



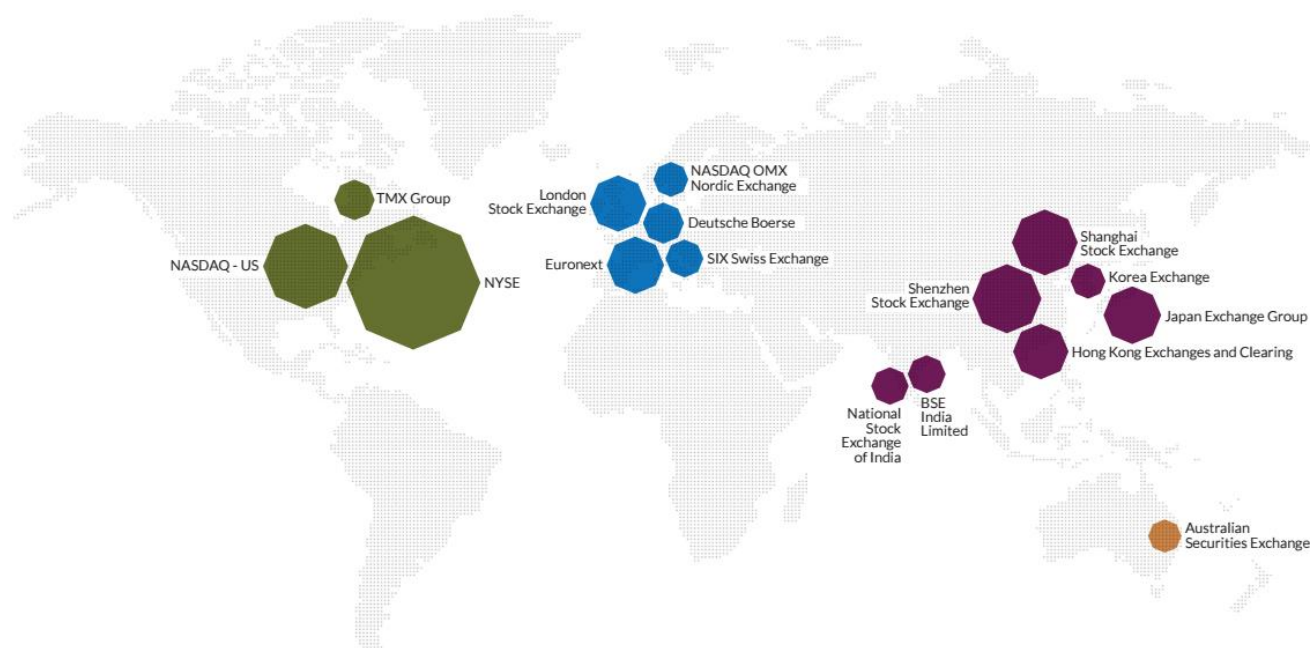
GLOBAL STOCK EXCHANGES

MLB FINANCIALGROUP
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SUMMARY

Having decided that a public offering is a significant step in your business. Choosing the most appropriate exchange that fits the unique needs is complex as companies have more options available to them. Most companies may consider different options, like listing on their domestic exchange; listing on an overseas exchange and dual listing on several exchanges. Companies have to understand the differences among global exchanges before starting the process. Listing standards, regulations and the quality of an exchange's investors are some of factors affecting the decision making. Companies should also consider the timing and costs associated with listing which depends on the size of new issue and complexity of corporate structure. This report highlights major listing requirements among the largest stock exchanges located in the U.S., China, Singapore and Hong Kong.

Stock Exchange Overview



Source: The Money Project

There are 60 major stock markets in the world with a total value of \$69 trillion, a 133% rise since 2003.

	Worldwide Ranking
US (NYSE Euronext)	1
US (Nasdaq)	2
Japan (Japan Exchange Group)	3
China (Shanghai)	4
UK (London Stock Exchange Group)	5
Europe (NYSE Euronext)	6
Hong Kong	7
China (Shenzhen)	8
Canada (Toronto)	9
India (Bombay)	10
Germany (Deutsche Börse)	11
Switzerland	12
Korea	13
Australia	14
Northern Europe (NASDAQ Nordic Exchange)	15

Source: WFE and Bloomberg

According to data from WFE and Bloomberg, the New York Stock Exchange (NYSE) is the largest stock exchange in the world by trade value and market capitalization of listed companies. The second largest stock exchange is NASDAQ. The rise of the Chinese economy has boosted Shanghai Stock Exchange and Shenzhen Stock Exchange to penetrate the top ten.

- **Asia Stock Exchanges**

2016 Ranking	Asia Stock Exchange	Total Market Capitalization	% Change in 2015 (USD)
1	Tokyo Stock Exchange	\$5.1 Trillion	3.40%
2	Shanghai Stock Exchange	\$4.1 Trillion	9.80%
3	Shenzhen Stock Exchange	\$3.2 Trillion	6.10%
4	Hong Kong Stock Exchange	\$3.2 Trillion	0.30%
5	Bombay Stock Exchange	\$1.5 Trillion	3.00%
6	National Stock Exchange of India	\$1.5 Trillion	3.30%
7	Korea Exchange	\$1.3 Trillion	4.10%
8	Australia Stock Exchange	\$1.3 Trillion	10.90%
9	Taiwan Stock Exchange	\$0.9 Trillion	15.70%
10	Singapore Stock Exchange	\$0.6 Trillion	1.50%
11	Malaysia Stock Exchange	\$0.4 Trillion	5.20%
12	Indonesia Stock Exchange	\$0.4 Trillion	22.80%
13	Stock Exchange of Thailand	\$0.4 Trillion	25.40%
14	Philippine Stock Exchange	\$0.2 Trillion	0.40%

Source: Caproasia Institute

In Asia, there are 17 stock exchanges with a total value of \$23.048 trillion in 2016, accounting for 33.3% of the world total. The Japan Exchange Group is the largest stock exchange in Asia in the year ending 2016, with a market capitalization of \$5.1 trillion and an increase of 3.4% compared to 2015. Japan Exchange Group also is the third largest in the world. Shanghai Stock Exchange is the second largest with \$4.1 trillion while Shenzhen Stock Exchange is the third largest with a total market capitalization of \$3.21 trillion. Hong Kong Stock Exchange is the fourth largest stock exchange in Asia with \$3.19 trillion.

