

The logo for TISE, with 'TISE' in a large, bold, white sans-serif font. A registered trademark symbol (®) is located at the top right of the 'E'.

TISE[®]

**The International
Stock Exchange**



TISE & UCITS

Expanding investment horizons



Summary

There appears to be a gap in knowledge / general misconception about the way in which funds established under the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive can invest into 'listed' products, including those on The International Stock Exchange (TISE).

TISE has carried out research which ultimately shows that UCITS funds which are established in many European Economic Area (EEA) jurisdictions only need to disclose TISE as a potential source of investable assets within the fund documentation for TISE-listed products to be considered eligible listed assets.

This increases the allocation which UCITS funds can make to TISE-listed products. On the other side of the same coin, it necessarily increases the potential investment which TISE-listed products can receive from UCITS funds. As such, this makes TISE a more attractive venue for listing products, including other funds and also debt, which might want to attract investment from UCITS funds.

The detail

UCITS regulations (UCITS IV and UCITS V) stipulate the proportion of investment UCITS funds can allocate to 'unlisted' and 'listed' products, with a greater amount to the latter. However, they are not highly prescriptive about what constitutes a stock exchange which qualifies for its listed products to be deemed as listed for these purposes.

Instead, the way in which individual EEA jurisdictions have transposed the UCITS regulations domestically determines how UCITS funds established in those territories can invest into products listed on different stock exchanges. EEA jurisdictions have taken a variety of approaches.

Jurisdictions where the relevant requirement is that the stock exchange has received approval from a national competent authority i.e. appears on a list of recognised stock exchanges.

01 Portugal

02 Romania

TISE listings

TISE is not recognised by either Portugal or Romania and therefore UCITS funds from those jurisdictions cannot invest into TISE-listed products as part of their listed allocation but they can invest into them as part of their unlisted allocation.

TISE to assess whether it should seek approval by the national competent authority in each jurisdiction.

APPROVAL REQUIRED



Jurisdiction where the requirements are that the stock exchange has received approval from a national competent authority i.e. appears on a list of recognised stock exchanges **AND** where the stock exchange is disclosed within the UCITS fund documentation as a potential source of investable assets.

03 Slovenia

TISE listings

TISE is not recognised by Slovenia and therefore UCITS funds from this jurisdiction cannot invest into TISE-listed products as part of their listed allocation but they can invest into them as part of their unlisted allocation.

TISE to assess whether it should seek approval by the national competent authority.

APPROVAL AND DISCLOSURE REQUIRED



03

Jurisdictions where the requirements are that the stock exchange has received approval from a national competent authority i.e. appears on a list of 'recognised stock exchanges' **OR** where the stock exchange is disclosed within the UCITS fund documentation as a potential source of investable assets.

TISE listings

04 BULGARIA

05 CYPRUS

06 DENMARK

07 FRANCE

08 GERMANY

09 ITALY

10 LIECHTENSTEIN

11 MALTA

12 NETHERLANDS

TISE is a recognised stock exchange by the German regulator, BaFin and therefore, German UCITS funds can invest into TISE-listed products as part of their listed allocation without the funds needing to disclose TISE as a potential source of investable assets within their documentation.

TISE needs to be disclosed as a potential source of investable assets within the documentation of UCITS funds from the other jurisdictions for the funds to be able to invest into TISE-listed products as part of their listed allocation.

TISE to assess whether it should seek approval by the national competent authority in each jurisdiction.

APPROVAL OR DISCLOSURE REQUIRED

¹ The recognition from BaFin also means that German insurance companies can invest into TISE-listed products as part of their listed allocation.



- 13 Austria
- 14 Croatia
- 15 Estonia
- 16 Ireland
- 17 Latvia
- 18 Lithuania
- 19 Luxembourg
- 20 Norway
- 21 Slovakia
- 22 Sweden
- 23 UK

Jurisdictions where the relevant requirement is that the stock exchange is disclosed within the UCITS fund documentation as a potential source of investable assets [i.e. Recognition from the national competent authority is either not required or not available].

TISE listings

TISE needs to be disclosed as a potential source of investable assets within the documentation of UCITS funds from these jurisdictions for the funds to be able to invest into TISE-listed products as part of their listed allocation.

DISCLOSURE REQUIRED



TISE listings

24 Finland

25 Iceland

26 Poland

27 Spain

Based on the research undertaken, TISE appears to meet the requirements of these jurisdictions without either a recognition being obtained or an exchange being specifically disclosed within the fund documentation as a potential source of investable assets.

