

Depository Interests



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About Us



MUFG Corporate Markets, a division of MUFG Pension & Markets helps connect people with their assets in regulated and unregulated markets. We work with more than 7,500 clients internationally, including asset managers, investors, business managers, asset owners, issuers and borrowers.

We help capital flow through the financial markets by processing £60bn in payments each year, as well as protecting more than £200bn in funds.

Our experts are proud to help companies to connect with their individual and employee shareholders and institutional investors. We are the platform that enables companies to list on global stock exchanges and keep pace with global change,

and the team who supports boards with ever-changing regulation and governance. We provide services to over 1,200 diverse UK companies, manage over 35 million shareholders globally, and take care of over 350 UK share plans with their 250k participants.



Destination London!



London has long been recognised as a listing and trading venue of choice for international companies, hosting all types of international companies from early stage tech to multi-national industrial or resource-focused giants.

The advantages that have attracted such a large number of issuers to London include a well-capitalised investor base, a deep concentration of the best financial practitioners in the world, a flexible, principles-based regulatory and governance regime and a trusted legal environment.

London provides:



The broadest possible number of potential investors; institutional and retail, emerging market and UK-focused funds, passive or active funds



Opportunities to raise additional capital through a wide range of corporate actions



A currency for the acquisition of target assets



A means of motivating and retaining the best talent through employee share plans



Decision Made

Any company admitted to trading in London is required to ensure that their shares can be held and settled electronically – that is in ‘book entry’ form – without the need for share certificates or paper transfer documents.

In the past, book entry settlement has been considered a competitive advantage, delivering significant market efficiencies, reducing costs for issuers and supporting access to the broadest investor base. However, since 2016, electronic settlement has been mandatory.

Shares traded in London, whether on the London Stock Exchange or Aquis Exchange, are held and settled in CREST, the UK Central Securities Depository that is managed by Euroclear UK & Ireland. The legislation that allowed for the introduction of CREST in 1996, the Uncertificated Securities Regulations, only permit securities issued by companies domiciled in the UK to be held or transferred within in CREST. For this reason, Ireland, Jersey, Guernsey and the Isle of Man adopted equivalent regulations allowing securities from those jurisdictions to access CREST.

In order to allow our clients to gain the full benefits of being a London quoted company without having to compromise the benefits or efficiencies of maintaining their existing domicile, MUFG Corporate Markets pioneered Depository Interests in 2000, allowing the shares of international issuers to be held and transferred within CREST without the need to incorporate a new holding company in one of the ‘home nations’: The UK, Ireland, Jersey, Guernsey and Isle of Man.



Depository Interests

International companies face a distinct set of challenges when joining the UK public markets. That’s why we deliver a range of seamless and innovative solutions to help our international clients overcome these challenges.

As the pioneers of Depository Interests (DI) in 2000, we are experts in supporting issuers as they admit their shares to trading – without the need to reincorporate in the UK.

We are committed to helping our clients progress with confidence as they gain access to one of the broadest, deepest and most sophisticated pools of capital in the world, and we give them the reassurance they need when navigating some of the most comprehensive and respected governance rules in the global market.



Since 2000, MUFG Corporate Markets has delivered DI solutions for more than 30 countries and currently provides services to approximately 100 international companies from the FTSE 100 to small cap, AIM, Aquis or even unlisted issuers.