- **America Stock Exchanges**

2016 Ranking	America Stock Exchange	Total Market Capitalization	% Change in 2015 (USD)
1	New York Stock Exchange	\$19.6 Trillion	10.00%
2	NASDAQ	\$7.8 Trillion	6.80%
3	Toronto Stock Exchange	\$2.0 Trillion	28.20%
4	BM&FBOVESPA	\$0.8 Trillion	57.80%
5	Mexican Stock Exchange	\$0.3 Trillion	17.10%

Source: Caproasia Institute

There are 10 stock exchanges in America. The New York Stock Exchange (NYSE) is the biggest stock exchange in the world and in the U.S., with a total market capitalization of \$19.6 trillion. NASDAQ is the second biggest with \$ 7.8 trillion. NYSE and NASDAQ have a total market capitalization of \$27.4 trillion.

• Comparison of the Listing Requirements of the Main Boards of major Financial Markets

	Hong Kong Main Board	New York Stock Exchange	NASDAQ (Global Select)	Singapore Main Board
Initial listing criteria				
Sponsor ¹	Required	Not required	Not required	Required
Audited track record	Three years audited accounts, no more than six months old	Three years audited accounts. For emerging growth companies (EGCs) under the JOBS Act, two years of audited financial statements are permitted	Three years audited accounts. For emerging growth companies (EGCs) under the JOBS Act, two years of audited financial statements are permitted	Three years audited accounts, no more than six months old
Accounting standard	HK FRS, IFRS, CASBE (for PRC issuers only) US GAAP or other accounting standards may be accepted in certain circumstances.	US GAAP or IFRS	US GAAP or IFRS	Singapore FRS, IFRS or US GAAP
Financial criteria	Company needs to meet one of the financial criteria: i) • Profit of at least HK \$20m for the most recent financial year, • Profit in aggregate of at least HK \$30m for the two preceding financial years, and • Market cap of at least HK \$200m at time of listing. ii) • Market cap of at least HK \$2bn at time of listing, • Revenue of at least HK \$500m for the most recent financial year, and • Positive operating cash flows of at least HK \$100m in aggregate for the three preceding financial years. iii) • Market cap of at least HK \$4bn at time of listing, and • Revenue of at least HK \$500m for the most recent financial year.	Company needs to meet one of the financial criteria: i) Earnings Test Income before tax from continuing operations and after minority interest, amortisation and equity in the earnings or losses of investees (subject to certain adjustments) must total at least • US \$10m in the aggregate for the last three fiscal years, together with a minimum of US \$2m in each of the two most recent fiscal years, and positive amounts in all three years OR • US \$12m in the aggregate for the last three fiscal years, together with a minimum of US \$5m in the most recent fiscal year and US \$2m in the next most recent fiscal year. ii) Earnings Test for EGCs Income before tax from continuing operations and after minority interest, amortisation and equity in the earnings or losses of investees (subject to certain adjustments) must total at least: • US \$10m in the aggregate for the last two fiscal years, together with a minimum of US \$2m in both years. iii) Global Market Capitalisation Test Issuer must have at least: • US \$200m in global market cap.	Company needs to meet one of the financial criteria: i) • Minimum income from continuing operations before income taxes of: – US \$11m over the prior three fiscal years in aggregate, and – US \$2.2m in each of the two most recent fiscal years, and • Positive income from continuing operations before income taxes in each of the prior three fiscal years. ii) • Minimum total revenue in the previous fiscal year – US \$110m, • Minimum average market cap over the prior 12 months – US \$550m, • Minimum cash flows of US \$27.5m over the prior three fiscal years in aggregate, and • Positive cash flows in each of the prior three fiscal years. iii) • Minimum total revenue in the previous fiscal year – US \$90m, and • Minimum average market cap over the prior 12 months – US \$850m. iv) • Minimum average market cap at the time of listing – US \$160m, and • US \$80m of total assets and US \$55m of stockholders' equity in the most recent publicly reported financial statements.	Company needs to meet one of the financial criteria: i) • Minimum consolidated pre-tax profit of at least S\$30m for the latest financial year, • Operating track record of at least three years. ii) • Profitable in the latest financial year, • Market cap of not less than S\$150m based on the issue price and post-invitation issued share capital, and • Operating track record of at least three years. iii) • Operating revenue in the latest completed financial year, and • Market cap of not less than S\$300m based on the issue price and post-invitation issued share capital. Real Estate Investment Trusts and Business Trusts who have met the S\$300m market cap test but do not have historical financial information may apply under this rule if they are able to demonstrate that they will generate operating revenue immediately upon listing. Operating track record required is at least one year.
Profit forecast	Optional ⁴ Private profit forecast memorandum for the remainder of the financial year required to be submitted to HKEx for review.	No requirements	No requirements	• For companies, profit and cash flow forecast memorandum for the current year and ensuing year must be submitted upon request by the Exchange. • For business trusts and REITs, profit and cash flow forecast and projections are required to be included in the prospectus.
Working capital statements	Covering 12 months	Not required	Not required	Covering 12 months
Company history ²	Three years, subject to exemptions	Three years for companies listing under Earnings Test and Global Market Capitalisation Test, two years for companies listing under Earnings Test for EGCs	Three years, subject to exemptions, two years required in certain instances	Three years

Source: Which market? An overview of New York, London, Hong Kong and Singapore stock exchanges, PwC

U.S. Market



The U.S. stock market is one of the largest source of capital in the world. It offers greater exposure of companies' products and services in the local market and worldwide. By listing, the U.S. firms can also reach varied range of global investors and gain awareness. The exchanges such as the New York Stock Exchange (NYSE) and the National Association of Securities Dealers Automated Quotations (NASDAQ) have a platform for cross-border listings. Companies need to face the rigorous SEC accounting, disclosure and reporting requirements. Thus, investors can have more trust when reading the financials and making investment.

