

# Comparing global stock exchanges

Stock market listing standards and fees



## Introduction

Business operations and capital flows are becoming increasingly globalized as new centers of economic strength and innovation develop around the world. Future market-leading companies are springing up in such places as China, India and Eastern Europe, in addition to the mature economies of the US and Europe. While the majority of companies ultimately choose to list on their domestic stock exchanges, more and more business leaders today are considering the pros and cons of accessing public capital in a foreign market.

Stock exchanges are also working hard to take advantage of the global opportunities that arise in this environment – whether by pursuing new listings from abroad or accessing foreign markets through mergers, acquisitions and strategic alliances. Business leaders today have many options to consider when selecting a stock exchange for an initial public offering.

Listing standards, fees and regulatory environment are perhaps the final factors to consider when selecting a stock exchange. However, as important, if not more so, are factors such as valuation, the quality of an exchange's institutional investors and their understanding of a company's business, the likelihood of attracting research coverage, visibility to customers and suppliers and comparable companies trading on the market. If a company's selection of exchange does not have a clear connection to its business that makes sense to its investors, its valuation will likely be reduced. The selection of an exchange is a long-term strategic decision that should be determined primarily by a company's fundamental business drivers.

This report is designed to be an objective, fact-based comparative tool for business leaders weighing exchange alternatives. The scope of this report encompasses the Deutsche Börse, Hong Kong Stock Exchange, Indian BSE and NSE, London Stock Exchange, Moscow Exchange, NASDAQ Dubai, NASDAQ New York, New York Stock Exchange, NYSE Euronext and Alternext Amsterdam, NYSE Euronext and Alternext Paris, Shanghai Stock Exchange, Singapore Exchange, Swiss Exchange and Warsaw Stock Exchange.

## Exchange listing standards

The stock exchange listing standards presented below represent a summary, for illustrative purposes only, of the criteria upon which the respective exchanges assess company applications for admission.

The summarized criteria pertain to companies making initial common stock offerings, with the exception of closed-end management investment companies (closed-end funds). The listing criteria for closed-end funds, as well as for other kinds of listings (dual listings, secondary offerings, offerings of other securities), are not in the scope of this report.

This summary is not intended to provide guidance on the eligibility of any company on any of the given exchanges. A company considering listing on any stock market must consult with the exchange directly and with the company's advisors to determine how listing standards would be applicable in its specific situation. Stock exchange admission is made at the discretion of the exchange organization.

For complete details on the listing standards of the stock exchanges in this study, please visit the official website of the respective exchange.

Stock exchanges generally require that companies meet certain minimum standards – whether financial, operational or relating to capital structure – to qualify for a listing. The listing standards help to maintain the quality of a given market and ensure that it functions efficiently.

The following provides a side-by-side comparison of the listing requirements of major Asian, European and US exchanges.

### Operating history

Requirement	Operating history	
Dubai	NASDAQ Dubai	3 years
China	Hong Kong Stock Exchange	3 years
	Shanghai Stock Exchange	3 years
France	NYSE Euronext Paris	3 years
	NYSE Alternext Paris	3 years/2 years for private placement
Germany	Deutsche Börse	3 years
India	Bombay Stock Exchange	3 years
	National Stock Exchange	3 years
Netherlands	NYSE Euronext Amsterdam	3 years
	NYSE Alternext Amsterdam	3 years/2 years for private placement or if in business for less than 3 years
Poland	Warsaw Stock Exchange	3 years
Russia	MICEX Moscow	3 years
Singapore	Singapore Exchange	3 years
Switzerland	SIX Swiss Exchange (main market)	3 years
UK	London Stock Exchange(main market)*	3 years covering 75% of business Most recent published information not more than 6 months old (9 months for Standard listings or DRs) at date of IPO
	AIM	3 years (or from commencement of trading if shorter) covering 75% of business Most recent published information not more than 9 months old at date of IPO
USA	NYSE	3 years
	NYSE Arca	3 years
	NYSE Amex	2 years
	NASDAQ Global Select Market	2 years
	NASDAQ Global Market	2 years
	NASDAQ Capital Market	2 years

\* London main market effectively splits into three sub-markets – Premium Listing, Standard Listing and Depository Receipts. There are subtle variations in the rules that apply to each. The information currently included are a blend of all three.

