

Scaling up with a listing

Carolyn Gelling, Head of the Isle of Man Office at The International Stock Exchange Group (TISEG), explains how a company's ambitions to scale up can be assisted by a listing on The International Stock Exchange (TISE).

Last month I had the pleasure of meeting with Jenny Tooth OBE, CEO of the UK Business Angels Association (UKBAA). UKBAA is the national trade association for 'angel' and early-stage investors, including the Isle of Man's Bridge Angel Network Limited and Jenny is familiar to many of us in the Island.

From start-up to scale-up

Jenny emphasised the extent to which angels are committed to their companies; they take a long term view of developing a company from a start-up and helping it to grow. As such, it is important we at TISE make sure that angels – and by extension, entrepreneurs – are aware of our offering for companies which are scaling up.

“The owners of a start-up...should ensure that they are adequately planning for the future.”

The strategic approach of angels also accords with our philosophy. The owners of a start-up are unlikely to either want it to be listed or be in a position to do so with the company at such a stage in its life cycle. However, they should still ensure that they are adequately planning for the future and as part of that, consider how an exchange listing could aid their ambitions for growth in the future.

Why list?

There are numerous reasons why business owners may consider it beneficial to list their company on a stock exchange, such as TISE.

These reasons might include one or more of the following: enhanced prestige and profile for the owners and their business; access to a new pool of capital which will help to take the company to the next stage of its development; a clearly defined price for the shares and a valuation of the business; provision of a stepping stone to another major global exchange; and a route to exit.

A stock exchange listing also provides demonstrable adherence to well recognised standards of transparency and governance. Transparency and good corporate governance can make investment in listed companies more attractive for investors. Indeed, some investors can only invest, or have to invest a certain proportion of assets, in listed products because they know that the company in which they are investing is adhering to specified standards of transparency and governance.

How to list

Companies wishing to list and to continue to be listed must adhere to the listing rules of a stock exchange and at TISE this is carried out in conjunction with a listing sponsor, which must be appointed at all times.

The sponsor is responsible for helping the company with the listing application process, which includes demonstrating that the company meets the minimum conditions of listing and completion of the listing document.

TISE's own market authority assesses a company's suitability for listing and carries out ongoing surveillance to protect the integrity of the market.

“TISE has a fee regime and admissions criteria which are better suited to meeting the needs of growing businesses.”

The sponsor is also required to assist the company in meeting its continuing obligations post listing, including notifications to the market and the preparation of audited financial statements to internationally recognised standards [e.g. IFRS, UK GAAP, US GAAP].

It is these requirements which mean that owners need to have given thought to whether or not they see an exchange listing playing a part in the development of their business well before they actually reach that stage.

Accessing TISE

Isle of Man companies might choose to list on TISE because it offers the advantage of being able to facilitate the listing directly from the island. In addition, TISE also has a fee regime and admissions criteria which are better suited to meeting the needs of growing businesses than those of some larger exchanges.

For many businesses listing is likely to be a longer term objective but in the meantime, they should still ensure that they are adequately planning for the future and as part of that, consider how an exchange listing could aid their scale up ambitions.



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