



Listing on the SEM

A NEW VALUE-CREATION CHAPTER IN THE LIFE OF YOUR BUSINESS

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Foreword

The Stock Exchange of Mauritius (SEM)'s history since its humble beginning is one where the Exchange has constantly strived to break new grounds to overcome the structural constraints of an island economy where the universe of products, investors and market participants is relatively restricted. Since 1989, SEM has come a long way and its transformational journey and successful positioning as one of the leading Exchanges in Africa, is a quite enticing story.

SEM today has a state-of-the-art operating system, trading is effected daily for five-and-a-half hours, the settlement cycle is T+3, the total market capitalisation has crossed the USD 9 billion mark, and the internationalisation process is in full swing. We have set up a multi-currency listing, trading and capital-raising platform and modernised our listing framework to list a wide variety of multi-asset class products. Likewise, we have contributed to the democratisation of the economy by allowing 100,000+ Mauritians acquire shares in the flagship local companies, helped companies raise USD 7+ billion over time to fund their growth, and create value for the vast majority of issuers that have chosen to list on our platform.

SEM's transformative momentum took a new turn in 2010 when the Exchange undertook a fundamental shift of its strategic orientation, embarking with the internationalisation of its operational and regulatory framework. The outcome of this strategic shift has been quite compelling. 180+ securities are listed on SEM, cutting across different asset-classes and issued by a diverse group of local, African and international issuers. SEM's market capitalisation to GDP ratio is 60%+. SEM today boasts a streamlined listing regime catering for the specialist nature and requirements of a variety of asset classes. These cover equity products (ordinary/preference shares), debt products (fixed income/floating rate debt/specialist debt products and Eurobonds), ETFs, ETNs, DRs and Structured Products. The above products are issued and listed by domestic Issuers, International Issuers, Investment entities, Specialist companies (including GBCs) and Public sector issuers.

Listing on the SEM

A listing provides a company with a new public identity and introduces it to a new range of stakeholders, including the investment community. More importantly, it sets the stage for the company to leverage off a securities exchange's platform to write a whole new chapter of its growth, paving the way for the company to embrace new prospects and opportunities locally, regionally and even globally.

While some businesses might not like to be in the public eye, for many fast-growing private companies a listing may, on the contrary, enhance their profiles and help them to raise the capital needed to accelerate expansion and achieve market leadership.

We, at the SEM, have always been passionate in guiding and accompanying these companies along their transformational journey from being a private company to a listed entity on a recognized securities exchange.

We understand that joining a public market is one of the most significant decisions that a business will ever take, and that the sheer range of issues that need to be considered when building up a listing may seem very daunting at first. With this in mind, this guide has been developed to provide a practical outline of the key listing requirements, as well as to provide guidance on how to take the first steps towards becoming a SEM-listed company.

1. Listing : The opportunities and challenges

1.1 OPPORTUNITIES AND VALUE-ADDING BENEFITS OF A LISTING

Why consider a listing?

While there are several other ways to obtain capital for expansion without changing the way that your company is run significantly, a listing brings much more than just a way to raise capital in the short run or an exit route for early investors to monetize their investments.

The opportunities and value-adding benefits of a listing include:

<p>Access to a wide pool of investors and more cost-effective future financing opportunities</p>	<p>Being listed on a securities exchange exposes a company to a wider pool of retail and institutional investors, both local and international, enabling it to raise finance for further growth, both at the listing stage and throughout its lifetime as a listed company.</p> <p>Subsequent capital raising for listed companies is also greatly simplified.</p>
<p>Increased visibility and prestige</p>	<p>In general, listed companies enjoy a better image than companies, which are not listed. Greater media attention usually contributes to a positive perception of listed companies and reinforces their image and credibility. The voluntary steps taken by the management of listed companies to establish direct dialogue with their investors, as well as the regular reporting that must be undertaken by listed companies are perceived by investors as a sign of transparency and stability, and demonstrate an attitude of openness towards the public.</p> <p>Credibility in listed companies is further reinforced by the existence of the stock exchange's regulatory framework.</p> <p>Companies undertaking a listing are usually open to considerable media interest, which can potentially heighten brand awareness, add value to the company and become a major competitive advantage.</p>
<p>The possibility of an increase in market value.</p>	<p>Being listed generates an independent valuation by the market as the market values listed shares based on all available information. Also, listed companies are generally worth more than similar unlisted companies as the increased transparency which accompanies a listing reduces uncertainty around the performance of the listed company.</p> <p>Many investors are also predisposed to pay a premium for liquidity.</p>

<p>Institutional investment</p>	<p>Increased transparency (information efficiency) and trading liquidity (ease of entry and exit) are two factors that contribute to make listed companies attractive to institutional investors.</p> <p>Depending on the nature of the investing institution, this can bring with it increased business credibility, stability and the certainty of having a pool of investors for any future capital raising exercise.</p>
<p>Greater efficiency</p>	<p>The requirement for more rigorous disclosure and transparency lends itself to better systems and controls, improved management information and greater operating efficiency of the listed company.</p>
<p>Creating liquidity for shareholders</p>	<p>The trading in the shares of a listed company on a stock market provides the shareholders of that company with the opportunity to realize the value of their holdings. This can help to broaden the listed company's shareholder base as investors have more freedom to enter and exit their holdings.</p>
<p>Encouraging employees' commitment and incentivizing long-term motivation</p>	<p>The employees of a listed company can participate in the ownership of that company and benefit from being a shareholder.</p> <p>Share-based remuneration can help in aligning the interests of employees with the goals of the organization by increasing their long-term commitment to the business. Employee share option schemes give employees the opportunity to share in the company's growth, which in turn has an immediate and tangible effect on their motivation and performance.</p>

1.2 POTENTIAL CHALLENGES

Properly evaluating and considering the requirements, processes, pros and cons involved in undertaking a listing is an important step in determining the future course for your company. While public ownership offers significant advantages, it also holds potential risks, all of which need to be properly weighed. Effective planning is critical for a company to successfully seize the listing opportunity and navigate across the associated risks.

Whilst going public might offer significant advantages and opportunities, once listed, a company will face heightened scrutiny and greater demands on its management team.

Some of the potential challenges that may arise during the listing process and post-listing include:

Adequate resources are necessary	Preparing for a listing uses up considerable management time. Proper planning is of key importance and the company needs to have adequate resources (In-house or outsourced).
Post-listing obligations	Compliance with the post-listing reporting requirements of an Exchange involves additional management time and costs, as well as adequate support from the Directors of the company who need to properly understand the implications of being listed, including their responsibilities as Directors of a listed entity.
Costs	Undertaking a listing involves costs. The total costs of listing are likely to include, amongst other expenses, underwriting or brokerage fees, accounting, legal and independent expert fees as well as prospectus and marketing costs and SEM listing fees. (The listing fees charged by the SEM are however, very cost-competitive. Section 9 of this booklet outlines the listing fees charged by the SEM).
Susceptibility to market conditions	Once listed, the price of a company's shares can be affected by market conditions beyond its control.
Being under scrutiny by the media	While heightened media exposure has been mentioned as a benefit of listing, there might be certain instances where such a situation may be unwelcome. The company will need to set up the appropriate structure to handle interactions with the media, bearing in mind that material information ought to be disclosed to all market participants at the same time.
Potential loss of control	Going public inevitably means ceding a degree of control to outside shareholders, whose prior approval will be needed thereafter for certain corporate transactions.

1.3 IS YOUR COMPANY A SUITABLE CANDIDATE FOR A LISTING?

The answer to the above is neither simple nor connected to the size of the company. At some point in time, many flourishing private companies do consider undertaking a listing, and in doing so, they need to face some fundamental questions about the future of their business. The first step in this process is to determine whether listing is appropriate for the company in question, a decision which should be consistent with the company's long-term strategic goals.

If you decide that a listing on a securities exchange is your best road to growth and opportunity, it is important that you consider the advantages and disadvantages of a listing, as well as the potential challenges that may arise from it.

Some of the prerequisites for a successful listing candidate include:



The company must meet the listing requirements of the securities exchange in order to be listed. One of the key factors for a successful listing is also the ability to capture the interest of investors and to convince them that they stand to benefit from their investment in the company. For this reason, management should clearly define the company's goals, its business case and its future plans for development. The investment community should also view the company as a profitable business with good commercial prospects. For all companies listed on a stock exchange, the willingness to share information with investors is a driving force in their capital raising.