## Income, revenue and profits

Requirement		Income, revenue and profits
Dubai	NASDAQ Dubai	N/A
China	Hong Kong Stock Exchange	A Main Board new applicant must have a trading record of not less than three financial years and meet one of the following three financial criteria: (i) Profit test: aggregate profit of at least HK\$50 million in the last three financial years (with profits of at least HK\$20 million recorded in the most recent year, and aggregate profits of at least HK\$30 million recorded in the two years before that), and the market cap of at least HK\$200 million at the time of listing (ii) Market cap/revenue test: market cap of at least HK\$4 billion at the time of listing and revenue of at least HK\$500 million for the most recent audited financial year (iii) Market cap/revenue/cash flow test: market cap of at least HK\$2 billion at the time of listing and revenue of at least HK\$500 million for the most recent audited financial year and positive cash flow from operating activities of at least HK\$100 million in aggregate for the three preceding financial years
	Shanghai Stock Exchange	Aggregate profits of over RMB30 million for the last three years
France	NYSE Euronext Paris	N/A
	NYSE Alternext Paris	The company must be profitable (except biotech companies)
Germany	Deutsche Börse	N/A
India	Bombay Stock Exchange	Small cap – Rs.30 Million (US\$6 Million) – minimum income/turnover in each of the preceding three 12-month periods
	National Stock Exchange	N/A
Netherlands	NYSE Euronext Amsterdam	N/A
	NYSE Alternext Amsterdam	N/A
Poland	Warsaw Stock Exchange	N/A
Russia	MICEX Moscow	Break-even of issuer balance – two years from the last three years
Singapore	Singapore Exchange	Existing ▶ Profit before tax of at least S\$1 million per year for the last three years and cumulatively S\$7.5 million ▶ Cumulative pre-tax profit of at least S\$10 million for the last one or two years Being considered ▶ Profitable in last FY and market capitalization of at least S\$150 million ▶ Operating revenues in last FY and market capitalization of at least S\$300m
		N/A
Switzerland	SIX Swiss Exchange (main market)	N/A
UK	London Stock Exchange(main market)	N/A
	AIM	N/A
USA	NYSE	Revenues (most recent fiscal year) US\$75 million
	NYSE Arca	Revenues (most recent year or two of last three years) US\$50 million
	NYSE Amex	Pre-tax income (most recent year or two of last three years) US\$750,000
	NASDAQ Global Select Market	Revenue >= US\$110 million (previous fiscal year)
	NASDAQ Global Market	Revenues (most recent year or two of last three years) US\$75 million
	NASDAQ Capital Market	Net income US\$750,000

## Market capitalization

Requirement		Market capitalization
Dubai	NASDAQ Dubai	US\$50 million
China	Hong Kong Stock Exchange	US\$25 million (HK\$200 million)
	Shanghai Stock Exchange	Share capital no less than US\$7.5 million (RMB50 million) before listing
France	NYSE Euronext Paris	None but €200 million recommended
	NYSE Alternext Paris	N/A
Germany	Deutsche Börse	US\$1.6 million (€1.25 million)
India	Bombay Stock Exchange	Large cap – RS.250 million (US\$5 million) Small cap – RS.50 million (US\$1 million)
	National Stock Exchange	RS.250 million (US\$5 million)
Netherlands	NYSE Euronext Amsterdam	N/A
	NYSE Alternext Amsterdam	N/A
Poland	Warsaw Stock Exchange	US\$10 million
Russia	MICEX Moscow	Ordinary shares – RUR10 billion (min) Privileged shares – RUR3 billion(min)
Singapore	Singapore Exchange	None specific but recommend S\$150 million
Switzerland	SIX Swiss Exchange (main market)	CHF25 million
UK	London Stock Exchange(main market)	US\$1.2 million (GBP700,000)
	AIM	N/A
USA	NYSE	Revenues (most recent fiscal year) US\$75 million
	NYSE Arca	Revenues (most recent year or two of last three years) US\$50 million
	NYSE Amex	Pre-tax Income (most recent year or two of last three years) US\$750,000
	NASDAQ Global Select Market	Revenue >= US\$110 million (Previous fiscal year)
	NASDAQ Global Market	Revenues (most recent year or two of last three years) US\$75 million
	NASDAQ Capital Market	Net Income US\$750,000

