

Article

Euronext Growth Oslo Appointed as an ‘Appointed Stock Exchange’ in Bermuda

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Euronext Growth Oslo has been appointed an ‘appointed stock exchange’ for the purposes of the Companies Act 1981 of Bermuda (the “Companies Act”). The order making the appointment was signed by the Minister of Finance on 7 September 2021. The appointment will serve to benefit Bermuda-incorporated companies looking to raise capital in the Norwegian capital markets.

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Euronext Growth Oslo was established in January 2016 under the name Merkur Market, and is operated by Oslo Børs. Euronext Growth Oslo is a multilateral trading facility primarily intended for small and mid-cap growth companies to reach a wide range of investors. Oslo Børs also operates the Oslo Stock Exchange and the Euronext Expand (formerly known as Oslo Axess) which are both also ‘appointed stock exchanges’ under the Companies Act.

As of April 2021 there were 19 Bermuda companies listed on the Oslo Stock Exchange and Euronext Expand, representing a market capitalization of more than US\$10 billion. Following the appointment of Euronext Growth Oslo Bermuda, companies will also be able to utilise listing on the fast-growing exchange in order to access the Norwegian capital markets. The appointment of Euronext Growth Oslo is expected to be especially welcome news for shipping holding companies incorporated in Bermuda as Oslo is the largest securities marketplace for shipping in Europe and the second largest globally. Oslo is also the second largest market in Europe for energy companies and second largest market globally for companies in the oil service sector.

Companies who have shares listed on an ‘appointed stock exchange’ are exempt from certain requirements under, and can take advantage of certain provisions in, the Companies Act to facilitate the listing and trading of their shares and to avoid double regulation.

As a general rule, Bermuda companies offering their shares to the public are required to comply with the prospectus requirements under the Companies Act, and must publish a prospectus and file it with the Registrar of Companies. However, companies whose shares are listed on an ‘appointed stock exchange’ are excluded from this requirement if (i) the rules of the appointed stock exchange do not require the company to publish and file a prospectus, or (ii) the appointed stock exchange has received or otherwise accepted a prospectus or document in connection with the offer of shares. It should also be noted that following changes to the Companies Act in 2020 the prospectus requirements no longer apply to exempted companies (being the majority of Bermuda-incorporated listed companies), and now only apply to local companies.

The Companies Act also contains provisions to facilitate the listing and trading of the shares on an ‘appointed stock exchange’ such as (i) permitting the company to keep a branch register of members outside of Bermuda after giving written notice to the Registrar of

Companies of the address where such branch register is to be kept; and (ii) that any shares may be transferred in accordance with the rules or regulations of the 'appointed stock exchange'.

A company listed on an appointed stock exchange can avail itself of certain provisions, including: (i) maintaining records in Bermuda as will enable the directors or a resident representative to ascertain with reasonable accuracy the financial position of the company at the end of each six month period, rather than the usual three month period; (ii) instead of sending financial statements of the company to each shareholder, the company may send summarised financial statements, provided the full financial statements are available for public inspection at the company's registered office in Bermuda; and (iii) being exempt from the requirement under the Companies Act to keep up-to-date beneficial ownership register and related provisions.

In addition, Bermuda companies which have any of their 'equity securities' (meaning a share which entitles the holder to vote or appoint one or more directors or a security which is convertible into such a share) listed on an 'appointed stock exchange' are also able to take advantage of a general permission of the Bermuda Monetary Authority. This general permission provides for the issuance and free transfer of any securities of the company from and to non-residents of Bermuda, without further reference to the BMA and for as long as such securities are so listed.

At Conyers we have assisted numerous companies with listing on appointed stock exchanges, including market-leading experience assisting companies with listings on Norwegian exchanges. We have advised public companies on the Bermuda law aspects of initial public offerings, secondary offerings, debt offerings, financing transactions, share repurchases and general corporate matters. We also have extensive experience advising on mergers and acquisitions involving Bermuda public companies.

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