There are numerous stock exchanges in the U.S., while the three major market in the U.S. are the NYSE, the NASDAQ and the American Stock Exchange (AMEX). The majority of foreign and domestic firms want to be listed on the NYSE and the NASDAQ. Each exchange has different entry listing requirements, such as size of market capitalization and shareholders' equity. Firms must satisfy certain minimum standards to be listed. The most fundamental difference between the NYSE and the NASDAQ is trading structure that the NYSE is an auction style market, while the NASDAQ constitutes a dealer based securities market, with orders and transactions being processed electronically.

- NYSE

- i. Quantitative Initial Listing Standard

Required to meet one of the following financial standards

Financial Standards	I: Earnings Test Rule 102.01C(I)	II: Global Market Capitalization Test Rule 102.01C(II)	Real Estate Investment Trusts ⁸ Rule 102.05	Closed-end Management Investment Companies Rule 102.04A	Business Development Companies Rule 102.04B
Adjusted Pre-tax Income	Aggregate for last three fiscal years \geq \$10 mm ^{1,2} ; Each of the two most recent fiscal years \geq \$2 mm; Each of the prior three fiscal years \geq \$0 ³				
Global Market Capitalization		\$200 mm ⁴			\$75 mm
Shareholders' Equity ⁵			\$60 mm		
Market Value of Publicly Held Shares ⁶	See chart below	See chart below	See chart below	\$60 mm	\$60 mm

Required to meet all of the following distribution standards

Distribution Standards ^{9,10} Rule 102.01A-B	IPOs, Spin-offs, Carve-outs	Transfer or Quotation			All other listings
Shareholders ⁷	400 round lot	400 round lot	2,200 total	500 total	400 round lot
Publicly Held Shares ⁶	1.1 mm	1.1 mm	1.1 mm	1.1 mm	1.1 mm
Market Value of Publicly Held Shares ⁶	\$40 mm	\$100 mm	\$100 mm	\$100 mm	\$100 mm
Minimum Share Price	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Average Monthly Trading Volume (Shares)		100,000	100,000	1 mm	

¹ Under certain circumstances, companies may qualify with \$10mm in aggregate for two years and nine months.

² Two years if a company is an Emerging Growth Company under the JOBS Act and has only filed two years of financial statements.

³ If loss in third year, adjusted pre-tax of \$12mm in aggregate is required, with at least \$5mm in the most recent fiscal year, and \$2mm in the next most recent fiscal year.

⁴ Existing public companies must meet the minimum global market capitalization for a minimum of 90 consecutive trading days prior to receipt of clearance to make application to list on the Exchange.

⁵ Pro forma for the offering.

⁶ Shares held by directors, officers, or their immediate family members and other concentrated holdings of 10% or more are excluded in calculating the number of publicly held shares and market value of publicly held shares.

⁷ The number of shareholders includes shareholders of record and beneficial holders of shares held in street name.

⁸ For Real Estate Investment Trusts (REITs) that do not have a three-year operating history. REITs with more than three years of operating history must qualify under the earnings or global market capitalization test.

⁹ When considering a listing application from a company organized under the laws of Canada, Mexico or the United States ("North America"), the Exchange will include all North American holders and North American trading volume in applying the minimum shareholder and trading volume requirements.

¹⁰ When listing a company from outside North America, the Exchange may, in its discretion, include holders and trading volume in the company's home country or primary trading market outside the United States in applying the applicable listing standards, provided that such market is a regulated stock exchange.

Source: NYSE

ii. Quantitative Initial Listing Standard – Non- U.S. Companies

Required to meet one of the following financial standards

Financial Standards	Standard I: Earnings Test 103.01B(I)	Standard II(a): Valuation/ Revenue with Cash Flow Test 103.01B(II)(a)	Standard II(b): Pure Valuation/Revenue Test 103.01B(II)(b)	Standard III: Affiliated Company Test ² 103.01B(III)
Adjusted Pre-tax Income	Aggregate for last three fiscal years \geq \$100 mm ¹ ; Each of the two most recent fiscal years \geq \$25mm			
Adjusted Cash Flows		Aggregate for last three fiscal years \geq \$100 mm ¹ ; Each of the two most recent fiscal years \geq \$25mm		
Global Market Capitalization ³		\$500 mm	\$750 mm	\$500 mm
Revenues		\$100 mm (most recent 12-month period)	\$75 mm (most recent fiscal year)	
Operating History				12 months

Required to meet all of the following distribution standards

Distribution Standards 103.01A	Affiliates ²	All other listings
Round Lot Shareholders ⁴	5,000 worldwide	5,000 worldwide
Publicly Held Shares ⁵	2.5 mm worldwide	2.5 mm worldwide
Market Value of Publicly Held Shares ⁵	\$60 mm worldwide	\$100 mm worldwide
Minimum Share Price	\$4.00	\$4.00

* Foreign private issuers may also list under the NYSE's Domestic Company Listing Standards

¹ Two years if a company is an Emerging Growth Company under the JOBS Act and has only filed two years of financial statements.

² Company's parent or affiliate is a listed company in good standing; Parent or affiliate retains control of the company or is under common control with the company.

³ Global market capitalization for existing public companies is the average of the most recent six months of trading history in the case of the pure valuation/revenue test. For all other standards, the measurement is at a "point in time" for an existing public company though trends are considered.

⁴ The number of shareholders includes shareholders of record and beneficial holders of shares held in street name.

⁵ Shares held by directors, officers, or their immediate family members and other concentrated holdings of 10% or more are excluded in calculating the number of publicly held shares and market value of publicly held shares.

Source: NYSE

• **NASDAQ Stock Market**

The NASDAQ Stock Market is comprised of three market tiers: (1) the NASDAQ Global Select Market, (2) the NASDAQ Global Market, formerly the NASDAQ National Market, and (3) the NASDAQ Capital Market, formerly the NASDAQ SmallCap Market. The initial financial and liquidity requirements for the NASDAQ Global Select Market are the most stringent, compared to the NASDAQ Global Market and NASDAQ Capital Market.

i. NASDAQ Global Select Market

According to the NASDAQ, firms have to achieve all of the criteria under at least one of the four financial standards and other liquidity requirements.

