

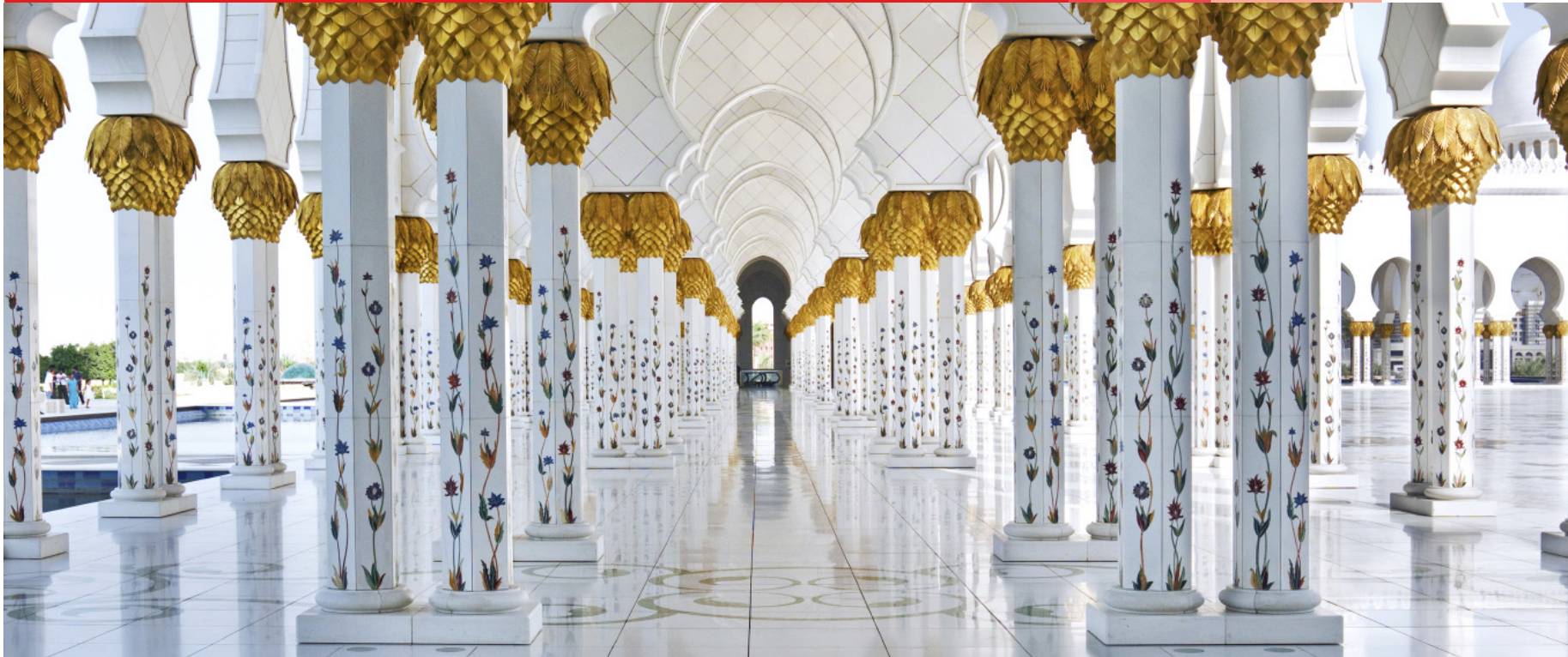
The Luxembourg Stock Exchange

A prime location for Sukuk Listing

2013



Luxembourg
Stock Exchange



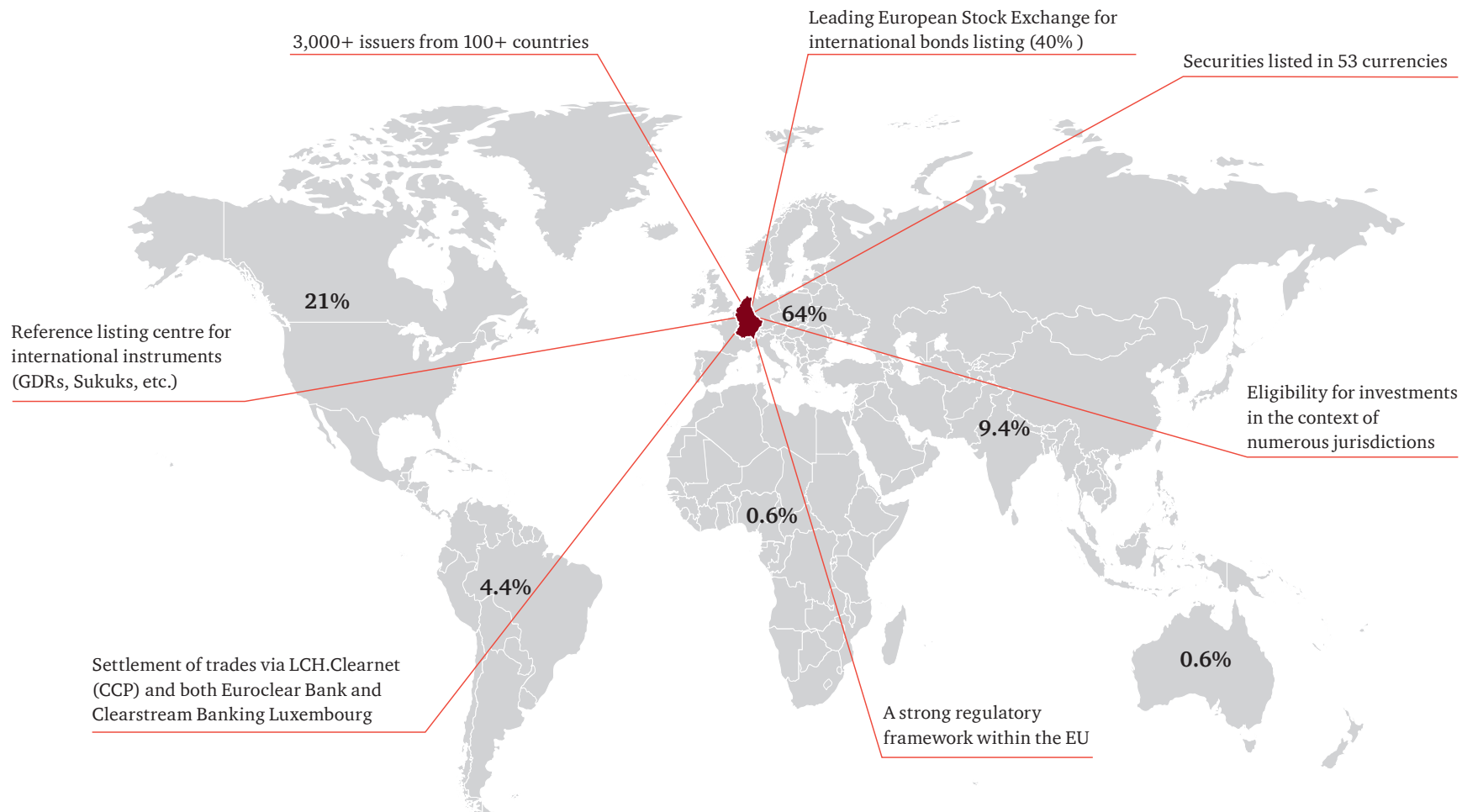
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Table of contents

1	A truly international Stock Exchange in a stable and secure financial environment in the heart of Europe	2
2	The Luxembourg Financial Centre and Islamic Finance	4
3	Why listing?	6
4	Benefits of Sukuk Listing and Trading in Luxembourg	7
5	Two markets, different opportunities	8
6	Listing process	9
7	Continuing obligations	12
8	Our listing services	14
9	Contact	17

A truly international Stock Exchange in a stable and secure financial environment in the heart of Europe.



