

Being: SPX Guidance Note
For: Non-Resident Investor
Last Updated: 7th May, 2018

INTRODUCTION

As per the Exchange Control Unit of the Reserve Bank, the South Pacific Stock Exchange (SPX or Exchange) has been fully delegated the responsibility to approve investment by non-resident individuals and businesses in publicly listed companies.

Need for the Guidance Note

The rules do not have a procedure which can be followed when the SPX approves investment by non-resident individuals and businesses in publicly listed companies. This notice therefore would provide a practical guideline which needs to be followed when the Exchange decides to take the above step and it will ensure the protection of the market as a whole.

REQUIREMENTS FOR NON-RESIDENT INVESTOR

The SPX will require the following documents in order to approve applications for non-resident investors:

- 1) A written request on the letterhead from the broker to the SPX clearly stating
 - a. the amount for which an approval is being sought
 - b. the name of the investor
 - c. the address of the investor

- 2) A document stating the source of the funds with which the investor wishes to purchase the shares
 - a. A copy of the bank statement for individuals
 - b. A copy of the audited accounts needs to be submitted for public companies
 - c. A copy of the bank statement needs to be submitted for private companies

- 3) A written request as per (1) with a copy of the members trust account confirmation endorsing that the non-resident investor has transferred the funds to the members account.

The requirements above are not limited and there could be other documents which the SPX might request depending on individual cases. Once approval is sought from the SPX broker representatives are no longer required to submit a copy of the approval letter during settlement.

The Exchange will consider the application and make a decision. The timeframe within which the decision is conveyed to the members is dependent on the specifics of the application.

Guideline Review

This guideline must be reviewed every two years from the guideline implementation date or earlier if required.

Guideline Implementation

This guideline is implemented and effective from 7th Day of May 2018.