## Working capital

Requirement		Working capital
Dubai	NASDAQ Dubai	N/A
China	Hong Kong Stock Exchange	Available sufficient working capital for the company's present requirements; that is, for at least the next 12 months from the date of publication of the listing document
	Shanghai Stock Exchange	N/A
France	NYSE Euronext Paris	Declaration of sufficient (or not) working capital for the next 12 months to be included in the prospectus
	NYSE Alternext Paris	Declaration of sufficient (or not) working capital for the next 12 months to be included in the prospectus
Germany	Deutsche Börse	N/A
India	Bombay Stock Exchange	N/A
	National Stock Exchange	N/A
Netherlands	NYSE Euronext Amsterdam	Declaration of sufficient (or not) working capital for the next 12 months to be included in the prospectus
	NYSE Alternext Amsterdam	N/A
Poland	Warsaw Stock Exchange	N/A
Russia	MICEX Moscow	N/A
Singapore	Singapore Exchange	Sufficient working capital for at least 12 months after listing. Must have positive operating cash flows
Switzerland	SIX Swiss Exchange (main market)	N/A
UK	London Stock Exchange(main market)	Sufficient working capital for at least the next 12 months (not mandatory for DRs)
	AIM	Sufficient working capital for at least the next 12 months
USA	NYSE	N/A
	NYSE Arca	N/A
	NYSE Amex	N/A
	NASDAQ Global Select Market	N/A
	NASDAQ Global Market	N/A
	NASDAQ Capital Market	N/A



## Number of float shares

Requirement		Number of float shares
Dubai	NASDAQ Dubai	25%
China	Hong Kong Stock Exchange	25%
	Shanghai Stock Exchange	25%, for issuers with expected market capitalization of over RMB400 million at the time of listing, a percentage of no lower than 10% may be accepted
France	NYSE Euronext Paris	25% or 5% if it represents at least €5 million
	NYSE Alternext Paris	No number of float shares requested but minimum capital raised of €2.5 million for public and for private placement
Germany	Deutsche Börse	25%
India	Bombay Stock Exchange	25%
	National Stock Exchange	25%
Netherlands	NYSE Euronext Amsterdam	25% or 5% if it represents at least €5 million
	NYSE Alternext Amsterdam	No number of float shares requested but minimum capital raised of €2.5 million for public offer and €5 million for private placement
Poland	Warsaw Stock Exchange	Minimum 5-10%
Russia	MICEX Moscow	N/A
Singapore	Singapore Exchange	Market cap < S\$300 million ▶ At least 25% public float Market cap > S\$300 million ▶ At least 12% public float Minimum 500 shareholders
Switzerland	SIX Swiss Exchange (main market)	25%
UK	London Stock Exchange(main market)	25%
	AIM	N/A
USA	NYSE	5,000 shareholders for foreign issuers
	NYSE Arca	1.1 million shares
	NYSE Amex	Option 1: 800 shareholders – 500,000 shares Option 2: 400 shareholders – 1 million shares Option 3: 400 shareholders – 500,000 shares with a daily trading volume of 2,000 shares during the six months prior to listing
	NASDAQ Global Select Market	1.25 million shares
	NASDAQ Global Market	1.1 million shares
	NASDAQ Capital Market	1 million shares