Figures on the graph represent the origin of issuers per region

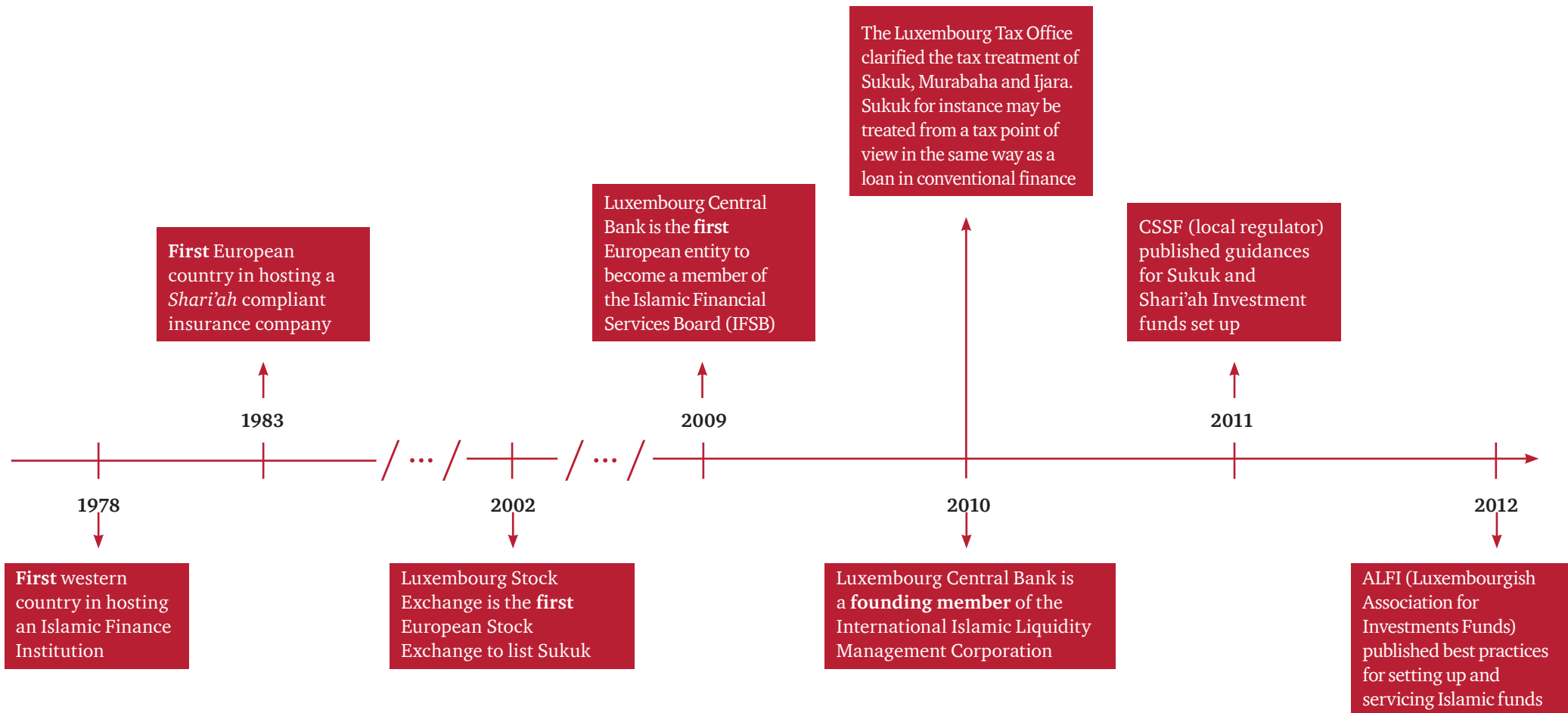
In a context marked by in-depth legal and regulatory changes, the Luxembourg Stock Exchange is a world-class player offering an attractive international listing marketplace for a large range of securities. With 3,127 listed issuers coming from 103 countries, the Luxembourg Stock Exchange meets capital market player's needs as a result of a 80-year old experience, high quality products and services as well as fast, customer-oriented and secure processes.

