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The Legal 500 Country Comparative Guides

United States

CAPITAL MARKETS

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This country-specific Q&A provides an overview of capital markets laws and regulations applicable in United States.

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UNITED STATES
CAPITAL MARKETS

1. Please briefly describe the regulatory framework and landscape of both equity and debt capital market in your jurisdiction, including the major regimes, regulators and authorities.

The primary federal securities laws in the United States ("U.S.") are the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"), with rulemaking and enforcement power delegated to the U.S. Securities and Exchange Commission (the "SEC"). The Securities Act regulates the offer and sale of securities. The Exchange Act regulates public reporting, proxy solicitations, tender offers, disclosure of ownership and trading of securities by company affiliates, and exchange listing standards. Additionally, other federal securities statutes address key areas including:

- the Trust Indenture Act of 1939- regulates debt securities registered under the Securities Act;
- the Investment Company Act of 1940- regulates mutual funds;
- the Investment Advisers Act of 1940- regulates investment advisers;
- the Sarbanes-Oxley Act of 2002- regulates corporate responsibility and financial disclosures; and
- the Dodd-Frank Act of 2010- addresses consumer protection, trading restrictions and corporate governance.

In addition to statutes, the SEC issues rules, which have the force of law, and a variety of other pronouncements, bulletins, and interpretive letters. Public companies are further regulated by the exchange on which they are listed, which is typically the New York Stock Exchange ("NYSE") or Nasdaq. Each has its own rules and regulations for initial and continued listing.

Individual states also have separate securities laws, colloquially known as "blue sky laws." However, these laws are often preempted by federal law or largely align with federal law.

2. Please briefly describe the common exemptions for securities offerings without prospectus and/or regulatory registration in your market.

The most commonly used exemptions under the Securities Act are private placements under Section 4(a)(2) or Regulation D and offerings pursuant to Regulation S or Rule 144A. Securities sold pursuant to these exemptions cannot be immediately resold without registration or an applicable exemption from registration.

Section 4(a)(2) of the Securities Act. To qualify, the issuer must not engage in a general solicitation or general advertising of the offering, and the purchasers generally must be deemed to have the knowledge and experience of financial and business matters to evaluate the risks and benefits and to bear the economic risks of the transaction. This exemption does not specifically limit the number of investors or dollar amount of the offering nor does it mandate specific disclosure or require that parties make any filings with the SEC.

Regulation D. This rule provides a series of "safe harbors" for Section 4(a)(2). Thus, if the issuer complies with applicable requirements of Regulation D, the offering is presumed exempt under Section 4(a)(2). Regulation D establishes clear criteria for determining an "accredited investor," which includes:

- entities with total assets of $5 million or more (e.g., a venture fund);
- individuals exceeding certain income or net worth levels; and
- the issuer's directors and executive officers.

Most Regulation D placements rely on Rule 506(b). This rule allows participation of up to 35 non-accredited investors in the transaction, but they must be provided disclosures similar to those in registered offerings.

Regulation D, Rule 506(c) permits general solicitation. However, it prohibits inclusion of non-accredited investors and requires enhanced efforts by the issuer to verify accredited status.

Regulation S exempts certain offerings directed outside the U.S. from Securities Act registration requirements. Investors must be outside the U.S. or the transaction must be executed on a non-U.S. exchange with no "directed selling efforts" made in the U.S. There are three "tiers" of offerings depending on the type of issuer and security with varying offering and resale restrictions intended to address the risk such securities flow back into the U.S.

Rule 144A. In a Rule 144A offering, an investment bank initially purchases the offered securities from the issuer relying on Section 4(a)(2) and immediately resells the securities to qualified institutional buyers ("QIBs") pursuant to Securities Act Rule 144. An offering memorandum similar to a prospectus is typically used for marketing, but it is not filed with or reviewed by the SEC.

3. Please describe the insider trading regulations and describe what a public company would generally do to prevent any violation of such regulations.

U.S. securities laws prohibit (i) trading in listed securities on the basis of material nonpublic information ("MNPI") and (ii) disclosing MNPI to others who trade on that information. Violations can result in both civil and criminal liability.

Public companies typically adopt insider trading policies to minimize the risk of violations by their employees and limit their own legal and reputational risk. These policies are often more stringent than the applicable law. For example, these policies often include:

- trading "blackouts" by company personnel in company securities proximate to key events, such as earnings releases;
- pre-clearance procedures for directors and officers to trade in the company's securities; and
- guidelines for adopting safe-harbor trading plans by individual directors and officers that, if properly structured, create a presumption that trades were not made on the basis of MNPI.