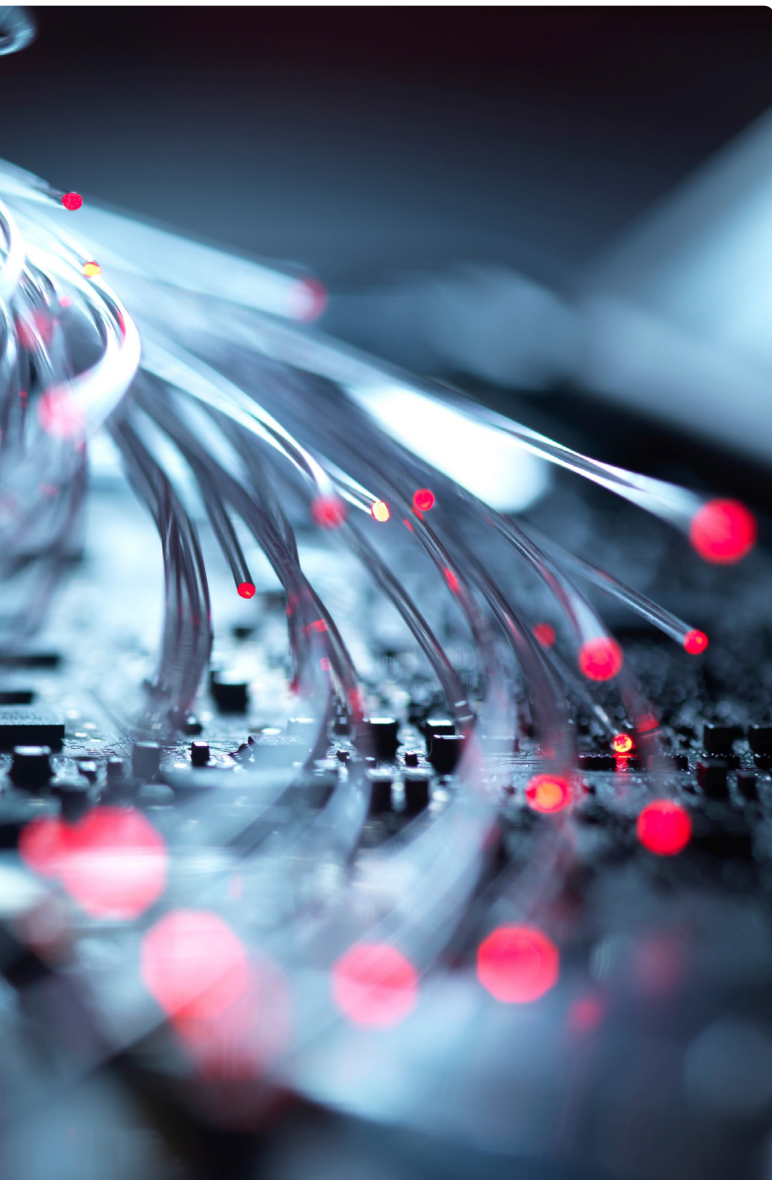
Our clients – whether they’re young or established – trust us to deliver in this challenging financial world, and we never take that for granted.







Depository Interests Explained

A DI is an instrument issued under UK law which evidences ownership of a share in an international issuer which is held by us as depository. As a UK law instrument, a DI is eligible for inclusion in CREST and provides a means for electronic holding and transfer of shares.

The DI is a trust arrangement formed by the trust deed poll which sets out the rights and obligations of both investors and MUFG Corporate Markets. The trust deed poll applies to all DIs and its terms are deemed to be accepted by a DI holder on the receipt of any DIs.



A suite of legal documents are required for the formation of a DI facility, including:

-  The trust deed poll
-  Commercial agreements
-  Application forms, and
-  A number of UK and local law opinions required by Euroclear UK & Ireland

A Ready- Made Solution

Since 2000, MUFG Corporate Markets has delivered DI solutions for more than 30 countries and currently provides services to approximately 60 international companies from the FTSE 100 to small cap, AIM, Aquis or even unlisted issuers.



Why choose DIs

The introduction of a DI allows an issuer to admit their shares to trading on the Main Market, AIM, Aquis or TISE.

DIs provide a secure solution for your investors. With each DI underpinned by an ordinary or common share in the issuer via a tried and tested trust structure, your investors' DIs will represent the same opportunities, rights and risks as if they held the underlying share. Equality of treatment across investor types and markets is central to the structure of the DI.