A company that is able to fulfill all the regulatory requirements and investor expectations of the stock market is one that can truly enter the stock market successfully.

2. Why list on the SEM?

The SEM was set up as part of the drive to consolidate the Mauritian financial services sector so as to accelerate the transformation of Mauritius into a modern and diversified economy. The SEM has, since its inception, acted as a powerful value-creation platform for listed companies and has played a focal role in the democratization of the Mauritian economy.

Listing on the SEM has helped many companies achieve their growth ambitions while simultaneously benefitting from an enhanced profile and liquidity within a well-governed and regulated market structure. In challenging market conditions, the SEM's markets have proved their value by providing companies with access to capital. Over the past decade, the Exchange has witnessed a significant overhaul of its operational, regulatory and technical framework to reflect the ever-changing standards of the stock market environment worldwide, and the SEM is today one of the leading Exchanges in Africa. In fact, the SEM ranks among the leading emerging markets performers during the last decade.

The SEM continuously strives to build on its past success by working together with all its stakeholders that continue to support the companies trading on its markets, including market regulators, stockbrokers, management companies and investors.

An entity seeking to undertake a listing on the SEM will generally witness a number of potential advantages accruing to itself, during and post-listing. While some of these key benefits that such a company may derive for a listing are listed below, it is to be borne in mind that this list is not exhaustive and may comprise additional benefits based on individual circumstances.

>>> A MULTI CURRENCY LISTING, TRADING AND SETTLEMENT PLATFORM

The SEM is the only Exchange in Africa, and one of the few Exchanges worldwide, that can list the securities of an issuer in US Dollars, Euros, Pound Sterlings, South African Rands and Mauritian Rupees, as well as trade and settle transactions in the issuer's securities in those five currencies.

The ability to list, trade and settle in international currencies provides international investors with a natural hedge against currency risks and eliminates currency conversion costs, reinforcing thereby, the attractiveness of the SEM to international issuers and investors.

>>> FLEXIBLE LISTING RULES & A DIVERSIFIED RANGE OF ASSET CLASSES

The SEM offers a streamlined and highly flexible listing regime and caters for the specialist nature and requirements of a wide variety of asset classes, including securities issued by:





- Local Issuers
- International Issuers
- Investment entities (including investment companies, unit trusts, closed-end funds, global schemes, collective investment schemes, expert funds and REITs)
- Specialist companies (including Global Business Corporations)
- Mineral and Exploration Companies
- Governments and state corporations
- Specialist debt securities and Eurobonds
- Depositary Receipts
- Exchange Traded Funds (ETFs)
- Exchange Traded Notes (ETNs)

- Structured products
- Sustainable bonds

The above diversified range of products enables the SEM to contribute in making Mauritius a “one-stop-shop” by offering an attractive listing, trading and capital-raising platform for entities which are incorporated in Mauritius or internationally and which also wish to use Mauritius as a service platform to accede to the emerging regions in Asia and Africa.

The SEM has very flexible provisions with regards to dual listings, including a fast-track listing process, with the objective of facilitating dual listings.

>>> AFFILIATIONS WITH LEADING INTERNATIONAL ASSOCIATIONS

<p>The SEM is a Member of:</p>		
<ul style="list-style-type: none"> - <i>The World Federation of Exchanges (WFE)</i> - <i>The South Asian Federation of Exchanges (SAFE)</i> - <i>The African Securities Exchanges Association (ASEA)</i> - <i>The Committee of SADC Stock Exchanges (COSSE)</i> 		

In March 2010, the SEM was *designated by the Cayman Islands Monetary Authority (CIMA) as an Approved Stock Exchange* by virtue of its membership of the World Federation of Exchanges for the purposes of CIMA’s Mutual Funds Law, Banks and Trust Companies Law, Insurance Law, Companies Management Law and Securities Investment Business Law. The CIMA recognition undoubtedly raises the profile of the SEM as a well-structured and properly regulated Exchange and enhances SEM’s position as an attractive Listing venue for global and specialised funds.

With effect from 31 January 2011, SEM has also been *designated by the United Kingdom’s Her Majesty’s Revenue and Customs (HMRC), as a “recognised Stock Exchange”* under section 1005 (1) (b) Income Tax Act 2007. As a result of this development, securities admitted to trading and listed on the Official Market of the SEM will meet the HMRC interpretation of “listed” as set out in section 1005 (3) (a) and (3) (b) Income Tax Act 2007. Under this designation as a ‘recognised stock exchange’, SEM will also be regarded as a ‘recognised Stock Exchange’ for Inheritance Tax purposes. This designation confers several potential benefits for SEM. In the first place, UK pension schemes will be permitted to hold securities listed on the Official Market of the SEM, giving companies and funds listed on SEM access to a larger market of sophisticated, well-capitalised investors. The designation reinforces SEM’s attractiveness as a listing venue for global funds and specialised products. Securities listed on the Official Market of the SEM may be held in tax advantaged Individual Savings Accounts (ISA’s) and Personal Equity Plans (PEP’s) by UK investors. While holders of debt securities satisfying the Eurobond exemption and listed on the Official Market of the SEM are exempted from withholding tax on distributions underlying these debt securities, Inheritance tax advantages may also accrue to UK holders of securities listed on the Official Market of the SEM.

>>> SEM: A POWERFUL VALUE-CREATING PLATFORM

Many companies that have chosen to list on the SEM have seen their market value increase substantially over time, generating thereby very attractive returns both to the original as well as new shareholders.

A time-series analysis of the performances of many companies listed on both the Official Market and the Development & Enterprise Market (DEM) of the SEM indicates the powerful wealth-creation that a listing on the SEM has generated to shareholders of these companies over the years in terms of total return.

On the Official Market the annualised total return of the top 20 listed stocks from their dates of listing up to 30 April 2025 ranges from 8% to 20%. During the same time frame, the total return to shareholders of the top 20 companies varies between 1050% and 67488%.

The performances of the top 20 companies listed on the DEM have been commendable even if these solid performances have been realized during a shorter time frame, with this market being launched in 2006. The annualized total return of the top 20 DEM companies from their dates of listing up to 30 April 2025 ranges from 2.53% to 29.38%. The total return to shareholders of the top 30 companies varies between 56% and an astounding 5186%.

These pertinent figures indicate that the earnings growth experienced by many of the listed companies on SEM since their date of listing has translated into meaningful value gains on the Stock Exchange, generating attractive risk-adjusted returns for investors in these companies.

>>> CAPITAL RAISING PLATFORM OF CHOICE

Strategically located between Asia and Africa, Mauritius is a frontier emerging market and one of the most open and financially sound economies in sub-Saharan Africa. The strength and resilience of the Mauritian economy is underpinned by nearly 30 years of uninterrupted economic expansion at a rate well above the global average and the stable political and economic environment of the Mauritian landscape provide a very compelling case for business investment.

The SEM has, during the past few years, successfully managed to anchor itself firmly as a listing venue for Global Funds and Global Business Companies. This strategic shift by the SEM follows the enactment of various legislations by the Mauritian authorities to assist foreign companies and foreign investors in using the Mauritian Jurisdiction as a one-stop shop, offering a variety of services to a multitude of players around the world to promote Mauritius as an International Financial Centre of substance.

The Global Business Sector in Mauritius presently registers flows amounting to billions of dollars. For Private Equity Funds and Africa-dedicated Funds that have been structured in the Mauritian Global Business Sector with the objective of capitalizing on the promising growth potential that the African continent has to offer, the SEM has positioned itself as an ideal platform for these entities to capture these capital flows. By listing on the SEM your company will become part of a select group of companies on the local and regional capital stage, and will have the opportunity to raise capital from investors throughout the world.