4. What are the key remedies available to shareholders of public companies / debt securities holders in your market?

Section 11 and Section 12(a)(2) of the Securities Act and Section 10(b) and Rule 10b-5 of the Exchange Act explicitly or implicitly enable purchasers (and in certain limited cases, sellers) of a security to seek recission (i.e., cancelling the purchase transaction) or monetary damages resulting from material misstatements or omissions in disclosures made. Potentially liable parties include the company, its directors and certain officers (and certain controlling persons), the underwriters, the auditors and other experts.

In addition, Section 12(a)(1) of the Securities Act provides a right of action for recission or damages for a purchaser if that transaction should have been registered under the Securities Act but was not (e.g., an invalid exemption).

Bondholders have several additional remedies available contractually and under bankruptcy laws in addition to the securities laws.

- *Contractual Remedies.* Bond documents typically include events of default, which allow bondholders (directly or by a trustee on their behalf) to accelerate the obligations and declare unpaid principal and interest immediately payable. Bondholders may also be entitled to increases in interest rates if an issuer does not comply with certain covenants. Debt that is secured enables bondholders to exercise remedies against collateral upon a default, including foreclosure proceedings or collateral sales and set-off rights. Bondholders may also bring a lawsuit against an issuer and seek a monetary judgment.
- *Involuntary Bankruptcy Proceedings*. Creditors may bring an involuntary bankruptcy petition against a company. In bankruptcy, bondholders may have the right to receive a distribution of assets if available, depending if they are a secured or unsecured creditor. Bondholders may collaborate in bankruptcy to agree to restructuring in lieu of the full remedy of repayment.

5. Please describe the expected outlook in fund raising activities (equity and debt) in your market in 2023.

Companies are navigating market uncertainty due to volatile inflation and interest rates. As a result,

fundraising is now more costly compared to recent years. These challenges have suppressed deal flow volume over the last 12-18 months as many would-be issuers are reconsidering options and timelines. The capital that is accessible also comes with more investor restrictions on the issuer. In addition, lower equity valuations have made equity and equity-linked debt significantly more dilutive. Many issuers are now opting to conserve existing capital by reducing operating costs and deferring acquisition and growth activity until organic growth stabilizes. Nevertheless, many companies will be forced to eventually raise additional capital regardless of pricing terms. Many market sources are expecting an increase in activity later in 2023 with IPOs returning in early to mid-2024.

6. What are the essential requirements for listing a company in the main stock exchange(s) in your market? Please describe the simplified regime (if any) for company seeking a dual-listing in your market.

Any class of securities listed on a U.S. national exchange must be registered under the Exchange Act, which mandates significant disclosure about the company, including its business, risks, governance and financial statements. If the company is raising capital at the same time (i.e., an IPO) as the listing, then the company must concurrently register under the Securities Act.

Companies must also comply with the exchanges' initial listing requirements and pay listing fees. The NYSE and Nasdaq have different but overlapping initial listing requirements, including minimum price requirements, operating and profit history, market capitalization, expected publicly traded share volume and distribution, shareholders' equity and corporate governance.

Companies deemed "foreign private issuers" ("FPIs") under U.S. securities laws whose securities are traded on a non-U.S. exchange can rely on Rule 12g3-2(b) to have its equity securities traded in the U.S. over-the-counter market without registration under the Exchange Act. This exemption requires an issuer to maintain a listing of its equity securities in its primary trading market outside the U.S. and to submit to the SEC certain information published by the issuer outside the U.S.

Certain Canadian issuers can rely on the Multijurisdictional Disclosure System ("MJDS"). The MJDS allows eligible Canadian issuers to register securities under the Securities Act and Exchange Act by use of documents prepared largely in accordance with Canadian requirements.

7. Are weighted voting rights in listed companies allowed in your market? What special rights are allowed to be reserved (if any) to certain shareholders after a company goes public?

Dual or multi-class voting structures are permitted and have become a well-known feature of some larger founder-led IPO-stage companies. The effect of these structures is to concentrate a majority of voting power in a small group of insiders, which usually at minimum includes the company's founder(s) and may also include key management or all pre-IPO shareholders, giving them voting control over the company and its board of directors. The most common example is a dual-class structure with two classes of common stock that are economically identical except for their voting power. Often, these super-voting structures include a sunset provision to limit the duration of the voting control.