A broad range of instruments are admitted for trading on the Luxembourg Stock Exchange. A majority revolves around debt securities, investments funds, equities, GDRs and warrants.



The Luxembourg Financial Centre and Islamic Finance

- Luxembourg is a leading financial centre in Investment Funds domiciliation, cross-border distribution and asset servicing. Development of Islamic Finance in Luxembourg has been set as a priority by the Luxembourgish government.
- There has been lots of hard work from both the Luxembourg authorities and the private sector to attract Islamic Finance players to Luxembourg, as shown in the timeline below.



Current overview of the Islamic Finance Market in Luxembourg

Product	Number	Assets (Eur € bn)	Worldwide Rank
Sukuk listed	16	5,5	#3
Islamic Investment Funds (regulated and non regulated)	45	5	#5 (#1 in Europe)

Sources: ALFI, CSSF, Zawya

- The first international Sovereign Sukuk (Malaysia) was listed in Luxembourg.
- The Luxembourgish regulatory framework offers the right tools to launch and structure Islamic funds. Namely, Shari'ah compliant funds belong to the “responsible investing universe” and can be created under the law of 17 December 2010 (UCITS or non UCITS) or the law of 13 February 2007 (SIF).
- Luxembourg will certainly reinforce its leading position as a hub for Islamic Finance thanks to a fast and smooth implementation of AIFMD.

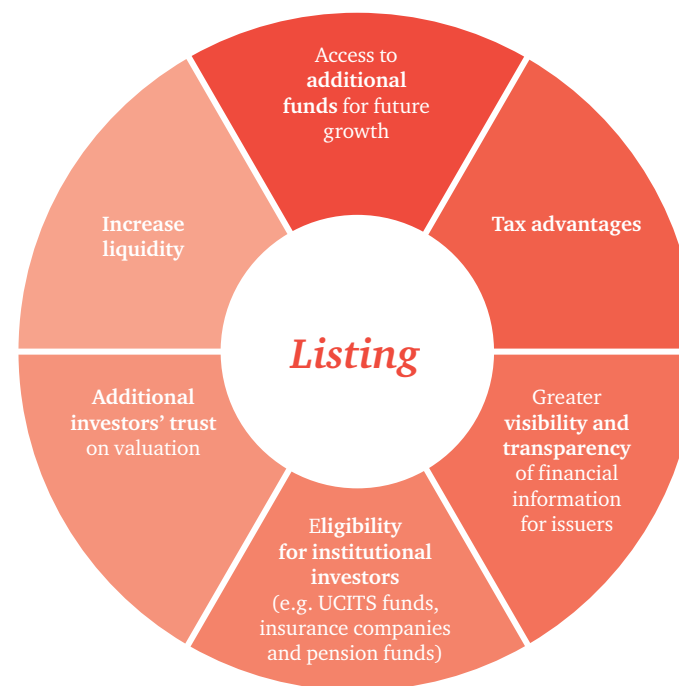
“Luxembourg is recognised as one of the leading European centres for Islamic Finance. This is not the result of a recent initiative: we have a long track record in the sector”

Luc Frieden, Minister of Finance, November 2011

Why listing?

Listing instruments on a stock exchange market provides many benefits for both issuers and investors:

- Listed securities and their issuers will get greater visibility and transparency.
- Investors will have access to centralised database where they will be able to find relevant information on the security (i.e. prospectus, financial statements and other information related to the issuer).
- In case of liquidity needs, the products can benefit from the right regulated trade and post-trade infrastructures to minimise the risks throughout the securities transactions value chain.
- During the life of the listed security, on-going communications inform the investors about corporate events (e.g. merger, dividends and shareholders meeting). Securities pricing and valuation are regularly defined and communicated by the market.
- Listing securities can also provide some tax advantages for the investors and often make the products more easily eligible within the portfolio of asset managers.



Benefits of Sukuk Listing and Trading in Luxembourg

Luxembourg is a Leading Centre for listing and trading

The Luxembourg Stock Exchange has developed into a **leading centre for International listing**. **16 Sukuk** have been listed on the Luxembourg Stock Exchange.

