

Member's Profile

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| Name of Stock Exchange | MALTA STOCK EXCHANGE plc |
| Country/Region | MALTA - EUROPE |
| Name of CEO | Mr Simon Zammit |
| Capital (US\$) | Fully paid up US\$3.6million |
| Number of Officers and Employees | 60 EMPLOYEES |
| Ownership and Governance (Main Shareholders) | The structure consists of a group of companies composed of MSE (Holdings) Ltd, (a holding company wholly owned by the Government of Malta) and two subsidiary companies. The Holding Company acquired the lease agreement in force between the Malta Stock Exchange and the Government with regards to the property which is currently used as the premises of the Exchange. Through this mechanism, the Government, through the Holding Company, continues to retain control over the immovable property. The Holding Company also holds 100% shareholding in the two subsidiary companies, Malta Stock Exchange plc and CSD (Malta) plc. |

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| Brief History | <p>The Malta Stock Exchange was set up in terms of the Malta Stock Exchange Act (Cap. 345 of the Laws of Malta) on 13 November 1990 as “..... a <i>body corporate with a distinct legal personality....</i>”.</p> <p>The Exchange was set up with the main objective to develop the capital market in Malta by facilitating the mobilisation of savings into productive investment through the primary market as well as to facilitate trading of listed securities through the provision of a secondary market.</p> <p>The Malta Stock Exchange Act was radically amended and renamed as the Financial Markets Act which came into force on 1st October 2002. As a result of this change the regulatory function of the Exchange was transferred to the Malta Financial Services Authority with the Exchange retaining the oversight of the market.</p> |
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Stock Exchange

In 2007 The Financial Markets Act was significantly amended again principally to provide for the transposition of MiFID and the Transparency Directive into Maltese Law.

Other amendments within the Financial Markets Act directly affecting the Exchange referred to new provisions regarding the licensing and supervision of central securities depositories. The Exchange was in fact issued with two licenses in 2007 – one to provide the services of a regulated market (replacing the previous status of a recognised investment exchange) and the other to operate a central securities depository.

Other provisions included in the amendments to the Financial Markets Act provided for the new corporate structure of the Exchange, whereby from a corporate entity set up under a specific law it would be possible to set up the Exchange as a public liability company set up under the Companies Act.

Practices and Procedures

Trading

Days

Monday- Friday

Hours

Pre-Trading phase – 0900 – 09:30

Regular Market – Malta Government bonds

09:30 – 14:30

Regular Market – Equities and Corporate bonds

09:30 -15:30

Post-Trading – 15:30-16:00

Treasury Bills Market - 09:30-10:30

OFF-Exchange Market - 09:00 – 16:00

Market segmentation

n/a

System

XETRA Trading System, and CSD

Mechanisms

Opening Auction, Continuous Trading, Closing Auction

Market-maker/Specialists

Market Making

Stock Exchange

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| Instruments | Equities, Corporate and Government Bonds, Treasury Bills |
| Currency | EURO, US Dollar, Sterling |
| Real time information | Best market, trades effected |
| Clearing & Settlement | |
| Central Depository | Yes |
| Period | T+2 |
| Registered | Registered |
| Settlement | All trades, both those effected on –Exchange and those effected off-exchange are settled at the Malta CSD |
| Clearing | YES |
| DVP | YES |
| Clearing Institution | Clearing Services Provided |
| Risk Sharing | n/a |
| Margin/Lending | n/a |
| Custodians | Custody Service provided |
| Taxes | |
| Cash Dividends | On Equity currently 35% corporate tax |
| Interest Income | On corporate bonds and Government Stocks currently 15% withholding tax |
| Capital Gains | No capital gains tax on transactions in Malta Stock Exchange listed securities |
| Structure & Regulations | |
| Legal | Public Liability Company |
| Regulation | Malta Financial Services Authority (Regulatory Authority) |
| Securities market regulations | Malta Financial Services Authority |
| Trading rules | The Malta Stock Exchange Bye-laws apply to member firms and issuers of listed companies. |
| Surveillance | As a Market Operator, the MSE monitors transactions undertaken by its members to identify breaches of the bye-laws and market abuse. |
| Corporate actions | Equity (centralized), fixed income (centralized) |
| Trading halts regulations | Yes |
| Investor protection | Yes |

Foreign Participation

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| Foreign investors | Allowed, no restrictions |
| Investment limitations | No limitations |
| Repatriation | No restrictions |

Official List Minimum Listing Requirements

| Equities | | Bonds |
|-----------------------------------|----------------------------------|-----------------------------------|
| Fully paid-up Capital | €1,000,000 | €250,000 |
| Years of Business Activity | Minimum 3 financial years | No Trading Record required |
| Capitalization of Issue | €1,000,000 | €1,000,000 |
| Free Float Percentage | 25% | n/a |
| Published audited Annual Accounts | | n/a |

Must cover at least three financial years preceding the application for Admissibility to Listing and the last year of audited information may not be older than 18 months from the date of the registration document;

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| Whole Class of Securities to be issued | Yes | Yes |
| Listing Agreement with Central Depository | Currently No | Currently No |
| Prospectus | Yes | Yes |
| Special Requirements | Yes | Yes |

Prospects – SME-oriented market operated by the MSE – Admission Requirements

Applicant must be an Small to Medium sized organization (SME)

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| Capitalization of Issue | No minimum, but target is under €5,000,000 |
| Fully paid-up Share Capital | Less than €1,000,000 (equities) or €250,000 (bonds) |
| Free Float percentage (equities) | No Minimum |
| Years of Business Activity | No Minimum, but financial feasibility to be assessed |
| Prospectus | Not required - admission documents include a detailed business plan |
| Other requirements | Corporate Advisor, who would ensure continued good corporate Governance, transparency and compliance. |