The tables below illustrates the total capital raised (in USD) on the SEM by foreign and domestic issuers from 2009 to 2025:

Year	By International issuers	By Local issuers	Total capital raised
2009	15,047,741	15,575,007	30,622,748
2010	77,688,406	74,328,241	152,016,647
2011	71,778,123	28,224,276	100,002,399
2012	109,029,207	41,954,708	150,983,915
2013	375,176,526	153,153,132	528,329,659
2014	336,019,982	234,821,354	570,841,336
2015	935,323,509	113,657,066	1,048,980,575
2016	692,495,130	117,051,025	809,546,156
2017	1,028,933,592	169,899,576	1,198,833,168
2018	355,019,380	239,752,974	594,772,354
2019	144,004,884	44,965,781	188,970,665
2020	311,005,780	134,013,848	445,019,628
2021	329,659,266	157,819,605	487,478,871
2022	30,492,915	66,756,913	97,249,829
2023	64,321,109	385,794,086	450,115,195
2024	33,327,444	161,631,822	194,959,266
2025	962,610	852,744	1,815,353
TOTAL	4,910,285,606	2,140,252,158	7,050,537,764

>>> A HIGHLY ATTRACTIVE TAX REGIME

Mauritius has a highly attractive tax regime. Foreign investors investing on the SEM can benefit from:

- No withholding tax on dividends
- No capital gains tax
- Free repatriation of profits, capital and interest
- Double Taxation Avoidance Treaties

Mauritius has signed 38+ Double Taxation Agreements (DTAAS) to date with leading developed and emerging economies around the globe and is party to a series of treaties under negotiation. The geographical position of Mauritius and the numerous double taxation treaties and Investment Promotion and Protection Agreements (IPPAs) that Mauritius has with a number of fast growing African countries makes it an ideal place to raise capital for investing in Africa. With its wide treaty network, Mauritius also offers investors greater opportunities to plan their investments abroad through the use of the Global Business Corporations.

>>> WORLD CLASS MARKET TECHNOLOGY

The SEM's markets are driven by leading electronic trading, settlement and depository systems. The SEM is, in fact, one of the first African exchanges to provide an integrated trading infrastructure which operates in line with international standards.

>>> REAL-TIME INFORMATION EFFICIENCY

The SEM's website provides daily information about prices and listed issuers. Additionally, the SEM is today connected live to a top bracket of global vendors including the likes of Bloomberg, Thomson Reuters, Interactive Data, S&P Global, Factset, IRESS etc, enabling therefore both retail and institutional investors worldwide to follow its markets on a real-time basis. The coverage of SEM's data by global data vendors is a powerful marketing medium to enhance SEM's visibility internationally and put the Exchange on the radar screen of a wider spectrum of institutional investors, thus attracting more foreign investor interest on our market. SEM is in fact one of the few Exchanges in Africa to be connected to Bloomberg and Thomson Reuters on a real-time basis.

>>> INCLUSION IN INTERNATIONAL FRONTIER MARKET INDICES IN ADDITION TO LOCAL INDICES

In 2014, the SEM replaced the SEM-7 Index by the SEM-10 Index. The rationale for the creation of the SEM-10 Index is that the underlying changes in the market environment since 1998 have underscored the need to re-actualize the previous SEM-7 Index, in order to better reflect current market conditions, and to introduce an Index that tracks the performance of the ten largest eligible stocks of the Official Market, measured in terms of market capitalization, liquidity and investibility criteria. The reserve-list now includes 5 stocks instead of three, meaning that investors are now able to constitute a benchmark portfolio of 15 actively traded stocks.

Since 2016, the SEM also added two new indices to its suite of indices; namely the SEM-All Share Index (SEM-ASI) and the SEM-VWAP Index. SEM-ASI is an index which tracks the price performance of all companies listed on the Official Market, including the foreign-currency denominated companies, provided they meet the free-float requirements of the SEM. The creation of SEM-ASI was inspired by the listing of a growing number of Global Business Corporations on the SEM. These companies have not only grown in size but they have also been involved in appreciable trading activities. It therefore became opportune in 2016 to start tracking their price performance by including them in a new index. SEM-ASI not only increased SEM's market capitalisation since September 2016, but it also today reflects the real size of the Exchange and helps to improve its visibility as an attractive capital-raising and listing platform for foreign currency denominated companies. Whilst, the SEM-VWAP index partially helps to neutralise index fluctuations triggered by small volume trades from time to time. The introduction of SEM-ASI triggered some incidental changes to the SEMDEX which since then, tracks only rupee-denominated companies listed on the Official Market.

Similarly, the SEM also successfully attracted the listing of a growing number of debt instruments over the years and hence it became opportune to create a Bond index to provide bond investors with a dynamic and measurable tool of the time-series performance of the bond index constituents. The launching of the SEM Bond Index (SEM-BI) lately in November 2017 confirms the attractiveness of the SEM as a compelling capital-raising and listing platform for debt instruments, and this new index is expected to enhance the visibility of the debt market in Mauritius.

From a more global perspective, the growing interest from international investors in recent years, has prompted well-known Index and Data Providers like Standard & Poors, Morgan Stanley, Dow Jones and FTSE to include the SEM in a variety of indices tracking key frontier emerging markets. Companies listed on the SEM may be eligible for inclusion in these indices, although inclusion is subject to criteria determined by the index providers. Inclusion in such indices can be highly beneficial to a listed company as many international institutional investors rely on these indices as a benchmark to measure the performance of their investment portfolios.

>>> STRONG GROWTH

Even in volatile world economic conditions, the SEM has experienced strong, long-term growth in terms of the key indicators of market quality and size.

From year 2000 to 2025, Market capitalisation of SEM has increased by more than 10-fold
Turnover traded on SEM grew by more than 6-fold during the period 2000 to 2025.

Its strong growth potential makes the Mauritian capital market attractive as the average earnings capacity of companies operating in that market are also high, providing investors with the potential to participate in high profit companies.

>>> UNRELENTING INNOVATION TOWARDS A MORE OPEN MARKET

Unrelenting in its pursuit of excellence and innovation, the SEM has rules for remote membership, in order to attract foreign brokers and foreign participants to our market and to increase the flow of business into Mauritius, This is expected to open the space for foreign players to connect directly to our trading systems and cross-link our market with other markets in the region.

>>> UNPARALLELED SERVICE SUPPORT & COMPETITIVE LISTING FEES

The SEM is committed to supporting its issuers every step of the way - before, during and after their admission to listing. The Exchange has a dedicated team in place to assist companies with any queries and to guide them throughout the admission process. The SEM also has a simple, highly cost-effective and very competitive listing fee structure, which provides affordable entry and continued listing. (A further section of this booklet outlines the listing fees charged by the SEM).

>>> DUAL CURRENCY TRADING

The SEM offers a dual currency trading facility which gives investors the option to trade securities denominated in foreign currencies both in the primary currency in which the securities are issued and in Mauritian Rupees. The objective of this facility is to boost trading and liquidity in international products and global business companies that are listed on the SEM.

>>> SUSTAINABILITY

The SEM is a signatory and Partner Exchange of the United Nation's Sustainable Stock Exchanges initiative and remains committed to push forward the sustainability agenda.

In 2015, the SEM launched the SEM Sustainability Index (SEMSI), to provide a robust measure of listed companies against a set of internationally aligned and locally relevant environmental, social and governance (ESG) criteria. This Index acts as a tool for international investors having an appetite for responsible investment in frontier markets, while also promoting corporate sustainability amongst SEM listed issuers.

In 2023, the SEM listed a first Green Bond on the Official Market and is well positioned to accommodate the listing of Sustainable Bonds on its platform.

2024 marked the launch of a Partnership between SEM and Risk Insights on the rating of ESG reporting by SEM-listed companies and other unlisted companies in Mauritius. Risk Insights has expertise in running AI methodology to rate companies.

>>> HIGH GROWTH COMPANIES

SEM added a new strategic dimension to its innovative thrust by launching SEMX IN 2024. SEMX focuses on the listing of fast growing, profitable companies, which at the time of listing already demonstrate strong growth in revenue of at least 25% on a CAGR basis over the prior three financial years or 100% reasonably spread over the last five years. This platform provides better visibility to High Growth companies.

3. Getting ready for a listing

Companies often begin their preparations for listing on a securities exchange well before they launch the listing application process. Typically, pre-listing preparations may take two to six months. Advance preparation is a key success factor that allows for a smooth and efficient execution process and the ability to take advantage of market windows.

