ascertained by the SPX on a Fiji register;
  - iii. it submits audited accounts for last three financial years as per accounting standards acceptable to SPX;
  - iv. it meets all the requirements under these Listing Rules and any additional requirement as directed by Reserve Bank or SPX; and
  - v. its admission has the approval of the Fiji Exchange Control Authorities, Reserve Bank, SPX and other relevant Authorities.
- 15.2 SPX may require the foreign unlisted company applying for listing to register as a Foreign Company under Part 6 of Companies Act 2015.

## 16. Rules applicable to listing all types of Securities

- 16.1 Requirements applicable to listing all types of Securities that a Company must comply with in order to be granted listing are detailed in Rules 17 – 21.

## 17. Appointment of Investment Adviser

- 17.1 A Company applying for initial listing on the SPX must appoint an Investment Adviser.
- 17.2 Such an Investment Adviser must meet security industry license holder requirement contained in Part 24 and 25 of Companies Act 2015, and the Companies (Securities Exchanges and Licensing) Regulations, 2015.
- 17.3 In its role as an intermediary between a Company and SPX, during the listing process, an Investment Adviser must advise the Company and its Directors on matters concerning obligations of a Listed Entity under the Companies Act 2015 and Listing Rules. In conducting its role, an Investment Advisor should appropriately manage any conflict of interest that may arise.

## 18. Compliance with Public Shareholding Requirement

- 18.1 In complying with public shareholding requirement for all types of Securities except bonds issued by a government, the following shall be excluded:
- i. holdings by Directors of the Company, members of their families and/or their nominees;
  - ii. holdings of related body corporate of the Company as defined under Section 6 of the Companies Act 2015;
  - iii. holdings of an Associate of the Company as defined in Section 3 of Companies Act 2015;
  - iv. holdings of an entity having 'Control' over the Company as defined under Section 9 of the Companies Act 2015;
  - v. holdings of any person who by virtue of any agreement has a right to nominate a person to the Board of directors of the Company applying for listing;

- vi. holdings by a person except those referred to in (i) to (v) above, who is interested in or holds more than 10 percent of the Securities to be listed, unless SPX determines that such person's shareholding can be included in public shareholding for the purpose of this Rule; and
- vii. any other holding which in the opinion of SPX is likely to be regarded as non-public shareholding for the purpose of this Rule.

18.2 The public shareholding requirements must not be obtained by artificial means. Obtaining public shareholding requirements through artificial means includes but is not limited to:

- i. using combinations of nominee companies and names;
- ii. offering non-recourse loans to prospective shareholders to acquire their shares; or
- iii. any other manner which in the opinion of SPX is an artificial means or is likely to be regarded as an artificial means for the purpose of this clause.

## **19. Discretion of SPX**

19.1 Every application for listing will be considered on its own merits. SPX may, at its discretion, accept applications for listing with or without conditions, reject applications or allow exemptions from the Listing Rules, taking into consideration market's best interests. Companies will only be listed if in the opinion of SPX, it is suitable for listing.

## **20. Additional Information**

20.1 SPX has powers to seek additional information from Company applying for listing to satisfy that listing requirements of SPX are adequately met.

## **21. Consequences of not meeting the Initial Listing requirements**

21.1 If a Company does not meet the listing requirements at the time of application, SPX may consider the listing application in order to grant in principle approval only if there are arrangements in place which will result in the requirement being achieved at the end of an agreed period. If, however, the listing requirement is not met by the Company within the agreed period, SPX shall have the power to initiate suitable action including but not limited to –

- i. place on hold the listing application until the pending listing requirements are met; or
- ii. reject the listing application for not meeting the listing requirement.