Financial Requirements	Standard 1: Earnings	Standard 2: Capitalization with Cash Flow	Standard 3: Capitalization with Revenue	Standard 4: Assets with Equity
Listing Rules	<u>5315(e)</u> and <u>5315(f)(3)(A)</u>	<u>5315(e)</u> and <u>5315(f)(3)(B)</u>	<u>5315(e)</u> and <u>5315(f)(3)(C)</u>	<u>5315(e)</u> and <u>5315(f)(3)(D)</u>
Pre-Tax Earnings (income from continuing operations before income taxes)	Aggregate in prior three fiscal years \geq \$11 million and Each of the prior three fiscal years \geq \$0 and Each of the two most recent fiscal years \geq \$2.2 million	---	---	---
Cash Flows	---	Aggregate in prior three fiscal years \geq \$27.5 million and Each of the prior three fiscal years \geq \$0	---	---
Market Capitalization	---	Average \geq \$550 million over prior 12 months	Average \geq \$850 million over prior 12 months	\$160 million
Revenue	---	Previous fiscal year \geq \$110 million	Previous fiscal year \geq \$90 million	---
Total Assets	---	---	---	\$80 million
Stockholders' Equity	---	---	---	\$55 million
Bid Price	\$4	\$4	\$4	\$4

Source: <http://business.nasdaq.com/list/nasdaq-listed/>

Liquidity Requirements	Initial Public Offerings and Spin-Off Companies	Seasoned Companies: Currently Trading Common Stock or Equivalents	Affiliated Companies	Listing Rule
Round Lot Shareholders or Total Shareholders or Total Shareholders and Average Monthly Trading Volume over Past Twelve Months	450 or 2,200	450 or 2,200 or 550 and 1.1 million	450 or 2,200 or 550 and 1.1 million	5315(f)(1)
Publicly Held Shares	1,250,000	1,250,000	1,250,000	5315(e)(2)
Market Value of Publicly Held Shares or Market Value of Publicly Held Shares and Stockholders' Equity	\$45 million	\$110 million or \$100 million and \$110 million	\$45 million	5315(f)(2)

* The Company must also have four registered and active Market Makers unless it satisfies the requirements of the Nasdaq Global Market Income Standard or Equity Standard as set forth on the next page, in which case it must have three registered and active Market Makers.

Source: <http://business.nasdaq.com/list/nasdaq-listed/>

ii. NASDAQ Global Market

To get listed, firms must meet all of the criteria under one of the four standards below.

Requirements	Income Standard	Equity Standard	Market Value Standard*	Total Assets/ Total Revenue Standard
Listing Rules	5405(a) and 5405(b)(1)	5405(a) and 5405(b)(2)	5405(a) and 5405(b)(3)	5405(a) and 5405(b)(4)
Income from continuing operations before income taxes (in latest fiscal year or in two of last three fiscal years)	\$1 million	---	---	---
Stockholders' Equity	\$15 million	\$30 million	---	---
Market Value of Listed Securities	---	---	\$75 million	---
Total Assets and Total Revenue (in latest fiscal year or in two of last three fiscal years)	---	---	---	\$75 million and \$75 million
Publicly Held Shares	1.1 million	1.1 million	1.1 million	1.1 million
Market Value of Publicly Held Shares	\$8 million	\$18 million	\$20 million	\$20 million
Bid Price	\$4	\$4	\$4	\$4
Shareholders (round lot holders)	400	400	400	400
Market Makers	3	3	4	4
Operating History	---	2 years	---	---

* Currently traded companies qualifying solely under the Market Value Standard must meet the \$75 million Market Value of Listed Securities and the \$4 bid price requirement for 90 consecutive trading days before applying.

Source: <http://business.nasdaq.com/list/nasdaq-listed/>

iii. NASDAQ Capital Market

An issuer must generally meet the requirements stated below.

Requirements	Equity Standard	Market Value of Listed Securities Standard*	Net Income Standard
Listing Rules	<u>5505(a)</u> and <u>5505(b)(1)</u>	<u>5505(a)</u> and <u>5505(b)(2)</u>	<u>5505(a)</u> and <u>5505(b)(3)</u>
Stockholders' Equity	\$5 million	\$4 million	\$4 million
Market Value of Publicly Held Shares	\$15 million	\$15 million	\$5 million
Operating History	2 years	---	---
Market Value of Listed Securities	---	\$50 million	---
Net Income from Continuing Operations (in the latest fiscal year or in two of the last three fiscal years)	---	---	\$750,000
Publicly Held Shares	1 million	1 million	1 million
Shareholders (round lot holders)	300	300	300
Market Makers	3	3	3
Bid Price OR Closing Price**	\$4 \$3	\$4 \$2	\$4 \$3

* Currently traded companies qualifying solely under the Market Value Standard must meet the \$50 million Market Value of Listed Securities and the applicable bid price requirement for 90 consecutive trading days before applying.

** To qualify under the closing price alternative, a company must have: (i) average annual revenues of \$6 million for three years, or (ii) net tangible assets of \$5 million, or (iii) net tangible assets of \$2 million and a 3 year operating history, in addition to satisfying the other financial and liquidity requirements listed above.

Source: <http://business.nasdaq.com/list/nasdaq-listed/>

Besides the financial and liquidity requirements, firms also need to pay entry fees which are based upon the aggregate number of shares outstanding at the time of initial listing.

NASDAQ Global Select Market and NASDAQ Global Market

Total Shares Outstanding	Entry Fee
Up to 30 million	\$125,000, including \$25,000 application fee
30+ to 50 million	\$150,000, including \$25,000 application fee
50+ to 100 million	\$200,000, including \$25,000 application fee
Over 100 million	\$225,000, including \$25,000 application fee

NASDAQ Capital Market

Total Shares Outstanding	Entry Fee
Up to 15 million	\$50,000, including \$5,000 application fee
Over 15 million	\$75,000, including \$5,000 application fee

• Comparison NYSE and NASDAQ

In general, the NYSE has higher listing restrictions in terms of the types of companies that can list on the exchange.