Some key pre-listing Issues that need thorough consideration include:

- The long-term goals and strategies of the company and a solid plan for sustainable success.
- An experienced and competent management team.
- The need for Directors and senior managers to be aware and to get prepared for facing greater disclosure, accountability and transparency after listing.
- The adaptation of the organisation's culture to the exigencies of being a listed company.
- The robustness of the operational, financial and management information systems.
- Good corporate governance practices.
- The right timing for a listing, in terms of both the business and of market conditions.
- A good understanding of investors' expectations.
- The readiness of the company to adhere to the discipline of the stock market.

Undertaking a listing is a turning point in the life of a company. It should therefore be approached as a business transformation process rather than simply a one-off capital raising transaction.

A listing is also an opportunity for a company to simplify its structures, formalise business practices and make improvements in its processes that will prepare it to face the challenges of operating in the public spotlight.

Structural changes might be necessary as a listing may sometimes warrant changes to the Board of Directors of the company, the corporate structure of the company, and its articles of association.

Cultural changes might also be required as a listing may have a significant impact on the culture of an organisation, A culture change program is therefore necessary to enable employees and key management personnel to be properly trained in order to adjust to the behavioural norms of a listed company.

Think and operate like a listed company even before listing. Early preparation is everything.

4. Methods of listing on the SEM

The choice of the method of listing will normally depend on the nature of the applicant's business and the applicant's capital requirements.

There are four principal ways by which new applicants can bring securities to listing on the SEM's markets, namely:

>>> AN INTRODUCTION

An introduction is a method of bringing securities to listing without involving an issue of new securities and without raising any capital. In general, a company can list by way of an Introduction if at least 25 per cent of its shares are already in public hands and there is a fair spread of shareholders. An introduction involves no underwriting fees and little requirement for advertising.

>>> AN OFFER FOR SALE

An offer for sale is an invitation to the public by or on behalf of the holders or allottees of securities to purchase securities of the issuer already in issue or agreed to be subscribed. In the case of offers for sale, the SEM must be satisfied as to the fairness of the basis of allocation so that every investor who applies at the same price for the same number of securities receives equal treatment.

>>> AN OFFER FOR SUBSCRIPTION

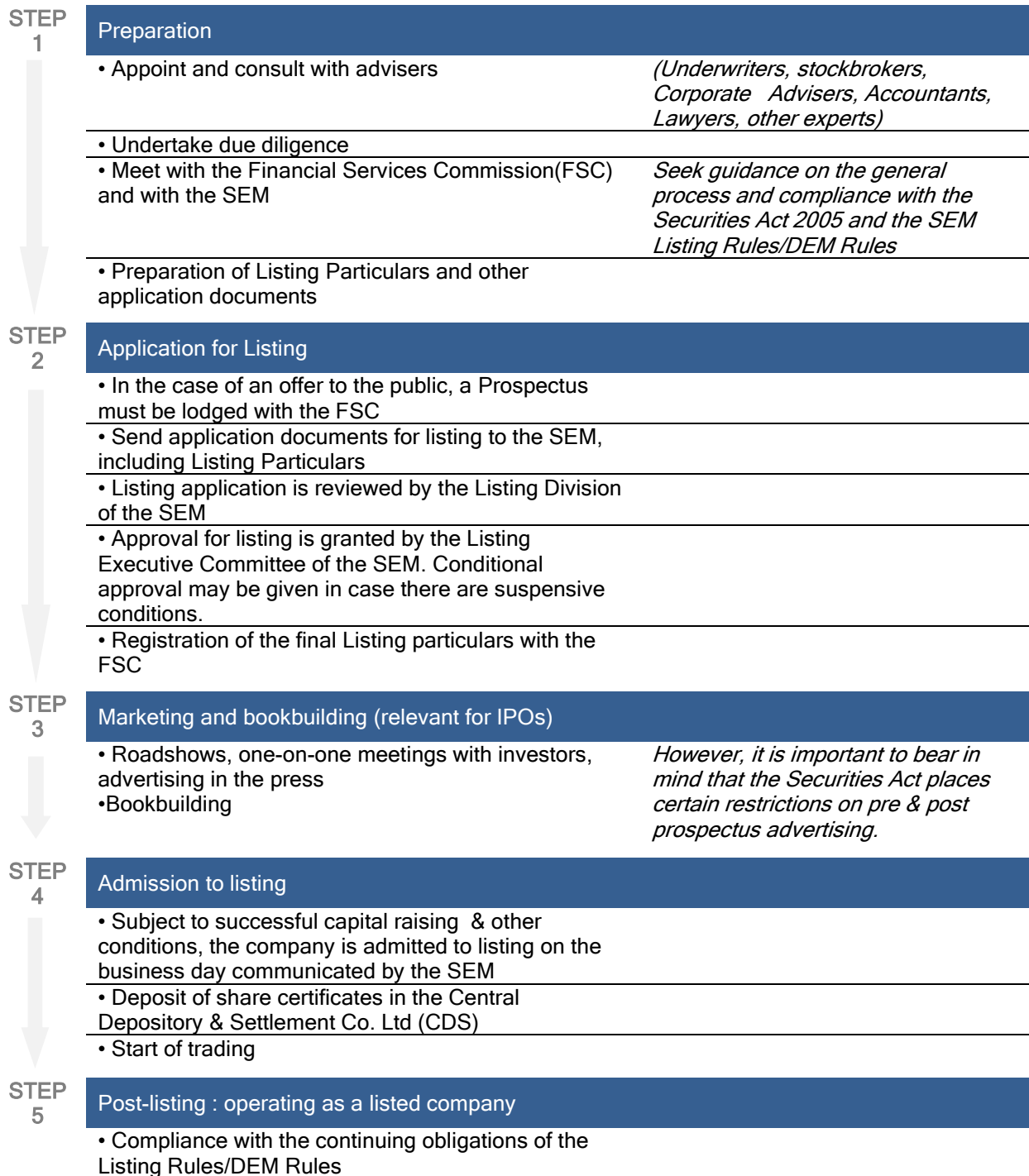
An offer for subscription is an invitation to the public by or on behalf of an issuer to subscribe for securities of the issuer not yet in issue or allotted. The applicant must state the minimum level of subscription, below which the issue would be cancelled and the subscription money would be refunded. In the case of offers for subscription, the SEM must be satisfied as to the fairness of the basis of allotment.

>>> A PRIVATE PLACEMENT

A private placement or placing usually involves offering the company's shares to a selected base of investors. This allows the issuer to raise capital with lower costs and greater freedom and it gives the issuer more discretion to choose its investors.

5. Overview of the listing process

The following process chart outlines the key steps in the listing process:
(Depending on your circumstances, the need for, and order of, these steps may vary)



5.1 PREPARATION OF THE LISTING

- **Appointing advisors**

The company wishing to undertake a listing needs to line up a number of competent and reliable advisers to guide it through the listing process. While the following chart provides an outline of advisers' roles and responsibilities in this process, it is to be noted that it is in no way exhaustive and that depending on your circumstances, the need for these advisers may vary:



* The SEM strongly recommends that a sponsoring broker is appointed when undertaking an IPO and when preparing to bring a company to list on the Stock Exchange.

- **Due Diligence**

The purpose of due diligence is to ensure the accuracy, truthfulness and completeness of the company's Prospectus/Listing Particulars, and to understand any issues associated with the company. Factors such as the company's operations, management, financial prospects, historical performance, competitive position, business strategy, suppliers, customers, creditors and any other matter that may have a bearing on the listing, the viability of the entity as a public company or on the accuracy and completeness of the Listing Particulars need to be covered in this exercise.

- **Engaging discussions with the FSC and the SEM**

When a company is contemplating to do a listing, it needs to contact the FSC to determine what requirements may be applicable under the Securities Act 2005 or any other relevant legislation. After having consulted with the FSC, the company would then normally engage with the SEM to ascertain the necessary requirements applicable for seeking a listing on SEM's markets.

The SEM can provide you with insight into the listing process, and provide answers to your questions regarding the Listing Rules and DEM Rules.

- **Preparation of Listing Particulars**

A Listing Particulars ('Admission Document' for entities seeking to list on the DEM) is any document issued or proposed to be issued in connection with an application for listing and complying with the requirements for Listing Particulars set out in the Listing Rules.

In the case of an offer to the public, after filing its Prospectus with the FSC, the company undertaking the offer to the public and wishing to list on the SEM may amend the Prospectus, incorporating the requirements of the Listing Rules (or DEM Rules), and lodge same with the Listing Division of the SEM.