## Lock-up requirements

Initial public offerings usually involve an agreement called a lock-up (or lock-in) that prevents insider shareholders, such as executive management and private equity investors, from selling their public shares for a certain period of time. Ordinarily, lock-up agreements are not stipulated by the exchanges themselves but are frequently required by the underwriters involved in the IPO (for example, a bank or investment house). Since insiders hold significant blocks of stock, the lock-up protects the offering price by preventing the market from being flooded by insiders cashing out their shares.

Requirement		Lock-up requirements
Dubai	NASDAQ Dubai	6 months
China	Hong Kong Stock Exchange	N/A
	Shanghai Stock Exchange	(1) The stock issued by the issuer before the IPO shall not be transferred within one year from the listing of its stocks (2) When the issuer applies to the Exchange for listing its IPO stocks, its controlling shareholders and de facto controller shall make an undertaking that within 36 months of listing of the issuer's stocks, they shall not transfer the issuer's stocks issued before the IPO and held by them either directly or indirectly, or appoint others for the management of such stocks and such stocks shall not be repurchased by the issuer.
France	NYSE Euronext Paris	Market regulator decision
	NYSE Alternext Paris	Market regulator decision
Germany	Deutsche Börse	Typical (as per underwriter's request)
India	Bombay Stock Exchange	Lock-in for a period of three years from the date of allotment or from the date of commencement of commercial production, whichever is later. Balance pre-issue capital, other than held by Indian and Foreign Venture Funds (registered with SEBI) and shares held for at least one year and being offered for sale in the issue. Must be locked-in for a period of one year from the date of allotment. Shares issued last will be locked-in first.
	National Stock Exchange	Lock-in for a period of three years from the date of allotment or from the date of commencement of commercial production, whichever is later. Balance pre-issue capital, other than held by Indian and Foreign Venture Funds (registered with SEBI) and shares held for at least one year and being offered for sale in the issue. Must be locked-in for a period of one year from the date of allotment. Shares issued last will be locked-in first.
Netherlands	NYSE Euronext Amsterdam	Market regulator decision
	NYSE Alternext Amsterdam	Market regulator decision
Poland	Warsaw Stock Exchange	6-24 months (as per underwriters' request)
Russia	MICEX Moscow	N/A
Singapore	Singapore Exchange	Typically 6 months, up to 12 months
Switzerland	SIX Swiss Exchange (main market)	N/A
UK	London Stock Exchange(main market)	Typically 6-18 months depending on nature of IPO
	AIM	Typically 12-18 months depending on nature of IPO
USA	NYSE	6 months (as per underwriter's request)
	NYSE Arca	6 months (as per underwriter's request)
	NYSE Amex	6 months (as per underwriter's request)
	NASDAQ Global Select Market	6 months (as per underwriter's request)
	NASDAQ Global Market	6 months (as per underwriter's request)
	NASDAQ Capital Market	6 months (as per underwriter's request)

## Equity market listing fees

Stock exchanges charge listing fees using a variety of methods: volume of shares offered, value of shares offered, market capitalization or flat fee. Summarized listing fee information is for illustrative purposes only. Listing fees may vary.