Benefits of an advanced trading and post-trading infrastructure relying on NYSE Euronext's UTP platform (trading) and connections with LCH.Clearnet, Euroclear Bank and Clearstream Banking Luxembourg (clearing & settlement).

Costs and Timing

Costs associated with listing procedures are clearly **competitive** compared to other Sukuk international listing domiciles.

The admission process for Sukuk listing and trading is **fast and secure**.

Authorities and private sector support

There is a **strong support** from both the **authorities** (CSSF, Luxembourg Central Bank, Ministry of Finance) and the **private sector** to attract and facilitate the set up of Islamic Finance products in Luxembourg.

There is a growing and dynamic **Islamic Finance community** in Luxembourg.

Two markets, different opportunities

The Luxembourg Stock Exchange operates two markets: i.e. Bourse de Luxembourg and Euro MTF. Both are regulated but offer different possibilities to issuers.

Common features to *Bourse de Luxembourg* and *Euro MTF* markets

- Same rules & regulations applying to a single trading platform (UTP from NYSE Euronext);
- Identical listing fees per type of instrument;
- No restrictions to market access (any type of investors, any size);
- The Luxembourg Stock Exchange manages and controls the listing process.

Listing on the *Bourse de Luxembourg*

- Prospectus must meet the law of 10 July 2005 on Prospectuses for Securities (Prospectus Law);
- Transparency and Market Abuse laws apply as well;
- The local regulator “Commission de Surveillance du Secteur Financier” (CSSF) is in charge of prospectus approval;
- Financial Statements of the issuer must comply with IFRS accounting standards;
- Listing on this market grants a European Passport for the admission to trading of the securities in other EU member states.

Listing on the *Euro MTF*

- Compliance with European prospectus and transparency regulation is not required;
- Admission to trading and reporting requirements according to the Rules & Regulation of the stock exchange only;
- Financial reporting in line with IFRS or local GAAP;
- The Luxembourg Stock Exchange is solely in charge of prospectus approval;
- No European passporting – A new file must be submitted to list in other EU member states.

Listing process

Eligibility requirements for listing Sukuk in Luxembourg

The efficiency of the listing process is the main reason why the Luxembourg Stock Exchange is so popular as a listing destination. An experienced team of experts within the Luxembourg Stock Exchange is dedicated to reviewing listing application files on a daily basis. Time required for processing is kept to a minimum. However, a request for listing must be carefully prepared.