Note:

1. Although the Listing Rules/DEM Rules do not provide for an issue to be underwritten, it is strongly recommended that the Listing Particulars / Admission Document clearly state whether the issue is underwritten or not.
2. The issuer must state the minimum level of subscription, below which the issue would be cancelled and the subscription money would be refunded.

5.2 APPLICATION FOR LISTING

Once approved by the Company's Board of Directors, the Prospectus is lodged with FSC / Listing Particulars is lodged with the SEM. The Listing Division of the SEM will review your application to ensure that it meets all the requirements of the Listing Rules. If satisfied, the Listing Executive Committee will grant approval for listing.

5.3 MARKETING AND BOOKBUILDING

Once the price has been set, the bookrunners can begin taking orders from investors. It is important to position the investment case in a way that effectively demonstrates the attractiveness of the company to equity investors, and it is also very important to meet enough and the right type of investors during the management roadshow.

5.4 ADMISSION TO LISTING

When the capital raising exercise is successful and all other conditions set out in the Listing Particulars, or as may be requested by the Listing Executive Committee, are met, the company may then be admitted to listing on the business day communicated by the SEM and may start trading.

5.5 POST-LISTING: OPERATING AS A LISTED COMPANY

While operating as a listed company opens up avenues for new growth opportunities for your company, it also entails several obligations.

In order to fully tap into the potential that a listing presents, you will need to communicate with the market and to promote yourself to the investment community on an ongoing basis.

The Listing Rules and the DEM Rules set out the requirements that must be met by listed companies to maintain their listed status. These continuing obligations are aimed at ensuring that the market operates in a fair, orderly and transparent manner.

Continuous disclosure

SEM Listing Rule 11.3 and DEM Rule 21.1 are key rules imposing a general obligation on listed companies to disclose material information as well as requiring the release of specific information. The general disclosure obligation requires companies to immediately release to the market any information which a reasonable person would expect to have a material effect on the price or value of its shares. The SEM may also require a company to provide information to the market in certain circumstances in order to prevent a false market.

Periodic disclosure

SEM listed companies are required to submit financial information at regular intervals:

- Quarterly Reports
- Abridged audited financial statements
- Annual Reports

6. The SEM's markets

The SEM recognizes the importance of catering for the specific needs of companies, while taking into consideration, the sector in which they operate, their size, the stage of their development and the risks attached to them.

The SEM operates two markets: the Official Market and the Development & Enterprise Market (DEM).

A listing applicant will generally select its preferred market, and will need to meet all the applicable requirements that are particular to that market.

The Official Market, or the Main Board of the SEM comprises some of the largest companies in Mauritius spanning across different sectors of activity of our local economy.

The DEM is a market targeted towards Small and Medium-sized Enterprises (SME's) and newly set-up companies which possess a sound business plan and demonstrate a good growth potential.

The SEM's regulatory framework is underpinned by a set of principles that ensure the quality and efficiency of both of these markets. Both markets offer a degree of flexibility as regards the number of shareholders and the percentage in public hands at the time of application.

7. Listing on the Official Market of the SEM

Applicants seeking a listing on the Official Market of the SEM must comply with the entry requirements, the post-listing obligations, and all other applicable provisions, as set out in the Listing Rules.

7.1 LISTING OF DOMESTIC COMPANIES

In order to be admitted to listing on the Official Market, domestic companies must meet the conditions for listing, as prescribed by Chapter 6 of the Listing Rules.

The key entry requirements for the listing of equity securities of domestic issuers are as follows:

Key Entry Requirements	Published Accounts:	3 years*
	Min. Market capitalization:	MUR 20 Million
	Min. number of shareholders:	200
	Min. equity securities in public hands:	25%*

**Requirement may be relaxed under specific circumstances.*

7.2 LISTING OF DEBT SECURITIES

The key entry requirements for the listing of debt securities are as follows:

Key Entry Requirements	Published Accounts:	3 years*
	Min. Market capitalization:	If the shares of the issuer are not listed, the issuer must have tangible assets of at least MRU 50 million. The nominal amount of each class of debt securities for which listing is sought must be not less than MRU 25 million divided into units of not less than MUR 100 or such other amount as determined by the SEM*
	Min. number of public debt holders::	100

**Requirement may be relaxed under specific circumstances.*

7.3 LISTING OF INTERNATIONAL ISSUERS

The absence of Exchange controls, coupled with compelling fiscal advantages, numerous DTAA and IPPA agreements, as well as the ease of doing business in a well-regulated international financial centre makes Mauritius an attractive jurisdiction for international issuers. These issuers can use the SEM's multi-currency platform to list and raise capital in USD, GBP, EURO and RAND in order to fund their business activities.

Chapter 15 (International Issuers) of the Listing Rules for the Official Market is targeted specifically towards international issuers and makes the distinction between a primary listing and a secondary listing, whose requirements differ from those requirements applicable to local companies. Chapter 15 thus provides flexibility and ease of listing to foreign companies wishing to be admitted on the SEM, in the form of modifications and/or exceptions to the general requirements of the Listing Rules.

PRIMARY LISTING

Key Entry Requirements	Published Accounts:	3 years*
	Min. Market capitalization:	MUR 20 Million
	Min. number of shareholders:	200
	Min. equity securities in public hands:	25%*

**Requirement may be relaxed under specific circumstances.*

SECONDARY LISTING

Key Entry Requirements	Published Accounts:	3 years* (The published audited accounts of an international issuer which is a new applicant seeking a secondary listing on the SEM must cover at least 3 years ended not more than twelve months before the date of the Listing Particulars)
	Min. Market capitalization:	MUR 20 Million
	Min. number of shareholders:	No prescribed minimum
	Min. equity securities in public hands:	No prescribed minimum
	Compliance	An international issuer with or seeking a secondary listing on the SEM must be in compliance with the requirements of: <ul style="list-style-type: none"> (i) any overseas securities exchange on which it has securities listed; and (ii) any competent authority or equivalent regulatory body which regulates it.

**Requirement may be relaxed under specific circumstances.*

➤ **Fast track listing process**

For secondary listings, where an international issuer has its primary listing on any of the following Exchanges:

- Australian Securities Exchange
- Johannesburg Stock Exchange
- London Stock Exchange
- NYSE
- Euronext
- Toronto Stock Exchange

an application document issued by the issuer (incl. updates or additional information as annex) and approved by its primary securities exchange will be accepted as Listing Particulars, provided that the issuer is listed on a board which is equivalent to the Official Market.

A fast track listing process will be available for such an issuer. This fast track listing process effectively eliminates time, cost and management constraints for the issuer with regard to the preparation of application documents.

➤ **Flexibility with regard to Listing Particulars**

In addition to the fast track route, where the primary listing of the international issuer is on a securities exchange which is recognised by the SEM and whose name appears in Appendix 8 of the Listing Rules, an application document issued by the issuer and approved by its primary securities exchange within the preceding one year (incl. updates or additional information as annex) may be accepted as Listing Particulars, provided that the issuer is listed on a board which is equivalent to the Official Market.

➤ **Flexibility with regard to post-listing obligations**

For international issuers having a secondary listing on the Official Market of the SEM, the SEM may allow the post-listing requirements of the primary exchange to take precedence.

An international issuer having a secondary listing on the Official Market of the SEM may therefore file and publish its financial statements on the same periodical basis as in the jurisdiction of its primary listing.

7.4 LISTING OF INVESTMENT ENTITIES

A few years back, SEM undertook a reorientation of its activities in the context of an internationalization strategy by gradually moving away from an equity-based domestic Exchange to a multi-product internationally oriented Exchange. In early 2010, SEM revamped its Listing Rules to align them with the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 and introduced the new Chapter 16 (Investment entities) with a view to positioning the SEM as an attractive venue for the listing of Global and Specialised Funds.

Chapter 16 caters for the specific requirements of investment entities in general, including investment companies, unit trust schemes and other types of investment entities such as closed-end funds, Global schemes, professional collective investment schemes, specialised collective investment schemes, expert funds and any other investment vehicle or entity incorporated in a foreign jurisdiction.

The regulatory gap between the compliance requirements of the regulation for Collective Investment Scheme (CIS) and Chapter 16 of the Listing Rules is thin, which ensures little difference in terms of compliance costs between a listed and an unlisted CIS. Chapter 16 also ensures flexibility of listing through tailor-made vehicles that are adapted to fund-specific circumstances and objectives of Global Business Schemes and Specialised Funds.