There may be voting arrangements between certain investors and the company by which an investor has the right to appoint a director to the company's board. These arrangements often do not survive an IPO, but investors retain such rights post-IPO for a period. In rarer circumstances, voting agreements, trusts or proxies, or charter provisions may also provide extra voting power or veto rights to certain shareholders.

Finally, registration rights granted to pre-IPO investors typically survive a listing. These rights allow investors to register the resale of their securities under certain circumstances.

8. Is listing of SPAC allowed in your market? If so, please briefly describe the relevant regulations for SPAC listing.

Special Purpose Acquisition Companies ("SPACs") can "go public" in the U.S. and list on U.S. exchanges. Similar to operating companies, SPACs file a registration statement with the SEC, engage underwriters to market the shares to the public and must meet initial listing requirements for an exchange. The most relevant difference between a de-SPAC transaction (i.e. the SPAC business combination with an operating target) and a conventional IPO is the ability to rely on safe harbors for forward looking information in the de-SPAC.

9. Please describe the potential prospectus liabilities in your market.

The Securities Act imposes liability for material misstatements or omissions in a registration statement,

prospectus or related oral communication. A plaintiff does not have to demonstrate reliance on the false or misleading statements or that the defendant intended to deceive purchasers.

The Exchange Act imposes liability for material misstatements or omissions, or using manipulative and deceptive devices, in connection with the purchase or sale of a security. Rule 10b-5 is the general anti-fraud provision of the federal securities laws and applies to both registered and exempt offerings (e.g., private placements). A plaintiff must demonstrate that the defendant had the intent to defraud, the plaintiff relied on the defendant's material misstatements or omissions and this reliance resulted in the plaintiff's damages.

Potential defenses available to certain defendants include the so-called "due diligence defense", statutes of limitations and causation by other factors.

10. Please describe the key minority shareholder protection mechanisms in your market.

The prevailing view is that minority shareholders may simply sell their holdings if they are dissatisfied with the performance or conduct of a company. Nevertheless, there are certain situations where additional safeguards are afforded to minority shareholders. Typically, these involve transactions where the controlling shareholder of a company is conflicted and has an interest potentially adverse to the minority (e.g., a "going-private" transaction where a controlling shareholder wishes to eliminate the public minority). In these circumstances, a combination of state corporate law and federal securities law impose additional procedures to protect minority shareholders. In addition, for tender offers, federal securities laws impose procedures to ensure minority shareholders are informed and not coerced into tendering their shares.

11. What are the common types of transactions involving public companies that would require regulatory scrutiny and/or disclosure?

Transactions that often trigger regulatory scrutiny and/or disclosure include the company's IPO, or other "go-public" transactions such as a direct listing or a de-SPAC process, and, following an IPO, "follow-on" offerings of equity or debt securities. Such offerings may include registered primary or secondary equity offerings, "bought deals", and at-the-market offerings. Public company debt offerings are often done on a private placement basis pursuant to Rule 144A, which require disclosure but no regulatory review, or on a registered basis.

In addition, a company may also register shares or otherwise be required to provide public disclosure in connection with a public merger, third-party tender offer / take-private transaction or a self-tender offer transaction.

Lastly, in connection with a proxy contest, the company and the shareholder group involved in the proxy contest are required to make certain public disclosures that are often reviewed by the SEC.

12. Please describe the scope of related parties and introduce any special regulatory approval and disclosure mechanism in place for related parties' transactions.

Disclosure of related-party transactions is required in a public company's filings. Item 404 of Regulation S-K requires disclosure in an IPO prospectus and annual proxy statement of any transaction exceeding $120,000 to which the company was a participant and a "Related Person" had a material interest. "Related Persons" include directors, executive officers, and 5%+ shareholders of a company and immediate family members thereof. Disclosure is often informed by the materiality of the Related Person's interest.

In addition, Item 404 also requires disclosure of a company's procedures regarding the review, approval or ratification of related-party transactions. Typically, the company's audit committee oversees such transactions.

13. What are the key continuing obligations of a substantial shareholder and controlling shareholder of a listed company?

If a shareholder acquires beneficial ownership of more than 5% of any class of shares of a public company, they must file an Exchange Act Schedule 13D with the SEC within 10 calendar days. Schedule 13D includes information about the shareholder, the shares purchased, and relationships with the company. A shareholder is also obligated to file material updates to the Schedule 13D. If eligible, a shorter-form Schedule 13G can be used by certain exempt investors, qualified institutional investors and passive investors. Unlike Schedule 13D, which is used for investors seeking to assert control, a Schedule 13G is only required to be

filed or amended once each year.