DIs provide issuers with:

- ✓ Sophisticated meeting and voting management with real-time, online access to any votes cast
- ✓ Real time access to your DI register
- ✓ Identification of underlying beneficial investors and broader investor relations support
- ✓ Full dividend management including currency and share alternatives and dividends paid through CREST
- ✓ Dedicated and experienced corporate actions support when needed
- ✓ The ability to enforce Regulation S, Category 3 restrictions for US issuers



	Depository Interests (DIs)	Global Depository Receipts (GDRs)	CREST Depository Interests (CDIs)
OVERVIEW			
Created in	2000 (by Capita Registrars, now MUFG Corporate Markets)	1927	1999
Description	A trust structure to provide a mechanism for non UK Incorporated companies' securities to settle electronically through CREST	Negotiable certificates that give evidence of ownership of a company's shares. They are marketed internationally, mainly to financial institutions	Provide international settlement links to third country Central Securities Depositories (CSDs)
Existing Jurisdictions	30	c.75	20
TRADING AND INDICES			
LSE Main Market – Premium Listing	✓	✗	✓
LSE Main Market – Standard Listing	✓	✓	✓
AIM, NEX and TISE	✓	✗	✓
FTSE Index inclusion	✓	✗	✓
SETTLEMENT VENUES			
CREST	✓	✗	✓
Euroclear Bank, Brussel	✗	✓	✗
Clearstream Banking Luxembourg	✓	✓	✗
COSTS			
All fees paid by issuer	✓	✓/✗	✗
No costs borne by shareholders	✓	✗	✗
Depository does not take percentage of the Dividend as a fee	✓	✗	✓
Depository does not charge a make or break fee	✓	✗	✓
Custodian fees not charged to shareholders	✓	✓	✗
FEATURES			
No requirement to be listed as a distinct instrument	✓	✗	✓
Same ISIN as underlying shares	✓	✗	✓
Flexible structure to satisfy local law issues	✓	✓	✗
Able to accommodate retail (certificated) holders	✓	✗	✗
Web based access to shareholder register	✓	✗	✗
Sophisticated shareholder meeting management	✓	✗	✗
Full suite of dividend options including currency and dividend reinvestment	✓	✗	✗
Full investor transparency	✓	✗	✓
UK Model corporate actions supported	✓	✗	✗

New Jurisdictions

As a trust arrangement it is necessary that such a trust has legal force and is recognised by the law of the home country of the issuer. As such, we complete an extensive assessment of the issuer's local law before issuing DIs.

We ask local counsel to complete a risk assessment addressing several aspects of asset ownership. This risk assessment helps us to identify our obligations and plan for deposits and withdrawals from the facility.



We consider the local law implication with regards to:

- Insolvency laws
- Restriction or limits on foreign ownership
- Disclosure or filing obligations
- Mandatory bid obligations
- Tax
- Regulatory licencing
- Shareholder voting
- Local settlement solutions



Here and there - Multiple Listings

Admission to trading in London can be paired with a local listing in the issuer's home country or a third country, and we will support your investors by assisting with the conversion between ordinary shares and DIs and the movement between markets, ensuring:



A single pool of liquidity across all trading venues



Minimum price differences between markets and maximum price transparency



Low transaction costs for market participants and investors



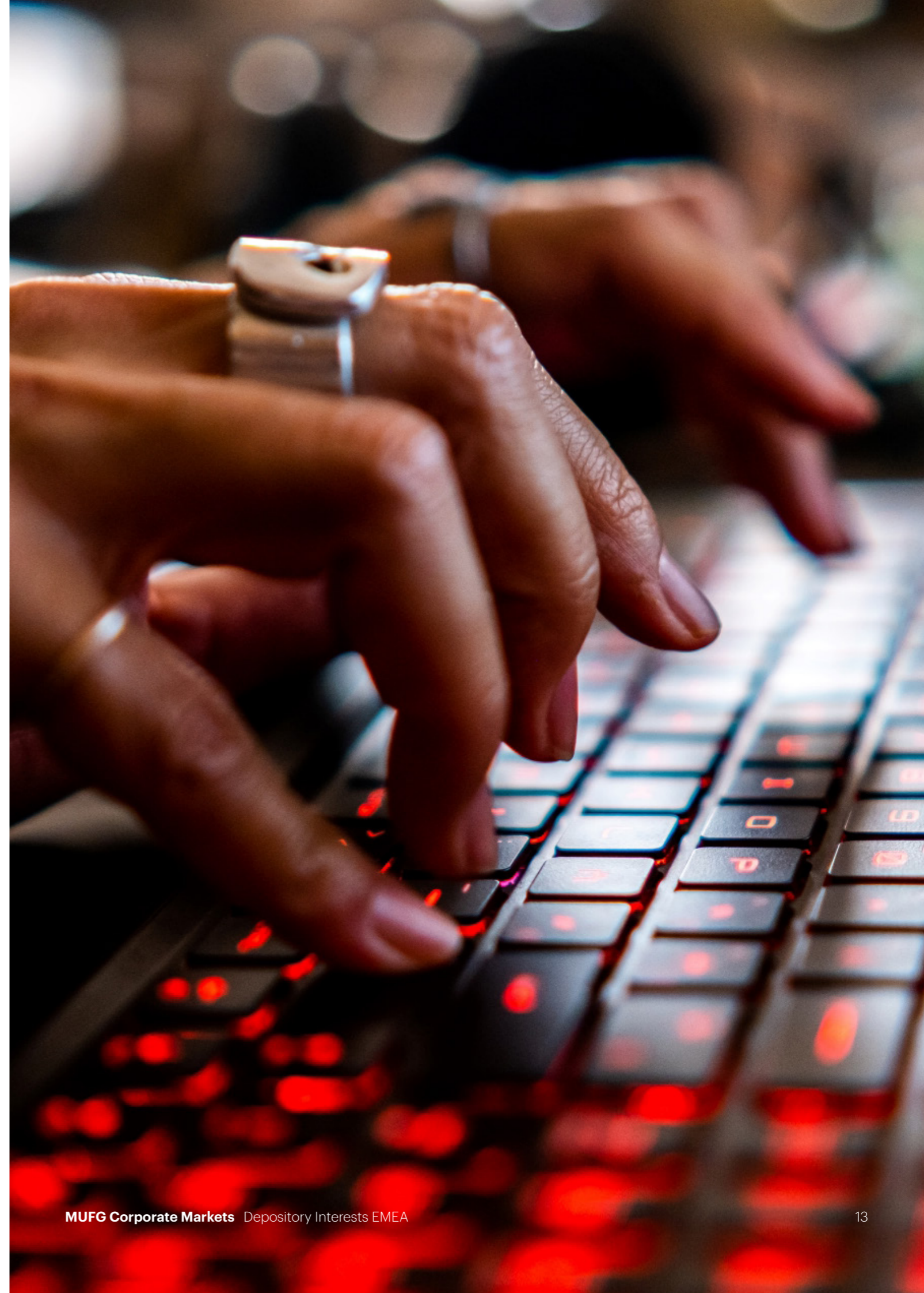
Robust controls over the number of shares in issue

Timeline



The required timeframe for the implementation of each DI varies depending on the issues identified in the home jurisdiction. We typically recommend at least six weeks for implementation; however, this can be longer for more complex jurisdictions or shorter for established markets. We will always work with you to the best of our abilities to accommodate your broader transaction timetable.

Business days	Action
D-30	<i>Appointment of MUFG Corporate Markets, issuance of template documents, commencement of due diligence on issuer</i>
D-15	<i>Agreement of changes to template documentation including local law opinions, trust deed poll and commercial agreements</i>
D-12	<i>Draft legal opinion submitted to Euroclear UK & Ireland for approval</i>
D-11	<i>All opinions, agreements and application forms signed and delivered to MUFG Corporate Markets</i>
D-10	<i>Delivery of opinions and application form to Euroclear UK & Ireland</i>
D-3	<i>Transaction prices, conditional trading commences</i>
D	<i>Admission and commencement of settlement in Depository Interests</i>