The key entry requirements in the table below applies to the following investment entities:

- a) a “closed-end fund” authorised under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 which does not fall under the definition of investment company under Chapter 16 of the Listing Rules;
- b) a “Global scheme” authorised under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008;
- c) a “professional collective investment scheme” authorised under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008;
- d) a “specialised collective investment scheme” authorised under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008; and
- e) an “expert fund” authorised under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.
- f) any other investment vehicle or entity incorporated in a foreign jurisdiction as may be accepted by the SEM.

Key Entry Requirements	Published Accounts:	3 years*
	Min. Market capitalization:	MUR 20 Million within 1 year of listing
	Min. number of shareholders:	200*
	Min. equity securities in public hands:	25%*

**Requirement may be relaxed under specific circumstances.*

7.5 LISTING OF SPECIALIST ENTITIES

(1) Global Business Corporations

Chapter 18 (Part A) of the Listing Rules for the Official Market creates an enabling and competitive environment for the listing of Global Business Corporations on the SEM, thus strengthening the image of Mauritius as an international financial services centre of substance which offers a complete gamut of services to Global Business Corporations, ranging from incorporation, front and back-office services to listing on a well recognised Stock Exchange.

It is worth noting that the SEM's very flexible listing framework for Global Business Corporations enables a Global Business Corporation with a solid business plan clearly demonstrating sustained viability of the business, as well as experienced management, to be listed just after incorporation.

Companies with international business operations can, via a Global Business Corporation structure incorporated in the Mauritian jurisdiction, benefit from this eased listing route in addition to the inherent fiscal advantages of the jurisdiction in order to:

- raise their profile vis-à-vis their investors;
- open up their companies/products to investors that can only invest in listed companies/products;
- raise capital to expand their activities;
- obtain an objective market price for their companies/products; and
- demonstrate substance in their activities.

The key entry requirements for Global Business Corporations are as follows::

Key Entry Requirements	Published Accounts:	3 years (In the absence of 3 years' track record, this requirement may be waived, provided a business plan covering at least 3yrs is submitted)
	Min. Market capitalization:	MUR 20 Million
	Min. number of shareholders:	200*
	Min. equity securities in public hands:	25%*

**Requirement may be relaxed under specific circumstances.*

(2) Specialist Debt Securities

Chapter 18 (Part B) of the Listing Rules for the Official Market provides for the listing of specialist debt instruments on the SEM. These are debt instruments targeted towards qualified investors, i.e. special categories of investors acceptable to the SEM who are knowledgeable and understand the risks of investing in such specialist debt instruments.

Specialist debt instruments offer an alternative avenue for raising finance which companies can tap into in order to restructure their balance sheets, to have access to a new market with more competitive rates (fixed or floating) and to have the flexibility of having bullet re-payments in case of project financing and other repayment options that enhance their cash flows.

➤ Reduced brokerage fee structure for specialist debt instruments

It is worth noting that the reduced brokerage fee structure introduced by the SEM in 2014 for the trading of bonds also creates an enabling environment for a liquid market for specialist debt instruments on the SEM.

➤ Masala bonds

The Double Taxation Avoidance Agreement between India and Mauritius with 7.5% withholding tax on interest on debt instruments makes Mauritius an attractive jurisdiction for structuring debt funds and debt instruments with a focus India and Asia. These instruments can be listed on the SEM to raise capital and provide liquidity to existing holders.

Indian conglomerates can also use the SEM's platform to list Masala Bonds to raise finance from international investors in a cost-effective and tax-efficient manner.

➤ Sustainable bonds

Climate change has become one of the greatest developmental challenges of our time. In this context, over the first half of 2018, the SEM has led the *Mauritius Green Bonds Market Development Initiative*, which aims at developing a Green Bonds market in Mauritius.

Through this Green Bonds market, the SEM is seeking to gradually open up an avenue to mobilize investments into green and sustainable development projects that address climate change. The Green Bonds market will enable public and private sector issuers to issue and list Green Bonds on the SEM to raise capital for their "green" projects.

A listing of Green Bonds is catered for by Chapter 18B of the Listing Rules, with the additional requirement that the 'green' nature of the Bonds needs to be independently reviewed.

The key entry requirements for specialist debt securities are as follows:

Key Entry Requirements	Published Accounts:	3 years (Can be waived for debt securities which are not guaranteed if the SEM is satisfied that the obligations created in respect of such securities are fully secured)
	Minimum Market capitalization:	The nominal amount of each class of debt securities for which listing is sought must be not less than MRU 25 million *
	Minimum securities in public hands:	No prescribed minimum securities in public hands

**Requirement may be relaxed under specific circumstances.*

7.6 LISTING OF DEPOSITARY RECEIPTS

Chapter 19 of the Listing Rules caters for the listing of Depositary receipts (DRs) on the Official Market of the SEM.

A DR is a negotiable security that is issued on the back of existing publicly traded securities. The DR, which is a physical certificate, allows investors to hold securities in other countries, while eliminating custody and cross-border safekeeping charges. It is a flexible financing tool through which equity, as well as various debt instruments can be wrapped, including Sukuk, Corporate debt, Sovereign debt and Supranational debt.

The rights of the DR holder are stated on the DR certificate, and it should be noted that the DR investor holds privileges like those granted to the holders of the underlying securities. For instance, the investors in a DR issued on the back of the ordinary shares of a foreign company receive equivalent rights and entitlements, including dividends, as the ordinary shareholders of the company.

Issuing companies and investors alike benefit from the unique features of the DRs structure. The advantages are substantial.

For international investors, a DR program can:

- broaden shareholder base
- establish local market equity participation
- create equity compensation tools for employees
- provide a regional share currency for mergers and acquisitions
- increase a company's visibility locally and abroad
- utilize a ratio to fit Mauritian pricing standards
- allow the company to access capital outside its home market
- ensure efficient dual market trading

For local investors, a DR program offers:

- the ability to diversify their portfolios internationally
- a way to avoid exposure to the challenges presented when investing directly in foreign trading markets, including inefficient trade settlements, uncertain custody services and costly currency conversions. DRs overcome many of the inherent operational and custodial hurdles of international investing. In fact, they offer cost benefits and conveniences.

DRs offer a new listing route, as well as a new asset class, which the SEM believes will concretely widen its reach and render its market more accessible to international companies and international investors. While the entry requirements and continuing obligations applicable to entities seeking a listing on the SEM have been reviewed to meet the specificities of DRs in Chapter 19, these new rules maintain a very high level of thoroughness and transparency and remain in line with international standards.

Chapter 19 of the Listing Rules makes provision for the listing of both sponsored and unsponsored issues of DRs.

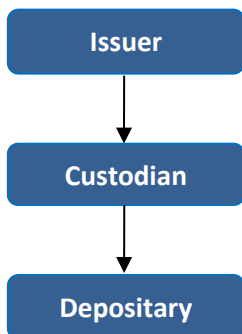
A sponsored issue: an issue of Depositary receipts which is undertaken *by the issuer* of the underlying securities represented by the Depositary receipts.

An unsponsored issue: an issue of Depositary receipts which is undertaken *without the specific agreement or support of the issuer* of the underlying securities represented by the Depositary receipts.

Process leading to the setting up of a sponsored DR programme on the SEM:

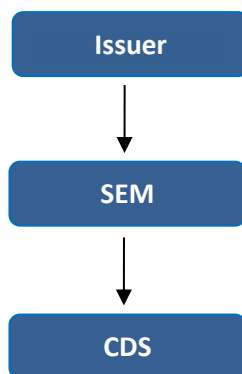
Issuer decides to issue DRs on its publicly traded shares and list them on the SEM.

STEP 1: ISSUING THE DEPOSITARY RECEIPTS



1. The issuer of the underlying securities ensures that the securities, on the back of which, the DRs are to be issued, are deposited with a custodian bank in the issuer's home country.
2. The custodian informs the Depository bank (Mauritius-based or local representative of Depository) that the underlying shares have been deposited.
3. The Depository bank can now issue DRs on the back of the underlying securities. Based on a pre-determined DR ratio, each DR may be issued as representing one or more underlying shares.