Requirement		Equity market listing fees
Dubai	NASDAQ Dubai	US\$70-250,000
China	Hong Kong Stock Exchange	From HK\$150,000 to HK\$650,000 depending on the monetary value of equity securities to be listed
	Shanghai Stock Exchange	A share: 0.03% of total par value listed and not exceeding RMB30,000; B share: 0.1% of total issued share capital, not more than equivalent of US\$5,000
France	NYSE Euronext Paris	Market capitalization (€ million): under 10 – €10,000, under 100 – 0.6%, under 500 – 0.4%, under 1,000 – 0.3%, over 1,000 – 0.1%
	NYSE Alternext Paris	Market capitalization (€ million): under 10 – €10,000, under 100 – 0.6%, under 500 – 0.4%, under 1,000 – 0.3%, over 1,000 – 0.1%
Germany	Deutsche Börse	€3,000 admission to trading €2,500 listed securities
India	Bombay Stock Exchange	Rs.20,000 (US\$425)
	National Stock Exchange	Rs.25,000 (US\$530)
Netherlands	NYSE Euronext Amsterdam	Market capitalization (€ million): under 10 – €10,000, under 100 – 0.6%, under 500 – 0.4%, under 1,000 – 0.3%, over 1,000 – 0.1%; maximum 3 million or 500,000 for non-domestic issuers that do not qualify for Euronext 100 index
	NYSE Alternext Amsterdam	Market capitalization (€ million): under 10 – €10,000, under 100 – 0.6%, under 500 – 0.4%, under 1,000 – 0.3%, over 1,000 – 0.1%; maximum 3 million
Poland	Warsaw Stock Exchange	0.03% of the issue (sale) value but not less than PLN8,000 and not more than PLN96,000
Russia	MICEX Moscow	RUR105,000 – RUR265,000
Singapore	Singapore Exchange	S\$100 per million shares subject to a minimum of S\$50,000 and a maximum of S\$200,000
Switzerland	SIX Swiss Exchange (main market)	CHF15,000 – CHF80,000
UK	London Stock Exchange(main market)	Market capitalization (GBP million): Under 5, maximum GBP6,389 5-50, maximum GBP44,189 50-250, maximum GBP107,189 250-500, maximum GBP133,439 Over 500, maximum GBP369,689 Lower rates apply for DRs
	AIM	Min GBP6,400 Max GBP72,200
USA	NYSE	US\$ per share: <75 million US\$0.0048 75-300 million US\$0.00375 >300 million US\$0.0019
	NYSE Arca	For both US and FPI: Up to and including 30 million shares – US\$100,000; 30+ million up to and including 50 million shares – US\$125,000; 50+ million shares – US\$150,000
	NYSE Amex	Up to 5 million shares – US\$40,000 5+ to 10 million shares – US\$50,000 10+ to 15 million shares – US\$55,000 More than 15 million shares – US\$65,000
	NASDAQ Global Select Market	Up to 30 million shares – US\$125,000; 30+ to 50 million shares – US\$150,000; 50+ to 100 million shares – US\$200,000; Over 100 million shares – US\$225,000
	NASDAQ Global Market	Up to 30 million shares – US\$125,000; 30+ to 50 million shares – US\$150,000; 50+ to 100 million shares – US\$200,000; Over 100 million shares – US\$225,000
	NASDAQ Capital Market	Up to 15 million shares – US\$50,000; Over 15 million shares – US\$75,000



## Annual exchange fees

The structure of annual exchange fees largely reflects the pricing levels and schemes employed for the initial listings. Summarized annual fee information is for illustrative purposes only. Annual fees may vary.

