



Listing Jersey holding companies on the Alternative Investment Market (AIM) | 1

What is AIM?

Established in 1995 as part of the London Stock Exchange (“**LSE**”), AIM is a dedicated growth market for small and medium sized companies. AIM is now the leading growth market for this sector with over 3,500 companies operating in more than 100 countries having used AIM to raise over £90 billion in funds in the past two decades. Over half the funds raised on AIM have been raised by companies already admitted to the market which underlines AIM’s credentials for repeat financing from investors that understand the needs of small and medium sized companies.

Why choose AIM?

- access to capital for growth – at the time of admission and through additional offerings;
- supportive investor base – the market appeals to a wide range of investors including retail and institutional investors. AIM attracts international investors who are domiciled in over 60 different countries worldwide;
- supportive community – throughout its lifetime on AIM, a company benefits from the support of a very experienced and knowledgeable community of advisers;
- an opportunity to strengthen employees’ commitment, increase motivation and improve performance through attractive share schemes;
- obtain an objective market value of the company’s business;
- balanced regulatory approach – AIM’s success is underpinned by its regulatory framework. Instead of prescriptive entry criteria, companies must show their willingness and suitability to join a public market. Once admitted to AIM, ongoing responsibilities remain straightforward aimed at encouraging growth;
- continuing obligations – the continuing obligations for AIM companies are in general less stringent than those for fully listed companies; and
- enhanced public profile – increased press reports and analysts’ coverage.

How long does an AIM admission take?

In general, the whole process from the appointment of initial advisers right through to admission to listing takes on average at least 12 weeks and often longer. The majority of companies commence their due diligence and planning many months in advance.

The Admission Document

Pursuant to the “AIM Rules for Companies” (the “**AIM Rules**”), the company must produce an admission document (the “**Admission Document**”) which contains information equivalent to that required by the “Prospectus Rules” as well as information specified in the AIM Rules.

The Admission Document must contain all the necessary information that investors and their professional advisers would reasonably require and reasonably expect to find there in order to make an informed assessment of the following:

- assets/liabilities, profits/losses, financial position and prospects of the issuer;



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- all rights attached to the securities; and
- any other matter contained in the Admission Document (for example, any material contracts).

The AIM Rules require a statement by the company's directors to be included in the Admission Document that the company has sufficient working capital for a period of at least 12 months from the admission date. The directors of the company will be personally responsible for the contents of the Admission Document.

Why choose Jersey?

Jersey's reputation as one of the world's leading international finance centres has been consistently recognised and endorsed by independent bodies and institutions of the highest standard. Robust regulation, political and economic stability, tax neutrality and a sophisticated modern and flexible legal system combined with a wealth of experience and expertise offered by highly skilled financial services providers keep Jersey at the forefront of global finance.

With 107 companies listed on the major stock exchanges worldwide with a combined market capitalisation of over £215 billion, Jersey continues to remain the jurisdiction of choice for corporate entities seeking to list.

As at 30 June 2017, Jersey had:

- the greatest number of FTSE 100 companies registered outside the United Kingdom (the "UK");
- 7 companies listed on the FTSE 250;
- 42 companies listed on the Main Market of the LSE; and
- the greatest number of companies registered outside the UK that are listed on AIM*.

Key advantages in using a Jersey company

- incorporation – a company in Jersey may be incorporated quickly (usually within 1-2 days or within a few hours using a "fast-track" procedure);
- name – the name of a company in Jersey must end with "Limited" or "Ltd" (or equivalent). The name of a public company that is a limited company may end with "public limited company", "PLC" or "plc";
- tax neutrality at the holding company level – a 0% general rate of corporate tax was introduced in Jersey with effect from 1 January 2009;
- application of the City Code on Takeovers and Mergers (the "**Takeover Code**") – the Takeover Code, which is highly respected by investors, now applies to a Jersey company listed on AIM regardless of where management and control takes place;
- CREST – ability to trade shares through CREST (the UK share settlement system);
- stamp duty – there is no stamp duty payable in Jersey in connection with the creation, issue, transfer or redemption of shares in a Jersey company (except in the case of a Jersey company owning real estate);
- withholding tax – no withholding tax on dividends, interest and royalties;
- overseas branch register – a company may now enter the names of all its members on an overseas



branch register and not just those overseas. This will assist with listings when certain stock exchanges require a register of all members to be held within its territory;

- share capital – a Jersey company’s share capital may be denominated in any currency and different classes of shares may be denominated in different currencies. Treasury shares are permitted. A Jersey company may now reduce its capital without court approval;
- redemption and purchase of shares – the redemption or purchase by a Jersey company of its own shares may be made by way of a cash consideration or a non-cash consideration or a combination of both;
- meetings – there is no requirement to hold meetings in Jersey;
- directors – there is no Jersey law requirement to appoint Jersey resident directors;
- financial assistance – there is no longer any prohibition on financial assistance in Jersey; and
- strong legal opinion – Jersey’s commitment to continuously developing and enhancing its modern and comprehensive infrastructure of laws ensures that robust Jersey legal opinions can be provided.

Regulatory Considerations

There is a single regulatory authority in Jersey called the Jersey Financial Services Commission (the “**Commission**”) which is responsible for the regulation, supervision and development of the financial services industry in the Island of Jersey.

The only consent, from a Jersey perspective, that the company will require from the Commission (in addition to the standard consent required by the company pursuant to the Control of Borrowing (Jersey) Order, 1958, as amended, to issue its share capital) will be consent to the issue of the Admission Document.

The Admission Document will usually qualify as a “prospectus” (as defined in the Companies (Jersey) Law, 1991, as amended (the “**Companies Law**”). Only a public company for Jersey law purposes may circulate a prospectus. The Companies Law imposes stricter filing requirements for public companies with the most important being that a public company must prepare and file annual audited accounts together with the relevant auditor’s report.

The prospectus will be subject to the provisions of the Companies (General Provisions) (Jersey) Order 2002 (the “**GPO**”) and prior consent to its circulation must be obtained from the Jersey registrar of companies (the “**Registrar**”). Certain derogations from the requirements of the GPO may be obtained provided that the Registrar is satisfied that the derogations do not affect the substance of the prospectus or are not calculated to mislead. The mandatory information required pursuant to the GPO overlaps to a certain extent with the AIM requirements.

Permits

Where the holding company may be a collective investment fund for Jersey purposes further legal advice may be required which we can provide upon request.

It is paramount that a company carefully chooses the teams of advisers as their support must be integral and they must also be committed to working together with the company after admission. At Voisin, we



VOISIN LAW

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have an experienced team that deals with AIM listings, working closely together to provide a seamless service throughout the whole process.

*Jersey Finance

For further information or specific advice, please contact [Kate Anderson](#) or [Chris Le Quesne](#) of Voisin.

This note is intended to provide a brief rather than a comprehensive guide to the subject under consideration. It does not purport to give legal or financial advice that may be acted or relied upon. Specific professional advice should always be taken in respect of any individual matter.