STEP 2: LISTING THE DEPOSITARY RECEIPTS ON THE SEM



1. The issuer applies to the SEM for the Listing of the DRs on the Official Market.
2. If all the entry requirements of Chapter 19 are met, the DRs are admitted to listing on the SEM.
3. All the DR transactions will now take place in the currency chosen by the issuer (USD, EURO, GBP, Rand or Mauritian Rupees) and are settled like the securities of any other listed company, through the CDS.

STEP 3: ON-GOING OBLIGATIONS

- After admission to listing of a sponsored issue of DRs, the issuer must comply with the ongoing obligations of the SEM, as specified under Chapter 19.
- On an ongoing basis, unless the Depository itself acts as registrar and paying agent, processing dividend payments or other entitlements for DR holders, and coordinating proxy processes for DR holders, it must appoint a paying agent and registrar in Mauritius.

The key entry requirements for **sponsored issues** of DRs are as follows:

Key Entry Requirements	Published Accounts:	The issuer must have 3 years' published financial statements* (Not applicable for overseas public sector issuers)
	Min. Market capitalization:	MUR 10 Million for all DRs to be listed*
	Min. number of shareholders:	No prescribed minimum
	Min. equity securities in public hands:	25%*
		<ul style="list-style-type: none"> • The DRs must conform with the law of the depositary's place of incorporation. • The DRs must be freely transferable

**Requirement may be relaxed under specific circumstances.*

The key entry requirements for **unsponsored issues** of DRs are as follows:

As an over-riding principle, the SEM must be satisfied that investors will be able to obtain the necessary information to form an opinion regarding the value of the relevant underlying securities.

Key Entry Requirements	The SEM will normally require the underlying securities to be listed on a securities exchange acceptable to it. (Not applicable for overseas public sector issuers)
	The DRs must conform with the law of the depositary's place of incorporation
	The DRs must be freely transferable

7.7 LISTING OF MINERAL COMPANIES

In 2012, in line with its internationalization strategy and with the aim of becoming a capital raising platform of choice for Africa-focused investments, the SEM introduced Chapter 20 of the Listing Rules to cater for the listing of well-established mineral, oil and natural gas companies on the Official Market.

Chapter 20 aligns the existing Listing Rules with international standards for the mineral industry, and ensures that Mineral/Exploration Companies seeking a listing on the Official Market provide investors with material, relevant and reliable information that is particular to these specialist entities. These new rules, whose objective is to ensure that the Mineral reporting requirements for SEM-listed Mineral/Exploration companies are world class, provide a good opportunity for such companies seeking a listing on the SEM, as well as for investors investing in these companies. Improved disclosure rules provide a robust practical reporting framework for these issuers, and at the same time, support global and local investor confidence in the SEM's Mineral/Exploration sector issuers, thereby helping these issuers to compete in global markets for capital.

As the global demand for resources grows, led mainly by the resources-hungry emerging economies, Africa continues to attract more and more investments due to its substantially untapped resource-rich reserves. The SEM certainly has a role to play in this juncture given its positioning as a world-class exchange, offering a gamut of services to international players seeking to use SEM's platform to raise capital in pursuit of their various initiatives. The Global Business Sector in Mauritius actually registers flows amounting to billions of dollars and Mineral/Exploration companies wishing to conduct operations in Africa have the possibility to leverage off the advantages offered by this sector to capture these international capital flows. Mineral/Exploration companies can thus structure tax-efficient vehicles by capitalizing on Mauritius' world class business infrastructure, its wide network of DTAA's and IPPAs, and its proximity with the African continent, in order to pursue their mining initiatives in Africa.

With this newly established listing framework, Mineral/Exploration companies could be listed on the SEM to raise capital, elevate their profile vis-à-vis their investors, have an eased route of access to foreign investment, and provide an exit route for investors at a fair market price.

The key entry requirements for Mineral Companies are as follows:

Key Entry Requirements	Published Accounts:	3 years
	Min. Market capitalization:	MUR 20 Million
	Min. number of shareholders:	200
	Min. equity securities in public hands:	25%*
	Management	Appropriate experience and technical expertise is mandatory.
	Reporting standards	Disclosures on Mineral resources, reserves and exploration results must be prepared under The JORC Code , or NI- 43-101 , or The SAMREC Code , or any other recognized reporting standard acceptable to the SEM.
	Competent Person's Report	A Competent Person's Report on reserves and resources must be prepared by an independent and suitably Competent Person.

**Requirement may be relaxed under specific circumstances.*

REPORTING STANDARDS FOR MINERAL RESOURCES, RESERVES & EXPLORATION RESULTS

Chapter 20 has been formulated in line with international Minerals industry standards of best practice for the reporting of Mineral Resources, reserves and exploration results, in a bid to facilitate information exchange and to promote uniformity, excellence, and enhanced transparency. These standards are consistent with international developments, and are accordingly reviewed from time to time.

Mineral/Exploration Companies listed on the SEM must, where applicable, disclose information on Mineral Resources, Reserves and Exploration results, either under:

- (i) **The JORC Code**; or
- (ii) **NI 43-101**; or
- (iii) **The SAMREC Code**

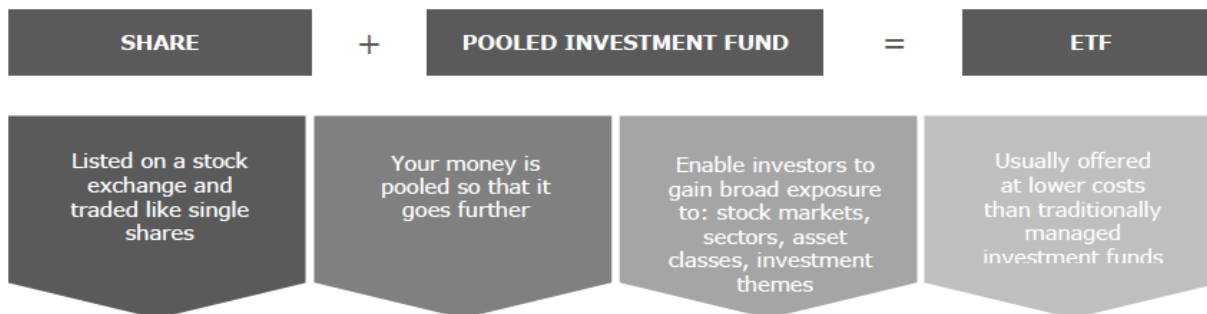
or under other codes acceptable to the SEM, provided that the SEM is satisfied that they give comparable standards of disclosure and sufficient assessment of the underlying assets.

In addition to this, a Mineral Company must ensure that any valuation of its Mineral Assets is prepared under the **VALMIN Code**, **SAMVAL Code**, **CIMVAL** or any other similar code acceptable to the SEM.

7.8 LISTING OF EXCHANGE TRADED FUNDS

Chapter 18 Part C (*Listing of other Specialist Securities*) of the Listing Rules caters for the listing of Exchange Traded Funds (ETFs) on the Official Market.

ETFs are open-ended passive investment products that track the performance of an index, a commodity or a basket of assets like an index fund, but trades like a security on an Exchange.



The key entry requirements for ETFs are as follows:

Key Entry Requirements	THE EXCHANGE TRADED FUND
	ETFs must: <ol style="list-style-type: none"> 1. be open ended in nature unless otherwise determined by the SEM; 2. be fully covered at all times; 3. have a structure which is satisfactory to the SEM.
	THE UNDERLYING ASSETS/SECURITIES
	The underlying assets/securities must: <ol style="list-style-type: none"> 1. be sufficiently liquid to satisfy the SEM that there will be proper price formation in the ETF; 2. have a net asset value that is calculated in a transparent manner and published on the issuer's website, where available and posted on the SEM's website; 3. be freely transferable.
	THE APPLICANT
	The applicant must: <ol style="list-style-type: none"> 1. prove to the SEM that it has the relevant expertise to issue ETFs or has access to such expertise; and 2. confirm that it will always in normal market circumstances endeavour to provide and maintain a reasonable bid and offer.

Issuers may increase the issue size of existing ETFs subject to the submission to the SEM of a memorandum detailing the specific terms of the increase in issue size.