Requirement		Annual exchange fees
Dubai	NASDAQ Dubai	US\$20-50,000
China	Hong Kong Stock Exchange	From HK\$145,000 to HK\$1,188,000 depending of the size of the issue
	Shanghai Stock Exchange	A share, 0.012% of total par value listed, not more than RMB6,000; B share, US\$600/year
France	NYSE Euronext Paris	From \$2,800 to \$23,000 calculated according to the progressive scale based on a number of shares
	NYSE Alternext Paris	From \$2,800 to \$23,000 calculated according to the progressive scale based on a number of shares
Germany	Deutsche Börse	\$10,000 (Prime Standard)
India	Bombay Stock Exchange	Based on paid-up share capital: (i) Up to Rs.50 million (US\$1 million): Rs.10,000 (US\$210) (ii) Rs.50 million (US\$1 million) – Rs.100 million (US\$2 million): Rs.15,000 (US\$320) (iii) Rs.100 million (US\$2 million) – Rs.200 million (US\$3 million): Rs.30,000 (US\$640) Above Rs.200 million (US\$3 million) – Rs.30,000 (US\$640) + Additional fee @ Rs.750 (US\$16) for every additional Rs.10 million (US\$0.2 million) or part thereof
	National Stock Exchange	Based on paid-up share capital: (i) 10 Million (US\$0.2 million) – Rs.5000 million (US\$105 million): between Rs.10,000 (US\$210 million) – and Rs.3,75,000 (US\$7,800) (ii) More than Rs.5,000 million (US\$105 million) – Rs.375,000 (US\$7,800) + additional listing fees of Rs.2,500 (US\$50) for every increase of Rs.50 million (US\$1 million) or part thereof (iii) More than Rs.10,000 million (US\$210 million): Rs.630,000 (US\$13,000) + additional listing fees of Rs.2,750 (US\$60) for every increase of Rs.50 Million (US\$1 Million) or part thereof
Netherlands	NYSE Euronext Amsterdam	From €2,800 to €23,000 calculated according to the progressive scale based on a number of shares + €10 for each €10 million above €150 million; maximum €50,000
	NYSE Alternext Amsterdam	From €3,000 to €20,000 calculated according to the progressive scale based on a number of shares
Poland	Warsaw Stock Exchange	0.02% of the market value but not less than PLN9,000 and not more than PLN70,000
Russia	MICEX Moscow	RUR15,000
Singapore	Singapore Exchange	S\$25 per million per shares subject to a minimum of S\$25,000 and a maximum of S\$100,000
Switzerland	SIX Swiss Exchange (main market)	CHF6,000 plus CHF10 per 1 million of capitalization
UK	London Stock Exchange(main market)	From GBP4,200 to GBP41,400 based on market capitalization. Lower rates apply for international companies and DRs
	AIM	GBP5,100
USA	NYSE	US\$0.00093 per share, minimum US\$38,000
	NYSE Arca	Up to and including 10 million shares – US\$30,000; 10+ million up to and including 100 million shares – US\$30,000 plus US\$0.000375 per share; 100+ million shares – US\$85,000
	NYSE Amex	Less than 50 million shares – US\$27,500 50+ to 75 million shares – US\$32,500 More than 75 million shares – US\$34,000
	NASDAQ Global Select Market	Up to 10 million shares – US\$35,000; 10+ to 50 million shares – US\$37,500 50+ to 75 million shares – US\$46,500 75+ to 100 million shares – US\$68,500; 100+ to 150 million shares – US\$89,000; over 150 million shares – US\$99,500
	NASDAQ Global Market	Up to 10 million shares – US\$35,000; 10+ to 50 million shares – US\$37,500 50+ to 75 million shares – US\$46,500 75+ to 100 million shares – US\$68,500; 100+ to 150 million shares – US\$89,000; over 150 million shares – US\$99,500
	NASDAQ Capital Market	US\$27,500

