



Dutch Caribbean
Securities Exchange

A DCSX Memo

Listing Benefits for Capital Seekers



July, 2017



Listing of Securities

Listing of securities is a procedure for the admission of securities to a securities or often times simply called “stock” exchange (like the “DCSX”) market according to the criteria prescribed by that stock exchange on which the securities will be admitted. Those criteria will also require disclosure of price-sensitive materials and important financial information to the public. And that on an ongoing regular basis after the listing is completed.

The decision for listing on a stock exchange sends a clear signal to potential investors that company management is willing to run the company transparently.

By entering the capital markets thru a listing process the company is obliged, regularly and continuously, to inform the public of all its relevant activities that are undertaken and to give a fair view of the company's financial position.



The company must provide a clear disclosure of its performance to the public. As a regulated stock exchange the DCSX facilitates transparency in transactions of the listed securities in perfect equality. Listing securities on the DCSX allows businesses access to capital and the opportunity to enhance their visibility and public image. Listing is beneficial to the company, to the investor, and to the public at large.

Identified Benefits of Listing for Capital Seekers

Immediate Fund Raising and exit route for investors (liquidity).

Listing the company's securities provides a direct opportunity to the corporate entrepreneurs to raise capital to fund new projects, undertake expansions, acquisitions and create or develop diversifications necessary in changing markets. The possibilities include increasing their equity by issuing shares or by issuing debt securities, such as bonds. Next to these two basic capital raising methods there is hybrid possibility to issue convertible bonds. The latter may often be used in cases where a new business "project" is as such somewhat more difficult to get financed.

Listing also provides an exit (in full or partly) to the investors: technically it creates liquidity. Note that this is highly dependable on the way the companies' securities brokers, market makers and/or advisors are apt at creating sufficient interest in a particular security. That in the end is what is necessary to create the necessary volume and efficient pricing mechanism and thus liquidity. For the capital seeker the benefit of its listed securities having liquidity is a big benefit: it establishes continuity in future capital raising power.

Creating awareness and the ability to raise future capital

Talking about future capital raising power, an initial listing thus also increases a company's ability to raise further capital in the future. Generally, companies that have gone thru a listing process and done maybe a first time small issuance/listing have easier means to raise additional capital in the future. This is because of the simple fact that they are by then better known to the public and investors. In the first listing process the company can also often attract a wide and varied body of not only private but moreover institutional and professional investors, since all of its activities are carefully traced.

Supervision and Control of Trading in Securities

Transactions in listed securities are required to be carried uniformly as per the rules and regulations of the DCSX. All transactions in securities are monitored by the regulatory

mechanisms of the exchange, preventing unfair trade practices. Not only does that improve the confidence of small investors, but this mechanism is also necessary to protect them.

Fair Price for the Securities

The prices are publicly arrived at on the basis of demand and supply; the quotations on the DCSX are generally reflective of the real value of the security. Thus listing a company helps generate an independent valuation of the company by the market on a regular basis.

Collateral Value of Securities

Listed securities are also often (more) acceptable to lenders as collateral for credit facilities. A listed company can thus often also borrow from financial institutions at better interest rates as it is rated favorably by lenders of capital;

Timely Disclosure of Corporate Information and Higher Rating & Reputation

The listing agreement signed with the DCSX provides for timely disclosure by the company of information relating to dividend, bonus and other rights issues, financial information and in general any information considered essential to allow the investors to evaluate its current financial status. In the end this creates an often somewhat missing discipline to regularly “review and report”. This regular disclosure of information to the public provides more transparency and builds investor confidence, which in turn creates future capital seeking possibilities but of course also may enhance the company’s visibility to the public in general.

Better Corporate Practice

Since the violation of the listing agreement requirements entered with the DCSX could in the end lead to a suspension or even de-listing of securities from the exchange, the listed companies are expected to follow fair practices to the advantage of investors and public.

Benefits to the Public

The data regularly produced by the stock exchange in the form of price quotations and other information provide valuable information to the public at large which can be used not only for investing, but also for other related projects and research studies. The stock exchange prices can be an index of the state of the economy, leading financial institutions, as well as individual investors to take wiser decisions before making investments.

Enhanced Profile

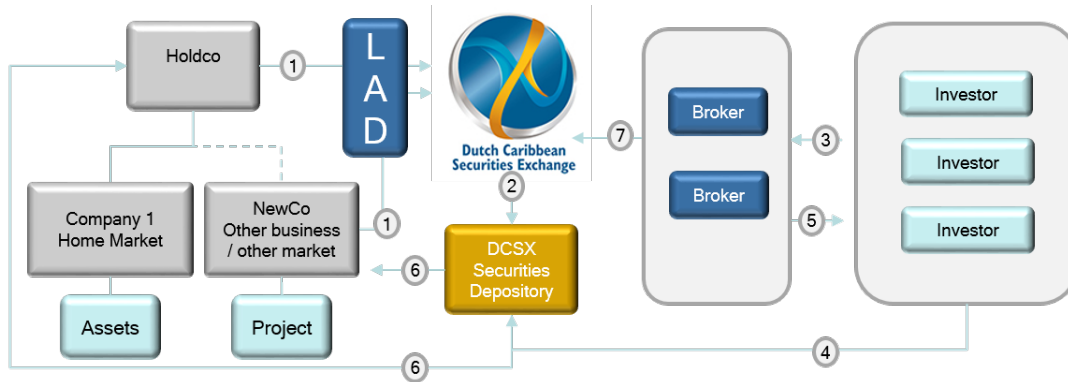
Companies listed on a stock exchange, partly because of the earlier referred to information they provide, are much more recognizable and visible than their privately held counterparts. That increased visibility that comes with being listed on the DCSX can help a company attract new clients and customers, and it draws press attention that might be difficult and expensive for the company to draw on its own.

A successful local business case: Building Depot Members Service

On October 2016, Building Depot Member Services Curacao B.V. (“BDMS”) issued bonds, in total of ANG 2,1 million, to be listed on the DCSX. The listing was structured by The Curaçao Financial Group N.V. (“CFG”) and Amergeris Global and Exchange Services N.V. was the Listing Advisor and Lead Broker for the issue.

The first local IPO through the DCSX in history was a great success being oversubscribed substantially (almost 3 times the total value of the issue). The issue consisted of 42 senior bonds with a face value of ANG 50,000 each, totalizing ANG 2,1 million. The bonds have a four year term and annual 6.5% interest rate paid quarterly. Management of BDMS expressed to be glad with the listing process and its outcome. Not only because the interest from the public exceeded their expectations, but moreover because of several of the above mentioned advantages that they experienced.

Basic oversight “players” in DCSX listing process:



1. The Holdco or Newco lists on the DCSX via an accredited Listing Adviser (LAD) in order to raise investor funds
2. The securities (Company shares, Bonds, Fund Shares or other instruments) are placed with the DCSX securities depository
3. Investors open a brokerage account and subscribe to the issue via their respective Broker(s)
4. Investors transfer money into the Broker's account with the DCSX securities depository
5. The broker lodges the allotted securities to each investor
6. The investor funds are transferred to the issuer
7. The securities can be traded on the DCSX by the investors via their broker(s)

This oversight flow chart was prepared by Amergeris Global and Exchange Services N.V. (an approved DCSX LAD)

Please contact us at info@dcsx.cw or directly as per below for any additional practical questions you may have.