	Operating History	Income, revenue and profits	Market capitalization	Working capital	Number of float shares	Lock-up requirements	Equity market listing fees
NYSE	3 years	Revenues (most recent fiscal year) US\$75 million	N/A	N/A	5,000 shareholders for foreign issuers	6 months (as per underwriter's request)	US\$ per share: <75 million US\$0.0048 75-300 million US\$0.00375 >300 million US\$0.0019
NASDAQ Global Select Market	2 years	Revenue \geq US\$110 million (previous fiscal year)	N/A	N/A	1.25 million shares	6 months (as per underwriter's request)	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	2 years	Revenues (most recent year or two of last three years) US\$75 million	N/A	N/A	1.1 million shares	6 months (as per underwriter's request)	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	2 years	Net income US\$750,000	N/A	N/A	1 million shares	6 months (as per underwriter's request)	Up to 15 million shares — US\$50,000; Over 15 million shares — US\$75,000

Source: NYSE, NASDAQ

• Over The Counter (OTC) Markets

Over-the-counter (OTC) is a security traded in some context other than on a formal exchange. In an OTC market, dealers act as market makers by quoting prices at which they will buy and sell a security or currency. The three-tiered financial marketplaces are: OTCQX, the top tier and the best marketplace for companies that fulfill qualification criteria; OTCQB, the venture stage marketplace for smaller or early-stage companies that report to a U.S. regulator; and OTC Pink, the lowest of the three tiers.

Comparison of listing criteria of OTCQX, OTCQB and OTC Pink:

1. Financial Standards						
	OTCQX				OTCQB	
	Tier 1. OTCQX International Premier		Tier 2. OTCQX International			
	Initial	Ongoing	Initial	Ongoing		
Penny Stock Rule	Meet one of the following exemptions detailed below: • Net Tangible Assets: \$2 million OR • Revenue: \$6 million average for last 3 years		Meet one of the following exemptions detailed below: • Net Tangible Assets: \$5 million: Less Than 3 Years Operations \$2 million: 3+ Years Operations OR • Revenue: \$6 million average for last 3 years OR • Bid: \$5; and One of the below: Net Income: \$500,000 Net Tangible Assets: \$1 million Revenues: \$2 million Total Assets: \$5 million			
Market Cap	\$1 billion	\$500 million	\$10 million	\$5 million		
Price Quotes by Market Makers on OTC Link ATS	1	4 (within 90 days)	1	2 (within 90 days)		
Bid Price			\$0.10	\$0.10		
Shareholders			50 beneficial shareholders each owning at least 100 shares	50 beneficial shareholders each owning at least 100 shares		
Average Weekly Volume for the previous 6 months (based on the security or underlying security on the Company's Qualified Foreign Stock Exchange)	200,000 shares or \$1 million	100,000 shares or \$500,000				
Operating History	5 years					

The Open Market, there are no listing requirements or standards to get listed on this exchange platform besides filing a Form 15C211.

2. Eligibility Standards				
	OTCQX		OTCQB	Pink
	Tier 1. OTCQX International Premier	Tier 2. OTCQX International		
	<ul style="list-style-type: none">• Be listed on a Qualified Foreign Exchange or be an SEC Reporting Company• Not be a Shell Company or Blank-Check Company• Not be subject to any Bankruptcy or reorganization proceedings• Submit a Letter of Introduction from an OTCQX Sponsor		<ul style="list-style-type: none">• Meet minimum bid price test of \$0.01• Not be in bankruptcy• Be listed on a Qualified Foreign Exchange or be a U.S. Reporting Company (SEC, Regulation A or U.S. Bank• - Submit a Letter of Introduction from a firm qualified to sponsor companies on OTCQX (International Reporting only)	The Open Market, there are no listing requirements or standards to get listed on this exchange platform besides filing a Form 15C211.
3. Reporting Standards				
	<p>Meet one of the following Reporting Standards:</p> <ul style="list-style-type: none">• International Reporting Standard• Regulation A Reporting Standard• U.S. Bank Reporting Standard (For Banks)• SEC Reporting Standard		<p>Meet one of the following Reporting Standards:</p> <ul style="list-style-type: none">• SEC Reporting Standard• Regulation A Reporting Standard• U.S. Bank Reporting Standard (For Banks)• International Reporting Standard	Pink companies may publish disclosure in accordance with the Pink Basic Disclosure Guidelines
4. Verification Standards				
			<ul style="list-style-type: none">• Maintain a Verified Company Profile• Post initial and annual OTCQB Certification	

Source: OTC Markets



China Market

China has developed a relatively complete multi-tier capital market, comprising Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE) Main Board markets, SME Board market, ChiNext market and OTC market. Public limited company that are not listed on the SSE and the SZSE may choose to be listed on the National Equities Exchange and Quotation (NEEQ), also known as “The New Third Board”.

The Shanghai Stock Exchange (SSE) is the largest stock exchange in China with a market capitalization of \$4.27 trillion as at March 2017 and it is the world’s fourth largest stock exchange and second largest in East Asia and Asia in terms of market capitalization. The second largest stock exchange in China is the Shenzhen Stock Exchange (SZSE), with a market capitalization of more than \$3.2 trillion. Most of companies listed on the two exchanges are subsidiaries of companies controlled by the Chinese government,

A-Shares on the Shanghai and Shenzhen stock exchanges are traded in local currency, renminbi, while B-shares are traded in foreign currencies. Foreign individuals are not allowed to directly invest in A-shares. However, large foreign entities, known as Qualified Foreign Institutional Investor (QFII) are permitted by the Chinese government to buy A-shares.

- **Shanghai Stock Exchange (SSE)**

Shanghai plays as an international financial centre and ranks the 6th out of the 45 international financial centres. SSE also launched the New Generation Trading System (NGTS) which automatically matches orders under the rule of “price priority and time priority”, satisfying the needs of over 102 million individual accounts and over 80 million individual holding record, according to SSE. The system enables a stable and reliable trading services to investors.

According to the “Rules Governing the Listing of Stocks on Shanghai Stock Exchange”, to be listed on the SSE, companies have to satisfy the rules of: Securities Law of the People’s Republic of China and Company Law of the People’s Republic of China. The application for listing is subject to the examination and approval of the Exchange. Any initial public offering requires the approval of the Listing Committee of the China Securities Regulatory Commission. The listing procedure for SSE requires the applicant to contact the listing department or the bond

funding department and apply for a securities code and a securities trading abbreviation. After obtaining the approval documents, the applicant must submit an issuance program and an issuance plan to SSE.