## Accounting standard

Requirement		Accounting standard
Dubai	NASDAQ Dubai	IFRS
China	Hong Kong Stock Exchange	HKFRS/IFRS
	Shanghai Stock Exchange	PRC GAAP
France	NYSE Euronext Paris	IFRS
	NYSE Alternext Paris	French GAAP or IFRS
Germany	Deutsche Börse	IFRS
India	Bombay Stock Exchange	Indian GAAP
	National Stock Exchange	Indian GAAP
Netherlands	NYSE Euronext Amsterdam	IFRS as adopted by the EU, or equivalent for companies with statutory seat outside the EU (IFRS as issued by the IASB, US GAAP, Japanese GAAP, Canadian GAAP)
	NYSE Alternext Amsterdam	Dutch GAAP or IFRS as adopted by the EU or equivalent (US GAAP, Japanese GAAP, Canadian GAAP)
Poland	Warsaw Stock Exchange	IFRS
Russia	MICEX Moscow	Russian statutory/IFRS
Singapore	Singapore Exchange	SFRS/IFRS/US GAAP
Switzerland	SIX Swiss Exchange (main market)	IFRS/US GAAP
UK	London Stock Exchange(main market)	IFRS, US, Japan
	AIM	IFRS (European companies) or IFRS, US, Canada, Japan, Australia (other companies)
USA	NYSE	US GAAP/IFRS acceptable for FPI
	NYSE Arca	US GAAP/IFRS acceptable for FPI
	NYSE Amex	US GAAP/IFRS acceptable for Foreign Private Issuer (FPI)
	NASDAQ Global Select Market	US GAAP/IFRS for issuer permitted by the commission
	NASDAQ Global Market	US GAAP/IFRS for issuer permitted by the commission
	NASDAQ Capital Market	US GAAP/IFRS for issuer permitted by the commission

## Time line of going public

The mentioned IPO time lines should be considered for informational and comparative purposes only. The actual IPO process and time line can vary with the specific circumstances of an individual company. Companies are advised to consult with their business advisors and prospective stock exchanges to determine what the IPO process will be in their particular situation.

Requirement		Time line of going public
Dubai	NASDAQ Dubai	3-6 months
China	Hong Kong Stock Exchange	6-12 months
	Shanghai Stock Exchange	6-24 months
France	NYSE Euronext Paris	6-12 months
	NYSE Alternext Paris	4-12 months
Germany	Deutsche Börse	6-12 months
India	Bombay Stock Exchange	6 months
	National Stock Exchange	6 months
Netherlands	NYSE Euronext Amsterdam	6-12 months
	NYSE Alternext Amsterdam	4-12 months
Poland	Warsaw Stock Exchange	6-12 months
Russia	MICEX Moscow	4 months
Singapore	Singapore Exchange	6-12 months
Switzerland	SIX Swiss Exchange (main market)	3-6 months
UK	London Stock Exchange(main market)	4-24 months
	AIM	3-24 months
USA	NYSE	12-24 months
	NYSE Arca	12-24 months
	NYSE Amex	12-24 months
	NASDAQ Global Select Market	12-24 months
	NASDAQ Global Market	12-24 months
	NASDAQ Capital Market	12-24 months



## Regulatory environment

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The expanding presence of globally operating businesses makes understanding the similarities and differences between national practices of securities market regulation vital for key stakeholders, including regulators, market operators, issuers and investors. In addition, recent trends of demutualization and international mergers between exchanges are changing the framework of capital markets and necessitating adaptive regulatory regimes.

### Regulatory environment

Regulation is an increasingly overlapping and collaborative endeavor between and among the global stock exchanges and various oversight bodies. Legislation, codes, recommendations, standards and principles regulating equity markets and securities issuers emanate from a variety of sources, including government bodies, government-appointed bodies, commissions, committees and industry establishments.

In the EU, member countries that meet the requirements of the Prospectus Directive when listing can have their prospectuses “passported” in EU Member States. The Directive, which came into effect on 1 July 2006, allows investors in the EU to buy securities if a prospectus has been approved by the issuer’s home regulator. Keeping with the EU’s common market objectives, the Directive allows companies and investors to benefit from an integrated capital market. Companies will be allowed to passport a prospectus approved by the competent authority of one Member State into another, without further consents or approvals in those Member States.

### Corporate Governance

Across all countries, high-profile cases of fraud have revealed the need for corporate governance reform. The regulatory environments of stock exchanges and listed companies in all global regions are evolving to guide, support and help companies to develop and put in place effective corporate governance systems. These will ensure company management is acting on behalf of shareholders and stakeholders by creating company value and producing accurate and timely reports upon which investors can base informed decisions. Such measures create fair and transparent securities markets in which investors may have confidence.

Please refer to the individual stock exchange website for complete details.

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