The appointment of market makers

An applicant issuer shall, prior to the listing of the ETF, be required to appoint a market-maker and such duly appointed market-maker must undertake to maintain a secondary market in the ETF.

Registrar and transfer agent

The issuer must appoint a registrar and transfer agent. Where the registrar and transfer agent is located in a foreign jurisdiction, the issuer may appoint a local representative to perform some or all of the functions of the registrar and transfer agent in Mauritius. Any change in registrar and transfer agent must be notified to the SEM without delay

7.9 LISTING OF STRUCTURED PRODUCTS

In view of the increasing demand for the listing of a diverse range of innovative and specialized products that can ensure dynamic portfolio management, the SEM introduced a new section (*Part C - Listing of other Specialist Securities*) in Chapter 18 of the Rules in May 2015 in order to cater for the listing of various specialist securities, including Structured Products and Exchange Traded Notes.

These new product offerings have been tailored to the requirements of financial institutions and investment banks who may be looking to develop investment and trading products for retail or institutional investors. These product manufacturers can now benefit from a flexible listing route, a multicurrency trading and settlement platform and access to an international investor base via the SEM platform.

What are Structured Products?

Structured products are financial instruments issued by banks or financial institutions, with varying terms, payouts and risk profiles, which track the performance of an underlying asset.

Structured products can offer exposure to a diverse range of markets and underlying assets.

The underlying assets may be:

- Equity.
- Indices.
- Baskets of securities.
- Commodities (incl. precious metals like gold, as well as agricultural commodities and oil.)
- Exchange rates for various currencies.

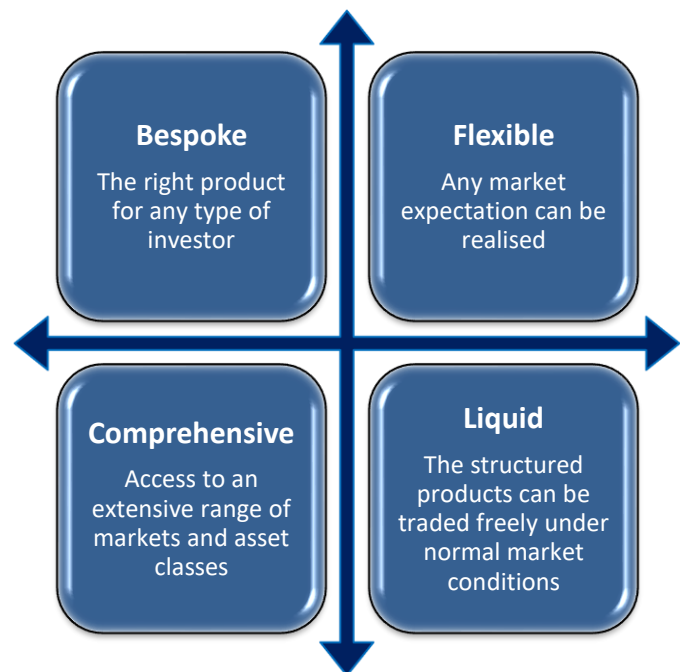
The ability of structured products to offer customized exposure to various asset classes and subclasses, including those which would otherwise be difficult to reach, have enabled them to play a useful role in modern portfolio management by complementing the other traditional components of diversified portfolios.

Given that there are no standardized Structured Products as such, the term, payout and risk profile of each instrument is bespoke and is determined by the issuer.

Structured Products can be tailor-made to any investor profile and there are virtually no restrictions on the types of structured products that an issuer can create.

Key Listing Considerations :

- The issuer must ensure that the SEM is consulted at an early stage regarding the acceptability of a particular security prior to the proposed issue date.
- The issuer must ensure that the Structured Product is satisfactory to the SEM in accordance with the Listing Rules.



8. Listing on the DEM

Applicants seeking a listing on the DEM must comply with the entry requirements, the post-listing obligations, and all the applicable provisions, as set out in the DEM Rules.

8.1 LISTING OF DOMESTIC/ INTERNATIONAL ISSUERS

The table below highlights the minimum entry requirements for equity securities (Domestic or International) on the DEM:

Key Entry Requirements	Published Accounts:	1 year
	Minimum Market capitalization:	MUR 20 Million
	Minimum number of shareholders:	100
	Minimum equity securities in public hands:	10%

However admission may be granted to:

- a class of securities where less than 10% of that class is in public hands or where the number of shareholders is less than 100 provided that the applicant undertakes to increase the shareholding in public hands to 10% and the number of shareholders to 100 not later than the end of the first year of admission.
- an applicant, even though such applicant has no proven track record, provided the applicant submits to the SEM a sound business plan, certified by an independent financial adviser acceptable to the SEM, covering at least 3 years and demonstrating clearly the sustained viability of the applicant. The applicant shall also disclose the risk factors specific to the company or its industry and that are material to the securities being admitted to trading.

The SEM may also, at its discretion, and with the approval of the FSC, accept a minimum percentage in public hands of 5 % in the case of a new applicant with an expected market capitalisation at the time of listing of over MRU 500 million,

8.2 LISTING OF INVESTMENT ENTITIES

In addition to the key entry requirements set out in Section 8.1 above, an applicant which is an investment company must comply with the following additional requirements:

- It must invest in ten or more securities, each of which has been issued by non-related parties;
- It must not lend to or invest in the securities of any one company or group (including loans to or shares in its subsidiaries) more than 20% of its gross assets at the time when the investment or loan is made; for this purpose any existing holding in the company concerned must be aggregated with the proposed new investment (this restriction does not apply to cash deposits awaiting investment);
- It must not pay dividends unless such dividends are covered by income received from underlying investments.

8.3 LISTING OF JUNIOR MINERAL & EXPLORATION COMPANIES

Schedule Ten of the DEM Rules aligns the existing DEM Rules with international standards for the Mineral industry, and ensures that Mineral/Exploration Companies seeking a listing on the DEM provide investors with material, relevant and reliable information that is particular to these specialist entities.

Key Entry Requirements	Published Accounts:	1 year* (may be waived, provided a business plan covering at least 3yrs is submitted)
	Min. Market capitalization:	MUR 20 Million
	Min. number of shareholders:	100*
	Min. equity securities in public hands:	10%*
	Management	Appropriate experience and technical expertise is mandatory.
	Reporting Standards	Disclosures on Mineral resources, reserves and exploration results must be prepared under The JORC Code , or NI- 43-101 , or The SAMREC Code , or any other recognized reporting standard acceptable to the SEM.
	Competent Person's Report	A Competent Person's Report on reserves and resources must be prepared by an independent and suitably Competent Person.

**Requirement may be relaxed under specific circumstances.*

REPORTING STANDARDS FOR MINERAL RESOURCES, RESERVES & EXPLORATION RESULTS

Schedule Ten has been formulated in line with international Minerals industry standards of best practice for the reporting of Mineral Resources, reserves and exploration results, in a bid to facilitate information exchange and to promote uniformity, excellence, and enhanced transparency. These standards are consistent with international developments, and are accordingly reviewed from time to time.

Mineral/Exploration Companies listed on the SEM must, where applicable, disclose information on Mineral Resources, Reserves and Exploration results, either under:

- (iv) **The JORC Code**; or
- (v) **NI 43-101**; or
- (vi) **The SAMREC Code**

or under other codes acceptable to the SEM, provided that the SEM is satisfied that they give comparable standards of disclosure and sufficient assessment of the underlying assets.

In addition to this, a Mineral Company must ensure that any valuation of its Mineral Assets is prepared under the **VALMIN Code**, **SAMVAL Code**, **CIMVAL** or any other similar code acceptable to the SEM.

9. Contact details

As outlined at the beginning of this guide, if you are considering undertaking a listing, the first step that you should take is to ascertain whether going public is appropriate for your company. Your decision must be guided by your company's long-term strategy and other major factors which need to be considered when deciding to list, including the advantages and disadvantages of a listing, as well as the issues for consideration outlined in this booklet.

More information about listing on the SEM's markets is available on our website at:
<http://www.stockexchangeofmauritius.com> .

The Listing Rules and DEM Rules can also be downloaded from the SEM's website at:
<http://www.stockexchangeofmauritius.com/rules>

Alternatively should you require any further information about listing on the SEM, please contact:

The Listing Division

*The Stock Exchange of Mauritius Ltd
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Fax: +230 208 1655

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