Directors, officers and beneficial owners of more than 10% of the shares of a public company ("Reporting Holders") are subject to Section 16 under the Exchange Act, which requires public disclosure of ownership and transactions in the company's securities and disgorgement of any "profits" from buying and selling (or selling and buying) the company's securities within any 6-month period. It also prohibits short sales and hedging the company's securities. An initial filing on Form 3 must be made within 10 days of becoming a Reporting Holder, and subsequent transactions in the company's securities typically must be reported on Form 4 within two business days. If the issuer is an FPI, Section 16 does not apply.

In addition, directors, officers and substantial shareholders that are deemed to be affiliates of the company are subject to restrictions on resales of company securities that limit the amount of securities they may sell in a given period and require the availability of certain public information about the issuer.

14. What corporate actions or transactions require shareholders' approval?

The listing requirements for the U.S. exchanges require shareholder approval of certain types of transactions (note that FPIs may be able to exempt out of these requirements). These transactions include:

- Issuing shares of common stock (or securities convertible into or exercisable for common stock) at a price below a specified minimum price and the shares equal or exceed 20% of the voting power or number of outstanding shares;
- Issuing shares of common stock (or securities convertible into or exercisable for common stock) in connection with an acquisition and the shares equal or exceed 20% of the voting power or number of outstanding shares;
- Adopting or amending certain equity compensation plans;
- Certain issuances of securities to related parties; and
- Issuances of securities that will result in a change of control of the company.

In addition to the exchange listing requirements, companies may have charter or bylaw provisions related to, for example, electing directors, and the laws of the jurisdiction of incorporation or organization (e.g., the State of Delaware) typically require shareholder approval of certain corporate actions.

15. Under what circumstances a mandatory tender offer would be triggered? Is there any exemption commonly relied upon?

There is no U.S. requirement to mandatorily commence a tender. If a person or group voluntarily commences a tender offer or if an issuer voluntarily commences a self-tender offer, extensive rules govern how the tender offer must be conducted.

16. Are public companies required to engage any independent directors? What are the specific requirements for a director to be considered as "independent"?

Both the NYSE and Nasdaq require public companies to have boards of directors with a majority of independent directors. The two exchanges have overlapping, but not identical, rules regarding independence. Both exchanges require individuals who are free of material relationships with a company that could interfere with that director acting for the company's interests and independently of personal interests. A company's board must make an affirmative determination of the independence of its members. There are several bright line disqualification rules under each exchange that a board must consider when making an independence determination.

The NYSE and Nasdaq also require listed company's board committees to be comprised solely of independent directors. Further, the SEC imposes additional independence requirements for directors serving on the audit committee of public companies.

An FPI may rely on home country rules regarding governance except for the requirement to have an audit committee comprised solely of independent directors.

17. What financial statements are required for a public equity offering? When do financial statements go stale? Under what accounting standards do the financial statements have to be prepared?

Issuers must prepare their financial statements using U.S. GAAP. FPIs may provide financial statements prepared under U.S. GAAP, IASB IFRS, or their local GAAP. If FPIs use local GAAP or non-IASB IFRS, the financial statements must include a reconciliation to U.S. GAAP. The periods to presented generally at minimum require:

- *Balance sheet*: audited as of the end of the two most recent fiscal years and interim

unaudited as of the end of the most recent quarter; and
- *Income and cash flow statements and statements of stockholders' equity*: audited covering the three most recent fiscal years (or two if the issuer is an "emerging growth company"), or for the life of the issuer if shorter, and interim unaudited for any period covered by an interim balance sheet with comparison to the corresponding period of the prior year.

Staleness rules vary depending on an issuer's size, type and reporting status, but most issuers cannot rely on annual financial statements older than 15 months and often require interim unaudited financial statements within the most recent 135 days of filing/effectiveness. FPI annual financial statements cannot be older than 12 months for an IPO unless the FPI is already listed on another exchange. All audits must be conducted under the standards of the Public Company Accounting Oversight Board.

18. Please describe the key environmental, social, and governance (ESG) and sustainability requirements in your market. What are they key recent changes or potential changes?