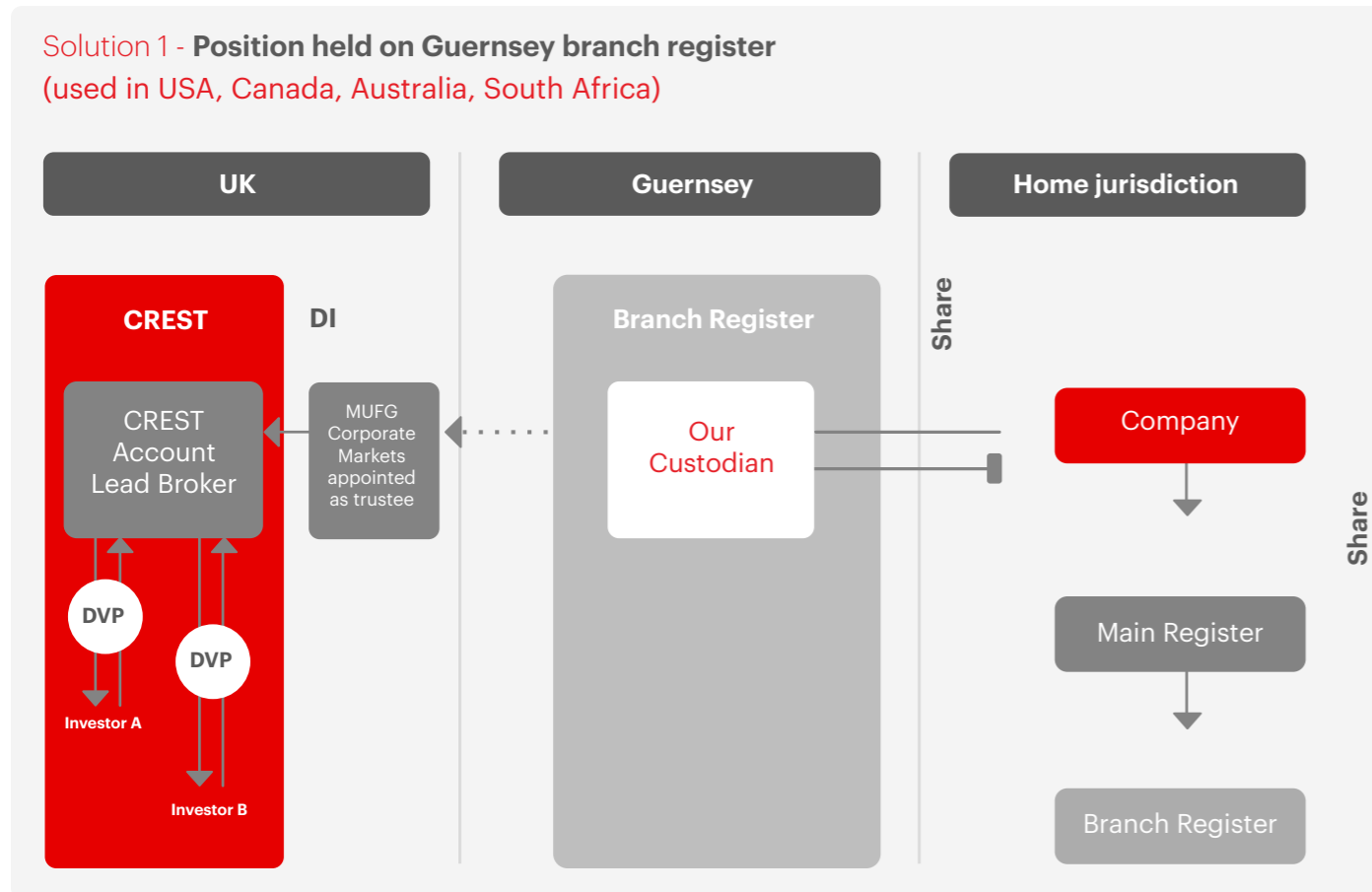


Holding Structures

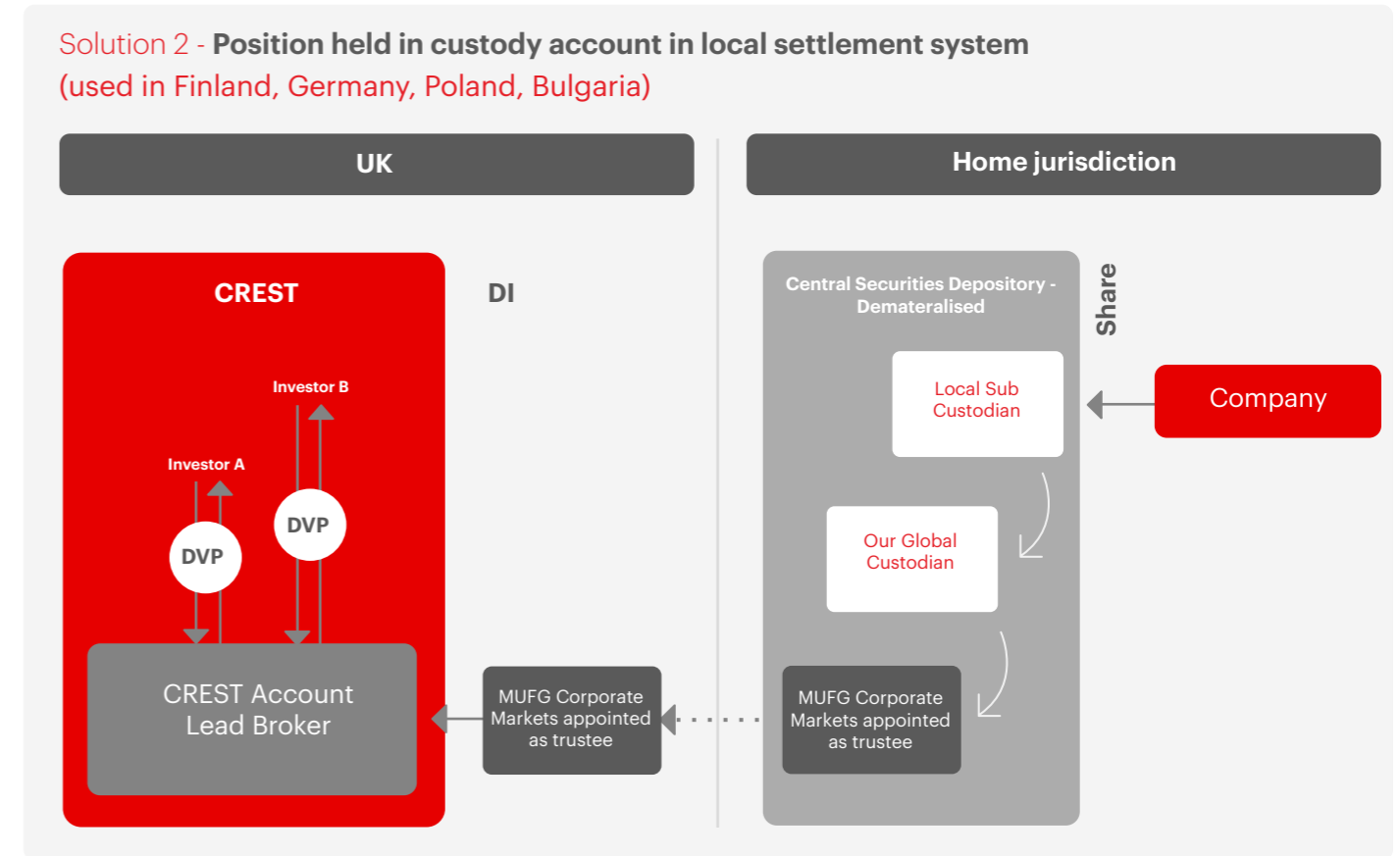


Our experts deploy a number of technical solutions for the holding of the underlying shares depending on local market structures, local listing status and other risk issues identified. The main solutions are outlined below but we will tailor a solution to meet the requirements of each underlying jurisdiction:

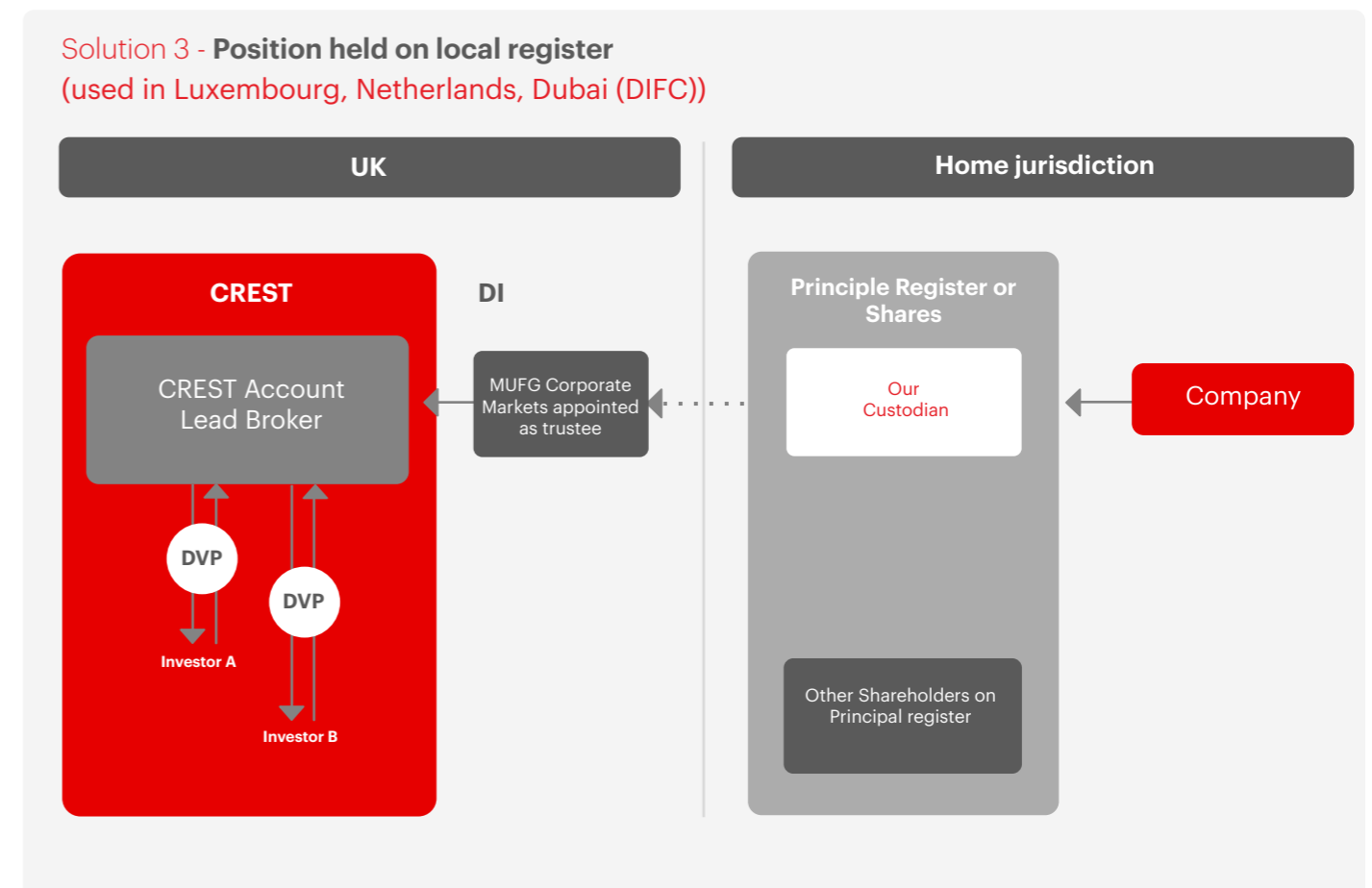
Solution 1 - Position held on Guernsey branch register
(used in USA, Canada, Australia, South Africa)



Solution 2 - Position held in custody account in local settlement system
(used in Finland, Germany, Poland, Bulgaria)



Solution 3 - Position held on local register
(used in Luxembourg, Netherlands, Dubai (DIFC))



To find out more about the opportunities of our Depository Interests contact:



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MUFG Corporate Markets
A division of MUFG Pension & Market Services