Issuance Conditions for IPOs

According to SSE, the issuer have to satisfy the items below:

Net Profit	<ul style="list-style-type: none"> With positive net profit in the last 3 consecutive years and the aggregate value is no less than RMB 30 million Calculated as the lower of the amounts before and after deducting non-recurring losses and profits
Cash Flow	<ul style="list-style-type: none"> With accumulated revenue in past 3 years no less than RMB 50 million, or with cumulative business income for the last three years exceeds RMB 300 million
Total Share Capital	<ul style="list-style-type: none"> No less than RMB 30 million before issuance
Assets	<ul style="list-style-type: none"> Intangible assets not exceed 20% of net assets at the end of the latest period
Finance & Accounting	<ul style="list-style-type: none"> Have good quality assets, a reasonable asset- liability structure, strong profitability, and normal cash flows Effective internal controls and obtained an unqualified internal control certification report issued by CPA Comply with the Accounting Standards for Business Enterprises and the Accounting Systems for Business Enterprises Not be subject to any major debt repayment risk or major contingent event Not be subject to circumstances which adversely affect its ongoing profitability Performance results not be heavily reliant on tax benefits
Entity Qualifications	<ul style="list-style-type: none"> A joint-stock limited company established by law and legally existing by law Operate for a continuous period of 3 years or more Registered capital of the issuer shall have been paid up in full Comply with laws and administrative regulations, its articles of association, and the state's industrial policies No significant change in the issuer's principal operations, directors and senior management and no change in its actual controller in the last 3 years Clear equity structure

Source: SSE

Listing Conditions for IPOs

If the issuer applies to list its shares on the SSE after making an IPO, it shall meet the following conditions:
<ul style="list-style-type: none"> Its shares have been issued to the public pursuant to CSRC approval;
<ul style="list-style-type: none"> Its total capital stock is no less than RMB 50million;
<ul style="list-style-type: none"> Its publicly issued shares account for no less than 25% of its total shares; where its total capital stock is more than RMB 400 million, its publicly issued shares shall account for no less than 10% of its total shares;
<ul style="list-style-type: none"> It has no record of major legal violations within the last three years and its financial and accounting reports do not contain any false records;
<ul style="list-style-type: none"> Other conditions required by the SSE.

Source: SSE

Regarding listing on SSE, “Rules Governing the Listing of Stock on Shanghai Stock Exchange” also outlines other criteria: independence, regular operations and use of funds raised for the issuer. SSE limits funds raised to be used for clear purposes and shall in principle be used in the issuer's main business. The funds raised and investment projects have to comply with the state's industrial policies and with laws, regulations and rules governing. You may refer to the whole guidelines by visiting SSE's website.



- **Shenzhen Stock Exchange (SZSE)**

SZSE, established on 1st December 1990, operates the Main Board and also runs the Small & Medium Size Enterprise Board (SME) and the ChiNext Board under the supervision of China Securities Regulatory Commission (CSRC). SZSE applied a multi-tiered capital market system: the Main Board is designed for large scale companies which intend to solicit large amounts of public funds; SME adopts the same listing requirements as the Main Board while targeting companies with a smaller scale for capital flow but in relatively mature stage of development and with stable profitability; and the ChiNext Board provides a platform, with less stringent listing criteria, for innovative growth enterprises with profitability and all other growing venture enterprises to solicit public funds. Any initial public offering requires the approval of the Listing Committee of the CSRC.

Summary of Listing Requirements

Under the Measures on the Administration of Initial Public Offerings and Listings of Shares (CSRC Decree No.122, 2015-12-30), a company seeking IPO and listing shall meet the following criteria:

	Main Board & SME Board	ChiNext Market	
		Criteria I	Criteria II
Net Profit	<ul style="list-style-type: none"> With positive net profit in the last 3 consecutive years and the aggregate value is no less than RMB 30 million No loss has not been made up for in the latest period 	<ul style="list-style-type: none"> With positive net profit in the past 2 consecutive years, and accumulated profit no less than RMB 10 million 	<ul style="list-style-type: none"> Positive net profit in last one year
Revenue/ Cash Flow	<ul style="list-style-type: none"> With accumulated revenue in past 3 years no less than RMB 300 million, or with accumulative net operating cash flow no less than RMB 50 million 		<ul style="list-style-type: none"> Positive revenue in last one year and no less than RMB 50 million
Total Share Capital	<ul style="list-style-type: none"> No less than RMB 30 million before issuance 	<ul style="list-style-type: none"> Total share capital of no less than RMB 30 million after the IPO 	
Assets	<ul style="list-style-type: none"> Intangible assets not exceed 20% of net assets at the end of the latest period 	<ul style="list-style-type: none"> Net assets of no less than RMB 20 million at the end of the most recent reporting period with no uncovered losses 	
Finance & Accounting	<ul style="list-style-type: none"> Have good quality assets, a reasonable asset-liability structure, strong profitability, and normal cash flows Effective internal controls and obtained an unqualified internal control certification report issued by CPA Comply with the Accounting Standards for Business Enterprises and the Accounting Systems for Business Enterprises Not be subject to any major debt repayment risk or major contingent event Not be subject to circumstances which adversely affect its ongoing profitability Performance results not be heavily reliant on tax benefits 	<ul style="list-style-type: none"> Obtained an unqualified internal control certification report issued by a CPA Comply with the Accounting Standards for Business Enterprises and the Accounting Systems for Business Enterprises 	
Entity Qualifications	<ul style="list-style-type: none"> A joint-stock limited company established by law and legally existing by law Operate for a continuous period of 3 years or more Registered capital of the issuer shall have been paid up in full Comply with laws and administrative regulations, its articles of association, and the state's industrial policies No significant change in the issuer's principal operations, directors and senior management and no change in its actual controller in the last 3 years Clear equity structure 	<ul style="list-style-type: none"> A joint-stock limited company established by law and legally existing by law Operate for a continuous period of 3 years or more Registered capital of the issuer shall have been paid up in full Focus on one business Comply with laws and administrative regulations, its articles of association, and the state's industrial policies No significant change in the issuer's principal operations, directors and senior management and no change in its actual controller in the last 2 years Clear equity structure 	

Source: SZSE

Besides the major listing requirements showing on the above table, a company seeking to be listed and its directors and relevant persons shall comply with laws, and all other regulations of the Exchange.