The SEC has not historically required ESG disclosures despite past efforts to implement such disclosure. In recent years however, the SEC has increased its focus on ESG. In 2020, the SEC adopted a rule requiring public companies to disclose their human capital management measures and objectives, if material to a company's business. Following this, the SEC transitioned to a more prescriptive ESG rulemaking regime with proposed climate change disclosure rules that deviated, in proposed form, from the prior materiality-based disclosure regime. The proposed climate disclosure rules include climate risk and governance disclosure, financial statement footnote disclosure and greenhouse gas emissions disclosure. The final climate change disclosure rules are anticipated in 2023, along with additional ESG rulemaking in the areas of human capital management and corporate board diversity.

In 2021, Nasdaq adopted a board diversity rule requiring listed companies to publicly disclose board-level diversity statistics annually and have, or explain why they do not have, diverse directors.

A number of the institutional investors and proxy advisory services have increased focus on ESG matters in recent years, which has had a substantial effect on disclosure and behavior of public companies that generally exceeds the effects of the regulatory requirements.

19. What are the typical offering structures for issuing debt securities in your jurisdiction? Does the holding company issue debt securities directly or indirectly (by setting up a SPV)? What are the main purposes for issuing debt securities indirectly?

The publicly-listed entity or ultimate parent typically acts as the issuer, with its subsidiaries sometimes acting as guarantors. This structure is the most common because the parent (if it is not a holding company) is typically the most creditworthy entity in the corporate family.

Where the parent is a holding company, two alternative structures may be used: the ultimate parent and operating company may act as co-issuers or guarantees may be used to provide credit support for the issuer (either a parent guarantee of a subsidiary issuer or guarantees from material subsidiaries of a holding company issuer).

One unique structure where bonds are issued directly by a subsidiary without additional credit support is in the project finance context, where SPVs are often set up to act as the issuer of debt securities with repayment funded by the returns of the SPV's project. A bankruptcy-remote SPV can be more creditworthy than its parent as it is not subject to the general credit risk of the parent entity, thereby allowing it to issue bonds at a better financing rate.

20. Are trust structures adopted for issuing debt securities in your jurisdiction? What are the typical trustee's duties and obligations under the trust structure after the offering?

A trust indenture is required to the extent a debt issuance is registered with the SEC. Unregistered issuances of debt do not typically require a trust structure; however, to the extent there are multiple unaffiliated bondholders, appointing a trustee to act on behalf of all bondholders is not uncommon. On the other hand, private investments in public equity ("PIPEs") and other private debt offerings do not typically appoint a trustee and bonds are direct contractual obligations between the issuer and each bondholder.

A trust structure requires a trustee, which is typically a third-party banking institution that has corporate trust services. Trustees have a fiduciary duty to represent the interests of the bondholders and, from a practical perspective, act as an intermediary with the issuer.

The trustee customarily acts as the paying agent, receiving payments from the issuer and distributing them to the bondholders. In offerings involving debt converting into equity, the trustee will also act as a conversion agent. In addition, the trustee routinely maintains a list of the current bondholders. Where bonds are secured, the trustee will act as the collateral agent for purposes of perfecting security interests and, following an event of default, exercising remedies against the collateral. Following an event of default, the trustee will enforce the terms of the indenture, including accelerating the debt and, if necessary, bringing a lawsuit against the company in the name of the bondholders.

21. What are the typical credit enhancement measure (guarantee, letter of credit or keep-well deed) for issuing debt securities? Please describe the factors when considering which credit enhancement structure to adopt.

Bond offerings may include credit enhancement measures to reduce the risk of nonpayment for bondholders. Common credit enhancement measures used to boost credit ratings and marketing include guarantees, grants of security interests in collateral and ranking.

Guarantees. A guarantee is a contractual obligation to repay the obligations of another. A guarantee by a subsidiary of an issuer provides additional credit support and eliminates structural subordination in a liquidation scenario.

Security Interests. A security interest is a claim against specified assets ("collateral") that allows bondholders to exercise remedies against the collateral securing the obligation following a default. A perfected security interest also provides bondholders with priority against the assets constituting collateral in a bankruptcy proceeding as compared to unsecured creditors.

Ranking. Bond offerings may also be structured with different levels of seniority relative to other debt, which determines the order of payment. Within a debt stack with different rankings, principal constituting junior debt generally cannot be repaid until senior debt is paid in full, subject to negotiated exceptions.