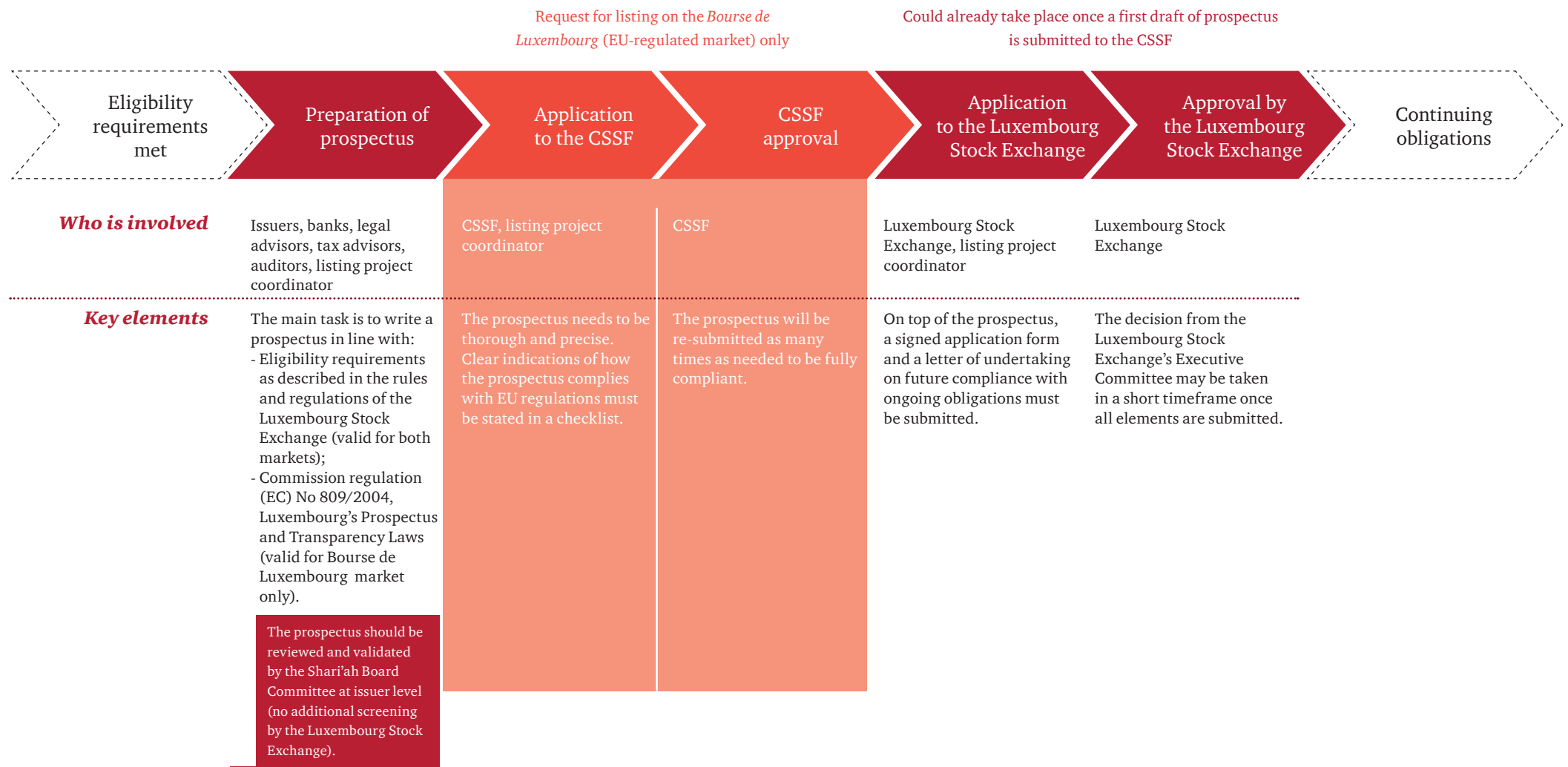
A listing request is a team project. You will most certainly need assistance to successfully conduct a listing requirement, in the form of legal advisers, tax advisers, banks, auditors and a listing project coordinator.

Here are some key official listing requirements from the Luxembourg Stock Exchange:

Requirements	Sukuk
Minimum number of investors	Not applicable
Minimum public shares	Not applicable
Minimum market value of securities	At least EUR 200,000
Negotiability of securities	Freely negotiable debt securities of the same class and fungible
Operating history	No minimum track record required
Number of securities	All the debt securities of the same class shall be listed
Pre-tax income	Not applicable
Corporate governance	Not applicable

According to the CSSF, Sukuk may be treated as asset backed securities pursuant to the provisions of Article 2.5 of the Prospectus Regulation or, subject to certain conditions, as guaranteed debt securities pursuant to Article 23.2 and Annex VI of the Prospectus Regulation. Indeed, provided that the payments of principal and the periodic revenues under the securities are guaranteed on a contractual basis by one or more underlying entities, in other words, if the payment of principal and the periodic distributions are independent from the performance of the underlying asset, the CSSF considers that the underlying entities may be described in accordance with the provisions of Annex VI of the Prospectus Regulation.

Key process steps



A fast, customer-minded process

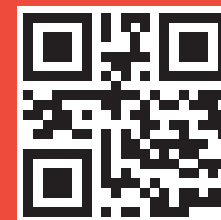
The Luxembourg Stock Exchange's strong experience allows for fast, customer-minded approval process to be adapted to issuers' requirements.