- **The National Equities Exchange and Quotation (NEEQ)**

Created in 2006 in Beijing, the NEEQ, known as “New Third Board” is an over-the-counter (OTC) market in China and also mentioned as Chinese future “NASDAQ” by the media. The NEEQ is the only OTC exchange regulated by the China Securities Regulatory Commission (CSRC). The NEEQ offers a platform to innovative, startup and growing SMEs and micro enterprises to finance their growth. The exchange has expanded from 1,500 listed companies in 2014 to over 11,000 as of May 2017.

The CSRC mentioned that the NEEQ is divided into two levels: innovation level and basic level. Enterprises with better financial performance or bigger market capitalization can be listed on the innovation level, Enterprises in the two markets will receive relevant regulations in a bid to maintain the efficiency of the board. The CSRC also requires individual investors of the NEEQ to have an asset of RMB 5 million and more than 2 years of investment experience or have relevant professional backgrounds.

Listing Requirements

Enterprises must satisfy the six listing conditions listed in “NEEQ basic listing conditions (Provisional)”:

- Established by law and in existence for at least two years
- Clear and viable business operations
- Established a sound corporate governance mechanisms and legal management
- Clear ownership, stock issuance and legal compliance of transfer of shares
- Recommended by a lead securities firm and subject to its ongoing supervision
- Other requirements as specified by NEEQ Co.

Under the business rules, any Chinese domestic joint-stock companies that meet the listing, including private enterprises, state-owned enterprises and foreign-funded enterprises may apply for a listing. However, if a joint-stock company has state-owned or foreign-funded enterprise as its shareholder, approval documents on the setup of equity are needed to be submitted. The whole details of the listing requirements show in the Applicable Basic Standard Guidelines on Listing Requirements of NEEQ (Trial Implementation), published by NEEQ Co.

Singapore Market



The Singapore Stock Exchange (SGX) is the largest stock exchange in the Southeast Asia region, despite much smaller than the exchange in Hong Kong. 40% of listed companies are foreign. Singapore offers firms and investors a stable political and business environment. The SGX has been actively forming alliances with regional exchanges to offer a board network of marketplaces. The strategic location in Asia allows Singapore to be a gateway to access to various institutional investors. The established financial market enables a fair valuation and liquidity. Disclosure-based regulatory regime and corporate governance standards increase the transparency of the market.

- **Mainboard V.S. Catalist**

A company seeking to list on the SGX would have to decide whether it will be listing on the Mainboard or the Catalist. The SGX highlights a main difference between a Mainboard and a Catalist listing that Catalist companies are directly supervised by their sponsors. Sponsors are qualified professional companies experienced in corporate finance and compliance advisory work. They are authorised and regulated by the SGX through strict admission criteria and continuing obligations. However, the SGX continues to regulate issuers through its rules for admission and continuing obligation. It also retains the power to discipline them when there is a rule breach. Meanwhile, companies listing on the Mainboard would need to meet the conditions on market capitalization and profit

- Listing requirements of the Mainboard and the Catalist.

	Mainboard			Catalist ¹
	Alternative 1	Alternative 2	Alternative 3	
Pre-tax profits	At least S\$30 million for the latest financial year	Profitable in latest financial year	Positive operating revenue in the latest completed financial year	NA
Market capitalisation	NA	At least S\$150 million	At least S\$300 million ³	NA
Operating track record	3 years	3 years	At least 1 year	NA
Continuity of management	3 years	3 years	At least 1 year	NA
Issue price of the equity securities	At least S\$0.50 each			At least S\$0.20 each
Requirements for independent directors	At least 3 independent directors. For foreign companies, at least 2 of these independent directors must be resident in Singapore			At least 2 independent directors. For foreign companies, at least 1 of these independent directors must be resident in Singapore
Sponsorship	NA			All Catalist companies must retain a Sponsor for as long as they are listed
Working capital statement requirement	NA			Sufficient working capital for the present requirements and for at least 12 months after IPO
Moratorium period	Restriction on promoters ² sale of shares and lock-up period for pre-IPO investors and promoters			
Accounting standard	Singapore Financial Reporting Standards (FRS) or International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Practices (US GAAP)			
Financial information post listing	<ul style="list-style-type: none"> • Full year unaudited announcement must be made 60 days after year end. Annual reports must be approved by shareholders in annual general meeting within four months of the year end • Half year unaudited announcement must be made 45 days after period end if the market capitalisation is below S\$75 million • Quarterly unaudited announcement must be made 45 days after quarter end if the market capitalisation is above S\$75 million 			
Trading and reporting currency	At the discretion of the issuer			
Business operations	No requirement for operations in Singapore			
Continuing listing obligations	Yes			
	Waived from having to comply with continuing listing obligations if listed on another foreign stock exchange			

¹ Catalist was launched by SGX in November 2007.

Source: Listing in Singapore Why, what and how?, Deloitte



Hong Kong Market

Hong Kong Stock Exchange, founded in 1891 with a market capitalization of \$3.37 trillion as at the end of March 2017, is the seventh largest stock exchange in the world. As an internationally recognized financial centre with sound legal system and regulatory framework, Hong Kong offers an ideal place for listing. Beign the largest offshore listing venue for Mainland Chinese issuers, companies also can take advantages of Hong Kong's strategic position as a gateway between Mainland China and rest of the world. The November 2014 launch of Shanghai-Hong Kong Stock Connect and the December 2016 launch of Shenzhen-Hong Kong Stock Connect further strengthen mutual access between the Mainland and Hong Kong stock markets.

- **Main Board V.S. Growth Enterprise Markets (GEM)**

The Main Board and GEM comprise the HKEx securities market. According to the structure of the Main Board and GEM, Main Board companies are generally larger and have a longer history and a profit record. Those without a profit record satisfy alternative financial tests. GEM was established as a second board for smaller growth companies of all industries. GEM has lower listing requirements and offers a stepping stone to the Main Board.