Whether these credit-enhancement measures are implemented in an offering depends on the nature of the offering and the issuer. The issuer's existing debt documents may include contractual limitations that affect the offering structure, such as by requiring subordination of new debt. When determining the credit rating for an offering, rating agencies examine various financial metrics. Including credit enhancement measures in the bond offering terms can bolster the issuer's creditworthiness and, in a difficult market climate, assist in marketing the offering.

22. What are the typical restrictive covenants in the debt securities' terms and conditions, if any, and the purposes of such restrictive covenants? What are the future development trends of such restrictive covenants in your jurisdiction?

Typical restrictive covenant packages vary based on the type of bond, as prospective investors demand greater protection for investments with greater risk and seek to limit behavior that could negatively impact their ability to recover their investment.

High Yield. High yield indentures generally include substantial restrictive covenants due to their lower creditworthiness, typically including restrictions on:

- incurring indebtedness and the granting of liens;
- repaying junior debt;
- transactions with affiliates;
- sale and leaseback transactions;
- payments on equity, such as stock dividends and buybacks; and
- agreements prohibiting subsidiaries from paying dividends.

In addition, asset sales must meet certain criteria, usually that the transactions are at fair market value and a specified percentage of the consideration must be cash. The proceeds are often required to be used to repay the issuer's indebtedness.

Investment Grade. Investment grade bonds generally feature the following limitations:

- incurrence of liens; and
- sale and leaseback transactions.

Recently, covenant-light high yield bonds (generally bonds that are near investment grade) have contained similar covenant packages, but often include a limitation on subsidiary debt.

Convertible Bonds. Convertible bonds provide investors with the upside of equity and the downside protection of a debt instrument to the extent the stock price does not exceed the conversion price at maturity. Convertible bonds do not typically have restrictive covenants.

In addition, regardless of rating or convertibility, nearly all bonds include clauses meant to protect the bondholders from potential negative consequences of a change in ownership of the issuer.

23. In general, who is responsible for any profit/income/withholding taxes related to the payment of debt securities' interests in your jurisdiction?

In general, there are three types of withholding tax that potentially apply to payments made under a debt security issued by a U.S. issuer: (i) interest withholding; (ii) backup withholding; and (iii) Foreign Account Tax Compliance Act ("FATCA") withholding.

Interest Withholding. Interest (including original issue discount) paid by a U.S. issuer to a non-U.S. person can be subject to withholding tax. However, the "portfolio interest exemption" may eliminate withholding on interest provided certain requirements are satisfied. If the portfolio interest exemption is not available, with proper documentation, the statutory withholding rate can be reduced or eliminated pursuant to a tax treaty with the U.S.

Backup Withholding. Backup withholding generally does not apply if the recipient provides documentation establishing its foreign status (or other exemptions apply). Treaties do not reduce backup withholding. Payments to U.S. persons are generally exempt from backup withholding if the recipient provides documentation regarding its federal taxpayer identification number (or other exemptions apply). Backup withholding is not an additional tax and can be recovered if the proper information is supplied to the U.S. Internal Revenue Service ("IRS").

FATCA Withholding. FATCA withholding can apply to payments by a U.S. issuer and original issue discount made under a loan to a non-U.S. person unless the recipient provides specified documentation to the withholding agent. Treaties do not reduce FATCA withholding.

In general, withholding on payments made in respect of a U.S. debt security and the collection of appropriate IRS documentation is the responsibility of either the U.S. issuer or its applicable paying agent. Withholding may also be required by certain intermediaries, including a custodian, broker, nominee, or a partnership or trust. The party that is responsible for withholding will generally request a lender to provide either an IRS Form W-9 (for U.S. persons) or an applicable IRS Form W-8 (for non-U.S. persons), or other permissible substitute form.

24. What are the main listing requirements for listing debt securities in your jurisdiction? What are the continuing obligations of the issuer after the listing?

To list debt securities on a U.S. exchange, issuers must file a registration statement on Form 8-A with the SEC and satisfy the initial listing requirements for the applicable exchange. Among other requirements, the NYSE and Nasdaq require that the outstanding principal amount of debt securities be at least $5 million and, for convertible debt, that the outstanding principal amount be at least $10 million and the underlying equity security must be subject to real-time last sale reporting in the U.S.

Issuers with exchange-listed debt or equity securities are subject to SEC public company disclosure obligations. However, if the issuer terminates the listing and registration of the debt security, debt documents often contain covenants requiring similar disclosures while the securities are outstanding.

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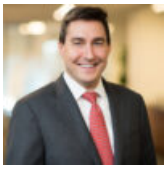

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