For a Sukuk listing on the Euro MTF, review time is estimated to up to 5 days after initial submission of the prospectus, and up to 2 days for each additional draft.

For a listing request on the Bourse de Luxembourg EU-regulated market, the validation from the Luxembourg Stock Exchange can be obtained within two days once the prospectus has been approved by the CSSF.



This brochure sums up the key elements and requirements for listing. For more details on the Luxembourg Stock Exchange markets, listing process and continuing obligations please visit www.bourse.lu



Continuing obligations

Continuing obligations of issuers on the “Bourse de Luxembourg” market

The Bourse de Luxembourg market falls into the scope of European Union directives like Transparency, Prospectus and Market Abuse. So, the corresponding Luxembourgish laws are applicable.

Who

Transparency obligations are applicable to certain categories of issuers:

1. Luxembourg domiciled issuers of equity securities or debt securities with a per unit denomination below EUR 1,000 admitted to a European regulated market;
2. EU incorporated issuers of debt securities with a per unit denomination of at least EUR 1,000, who have chosen Luxembourg as “Home Member State” from among their country of incorporation and the EU member states where their securities are admitted to trading; Issuers incorporated in non-EU countries with Luxembourg as their “Home Member State” under the Prospectus Directive.

The following issuers are out of scope:

1. Issuers whose Home Member State is Luxembourg and which have only issued debt securities with a denomination per unit of at least EUR 100,000 are exempted from the publication of financial information.
2. Investment funds, other than the closed-end type, are not subject to this law.

How

Regulated information has to be:

1. Filed with the CSSF;
2. Filed with an officially appointed mechanism (OAM) for storage and retrieval of such regulated information (The Luxembourg Stock Exchange is mandated as the OAM under the Luxembourg Transparency Law);
3. Published by way of announcements through the media.

What

Regulated information includes notably information in connection with the notification and disclosure of major holdings and major shareholders (e.g. price sensitive information), as well as financial reporting obligations, as follows:

1. Annual reports, to be published within the four months of the issuers’ year-end and comprising audited financial statements, a management report, a responsibility statement and an auditors’ report;
2. Semi-annual reports, to be published within the two months of the issuers’ half-year and comprising a condensed set of financial statements, an interim management report and a responsibility statement;
3. An interim management statement by issuers of shares only, to be published during each of first and second semesters, describing the financial position and performance during the period, the material events and transactions with their impact on the financial position. Alternatively, issuers may publish a quarterly financial report, in accordance with:
 - Article 4 of the Luxembourg Grand Ducal regulation of 11 January 2008, or
 - the national law of the issuer, or
 - the listing rules of the regulated market where the issuer has its shares admitted to trading.

Continuing obligations of issuers on the “Euro MTF” market

The Euro MTF market does not fall into the scope of European Union directives like Transparency, Prospectus and Market Abuse.

Continuing obligations are applicable to all issuers.
Issuers of debt securities with a denomination per unit of at least EUR 100,000 are exempted from the publication of financial information.

The dissemination of information may be made by means of inclusion in newspapers or on the website of the Luxembourg Stock Exchange.

Continuing obligations for issuers of securities admitted to trading on the Euro MTF market include the dissemination in Luxembourg of:

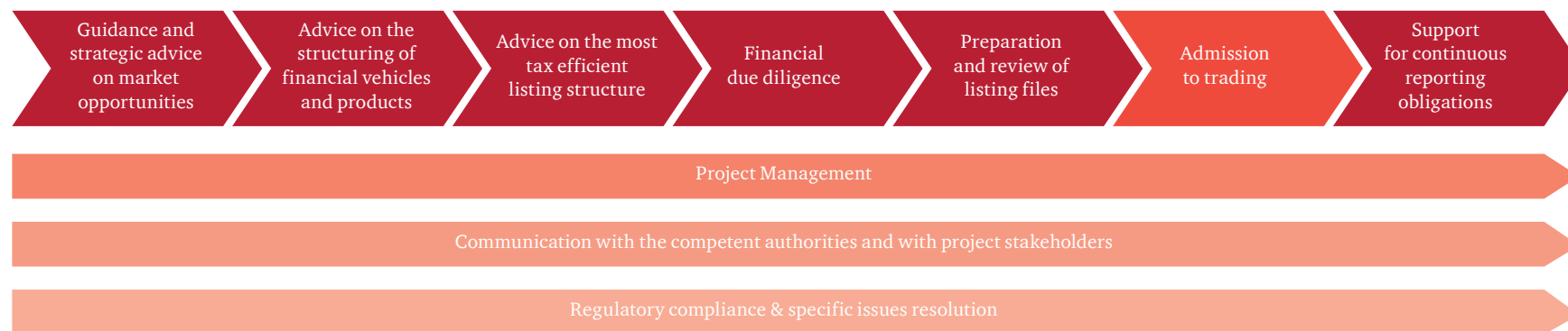
1. Information on events or decisions affecting the security holders;
2. Information on material changes to the issuer’s shareholding structure;
3. Audited annual financial statements and management report, prepared in accordance with the issuer’s national law;
4. Semi-annual financial statements presented in accordance with the issuer’s national law (for share issuers), to be published within the four months of the issuers’ half-year and comprising at least information on revenues and profit or loss for the period, together with a commentary on any material factor having impacted the financial or trading position of the issuer during the period.

The detailed continuing obligations for issuers of securities admitted to trading on the Euro MTF market are set out in Part 1, Chapter 10 of the Rules and Regulations of the Luxembourg Stock Exchange. In addition, the Rules and Regulation require issuers to file information on corporate events with the Luxembourg Stock Exchange, with a view to enabling an efficient monitoring of the functioning of its markets.

PwC Luxembourg listing services

We've been working closely with the Luxembourg Stock Exchange for the past 13 years.

We bring together a multi-disciplinary team that features tax, regulatory, advisory and audit experts. We can support you throughout the complete value chain to provide smooth and efficient project delivery:



Our People have the knowledge, experience and connections to help you turn your admission to trading request into a long-lasting success.

Guidance and strategic advice on market opportunities

- Advice on the selection of the market type, in line with the listing strategy and target investors.

Advice on the structuring of financial vehicles and products

- Guidance on the selection of the most relevant listing vehicle (e.g. Private Equity, Real Estate or structured products) in the light of capital markets regulation and exchange admission opportunities.

Advice on the most tax efficient listing structure

- Assessment of the company's tax compliance status with listing rules;
- Design of a feasible tax plan to control and minimise tax exposure according to the most competitive financial vehicle or structure.

Financial due diligence

- Financial and business due diligence reviews;
- Comfort letters to be drafted in the case of our audit clients.

Preparation and Review of listing files

- Draft and/or provide advices on the prospectus' content (to ensure the compliance with related regulations and approval process from an operational and accounting perspective);
- Coordinate the various aspects of the CSSF and/or Luxembourg Stock Exchange admission files (e.g. required documents, compliance with deadlines and preparation of files and checklists).

Support for continuous reporting obligations

- What are your specific reporting requirements, when to report, who to report to and how.

Islamic Finance expertise

- Benefit From PwC Luxembourg Experience both in Islamic Finance and Listing;
- Leverage on PwC Islamic Finance experts worldwide.

Coordination of the listing project

Project Management

- Organise tasks and activities between all project stakeholders;
- Follow-up of the activities planning;
- Act as the main counterpart for the client.

Communication with the competent authorities and with project stakeholders

- Coordinate and communicate with the CSSF and/or the Luxembourg Stock Exchange, and with the clearing houses;
- File the documents within any relevant deadlines (prospectus and any other documents required by the CSSF or the Luxembourg Stock Exchange);
- Represent the client towards the project stakeholders (e.g. arrangers, auditors and legal advisers).

Regulatory compliance & specific issues resolution

- Provide advice on any regulatory compliance issues that could arise during the listing process.

*PwC Luxembourg has issued
a number of Capital Markets
publications available on:
www.pwc.lu/capital-markets*





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