Summary of listing requirements for the Main Board and GEM

	MAIN BOARD	GEM
TRADING RECORD/ OPERATIONS	Applicant must generally have a trading record of at least three financial years.	Applicant must generally have a trading record of at least two financial years.
MANAGEMENT CONTINUITY	Under substantially the same management for at least the three preceding financial years.	Under substantially the same management throughout the preceding full financial year.
OWNERSHIP CONTINUITY AND CONTROL	With ownership continuity and control for at least the most recent audited financial year.	With ownership continuity and control throughout the preceding full financial year.

	MAIN BOARD	GEM
PROFITABILITY/ FINANCIAL STANDARDS	<p>Applicant must fulfil one of the three financial criteria:</p> <ul style="list-style-type: none"> • Profit test : <ul style="list-style-type: none"> » Profits of HK\$50 million in the last three years – with HK\$20 million in the most recent year and an aggregate of HK\$30 million in the two preceding years. » Market capitalisation of at least HK\$200 million at the time of listing. • Market capitalisation/revenue/cash flow test: <ul style="list-style-type: none"> » Market capitalisation of at least HK\$2,000 million at the time of listing. » Revenue of at least HK\$500 million for the most recent audited financial year. » Positive cash flow from operating activities of at least HK\$100 million in aggregate for the 3 preceding financial years. • Market capitalisation/revenue test: <ul style="list-style-type: none"> » Market capitalisation of at least HK\$4,000 million at the time of listing. » Revenue of at least HK\$500 million for the most recent audited financial year. 	<p>Applicant must fulfil the following financial criteria:</p> <ul style="list-style-type: none"> • Market capitalisation of at least HK\$100 million at the time of listing. • Positive cash flow from operating activities of at least HK\$20 million in aggregate for the two preceding financial years.
MARKET CAPITALISATION	<p>Minimum market capitalisation of at least:</p> <ul style="list-style-type: none"> • HK\$200 million for applicants under the profit test. • HK\$4,000 million for applicants under the market capitalisation/revenue test. • HK\$2,000 million for applicants under the market capitalisation/revenue/cash flow test, at the time of listing. <p>Please refer to “Profitability/financial standards” for other financial requirements related to the above mentioned tests.</p>	<p>Minimum market capitalisation of HK\$100 million at the time of listing.</p>

	MAIN BOARD	GEM
SHORTER TRADING PERIOD	<p>The HKEx may accept a shorter trading record for:</p> <ul style="list-style-type: none"> • Applicants applying under the Market capitalisation/revenue test, when the applicants' directors and management have sufficient and satisfactory experience of at least three years in the line of business and industry of the applicant and new applicant has management continuity for the most recent audited financial year. • Mineral companies (see Appendix 2 – Mining and Mineral Companies). • Newly formed “project” companies. 	<p>The HKEx may accept a shorter trading record for:</p> <ul style="list-style-type: none"> • Mineral companies. • Newly formed “project” companies, <i>provided</i> the applicant can meet the requirement of positive cash flow from operating activities of at least HK\$20 million for the shorter trading period.
AGE OF ACCOUNTS DISCLOSED IN LISTING DOCUMENTATION	Latest financial period reported on must not have ended more than six months before the date of the listing document.	
SHARES IN PUBLIC HANDS	<p>At least 25 percent of shares subject to a minimum of HK\$50 million must be in public hands.</p> <p>For applicants with an expected market capitalisation of over HK\$10 billion at the time of listing, the HKEx may accept a lower percentage of between 15 percent and 25 percent.</p> <p>The minimum public float must be maintained at all times.</p>	<p>At least 25 percent of shares subject to a minimum of HK\$30 million must be in public hands.</p> <p>For applicants with an expected market capitalisation of over HK\$10 billion at the time of listing, the HKEx may accept a lower percentage of between 15 percent and 25 percent.</p> <p>The minimum public float must be maintained at all times.</p>
COMPETING BUSINESS	Competing businesses of directors and controlling shareholders of the applicant are allowed, <i>provided</i> full disclosure is made in the prospectus at the time of listing and on an ongoing basis.	<p>Competing businesses of directors and controlling shareholders of the applicant are allowed, <i>provided</i> full disclosure is made in the prospectus at the time of listing and on an ongoing basis.</p> <p>For a competing business of a substantial shareholder, full disclosure is only required to be made in the prospectus at the time of listing.</p>

	MAIN BOARD	GEM
SUFFICIENT MANAGEMENT PRESENCE	At least of two of the executive directors must be ordinarily resident in Hong Kong.	Not applicable.
FREE TRANSFERABILITY OF SHARES	Shares must be freely transferable.	
ELECTRONIC SETTLEMENT	All securities newly listed on the HKEx must be eligible for deposit, clearance and settlement in the Central Clearing and Settlement System, established and operated by Hong Kong Securities Clearing Company Limited, from the date on which dealings in such securities are to commence.	
CORPORATE GOVERNANCE REQUIREMENTS	See “Appendix 5 - Corporate Governance”.	
REPORTING STANDARDS FOR ACCOUNTS DISCLOSED IN LISTING DOCUMENTATION	HKFRS, IFRS or other accounting standards acceptable to the HKEx under certain circumstances. PRC companies applying for listing in Hong Kong may adopt CASBE to prepare their financial statements for IPOs.	

Source: HKEx, Initial Public Offerings – An Issuer’s Guide (Asia Edition), Mayer Brown JSM

CONCLUSION

Most stock exchanges around the world have similar listing rules and requirements. Your choice of a stock exchange to be listed may be complicated and time consuming. The decision will also depend on the stage of your company’s development, overall objectives and strategic plans. Companies should also evaluate their own financial performance and availability of the resources. Market conditions and options should be considered carefully. Companies should understand the benefits of the alternative stock exchanges and analyze the listing standards of the exchange where you expect to list.

Endnotes

NYSE, <https://www.nyse.com/index>

NASDAQ, <http://www.nasdaq.com/>

OTC Markets: <https://www.otcm Markets.com/home>

SSE: <http://english.sse.com.cn/>

SZSE: <https://www.szse.cn/main/en/>

NEEQ: <http://www.neeq.com.cn/>

SGX: <http://www.sgx.com>

HKEx: <https://www.hkex.com.hk/eng/index.htm>

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