REQUIREMENTS LESS SPECIFIC



28 Belgium

29 Czech Republic

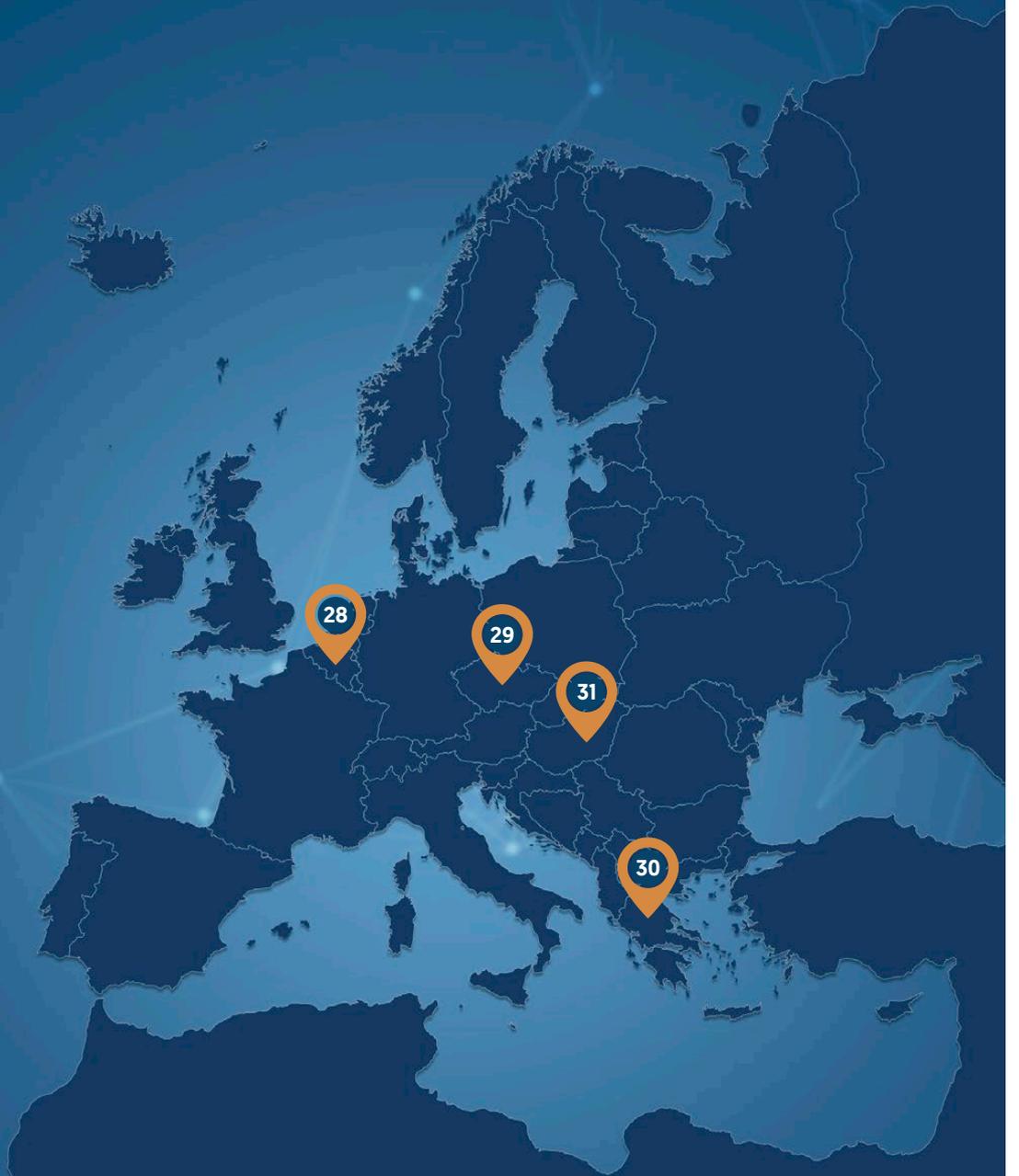
30 Greece

31 Hungary

TISE listings

More research needs to be carried out to understand the position in each of these jurisdictions and assistance is welcome.

RESEARCH INCONCLUSIVE



Analysis

TISE-listed products are already eligible listed assets for UCITS funds established in Germany, Finland, Iceland, Poland and Spain.

UCITS funds from another 19 EEA jurisdictions, including France, Ireland, Luxembourg and the UK, can treat TISE-listed products as eligible listed assets by disclosing TISE within the fund documentation as a potential source of investable assets.

TISE is assessing whether, on a priority-led basis, it should seek approval by the national competent authority in each of 11 jurisdictions so that being a recognised stock exchange enables it to meet the requirements for (a) Portugal and Romania, without anything else needed (b) Slovenia, subject to TISE also being disclosed within the fund documentation and (c) another 8 jurisdictions, including Liechtenstein, Malta and Netherlands, where it will remove the need for TISE to also be disclosed within the fund documentation as a potential source of investable assets.

Conclusions

TISE is in a good position to be able to facilitate investment from UCITS funds into products listed on its exchange because it either meets general criteria, it can be disclosed in the fund documentation as a potential source of investable assets or it is a recognised stock exchange for some jurisdictions (or is seeking this status).

No matter how achieved, TISE-listed products being considered eligible listed assets increases the potential allocation from UCITS funds. As such, it makes TISE a more attractive venue for listing products, including other types of funds and also debt, which themselves may wish to attract investment from UCITS funds.

TISE[®]

The International[™] Stock Exchange

Responsive. Innovative.

Products

- » Trading companies
- » Specialist debt
- » Investment vehicles
- » SPACs
- » Extractive industries

Key Credentials

- » Market capitalisation: > £300bn
- » Listed securities: > 2,000
- » International marketplace
- » Globally recognisable clients
- » Growing product range

Why TISE?

- » Responsive approach
- » Competitive pricing
- » Global standards
- » Wide international recognition
- » Premier location

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