



Barbados Stock Exchange Receives Regulatory Approval of its Special Listing Facility for Digital Assets

July 5, 2019 – The Barbados Stock Exchange Inc. (BSE) is pleased to announce that on July 1st, 2019 the BSE received regulatory approval for its Special Listing Facility for Digital Assets. This Facility was approved by the BSE’s primary regulator, the Financial Services Commission (“FSC”), and includes both rules and guidance for its operational development.

The approval of the Special Listing Facility is but the latest milestone in a recent string of BSE achievements. *“We believe that Digital Assets are a maturing asset class with transformative potential for our capital markets,”* noted Marlon Yarde, Managing Director of the BSE. *“What was critical, however, was that we develop a right-sized operational framework for our Exchange. The FSC’s approval has validated our approach. It allows us therefore to offer an immediate, regulated market for Digital Assets. This is ultimately a ‘win-win’ scenario for us: not only does the BSE benefit from a welcomed expansion in our core offerings – the advent of our Special Listing Facility will elevate Barbados’ profile and further position our jurisdiction as a regulated, yet innovative hub for fintech business.”*

In commenting on the approval of the BSE’s Listing Facility, Chief Executive Officer of the FSC, Kester Guy, highlighted the importance of balancing innovation with the need(s) for effective regulation. *“As the regulator of the capital market, we are cognizant that the market continues to develop, which includes the adoption of new and sophisticated tools and instruments,”* he noted. *“We encourage this, but at the same time we will ensure that our regulatory philosophy of investor protection and the management of systemic risks are always applied. The long collaborative relationship between the BSE and FSC is backed by effective communication and mutual respect. We expect the BSE to operate its digital asset framework according to established principles for prudent regulation – we look forward therefore to working with them in providing a regulated yet dynamic market for all participants.”*

The Special Listing Facility will operate under the BSE’s International Securities Market (ISM) and incorporates a responsible – yet flexible – framework for the emerging sector of Digital Assets. It provides a mechanism for the listing of Digital Assets on the ISM while ensuring, also, that subsequent trading is conducted in a fair and transparent manner that is consistent with the regulatory approach adopted by the Financial Services Commission, the applicable rules of law in Barbados or elsewhere, and the appropriate industry standards as applied from time to time.

The development of the BSE’s Special Listing Facility was an incremental component of the Exchange’s wider ‘go-global’ strategy. *“We believe that ‘security tokens,’ a particular type of digital asset, are especially fit-for-purpose in our evolving strategy for offerings,”* noted Mr. Yarde. *“Security Tokens are analogous to contemporary securities, namely debt, equities and investment contracts. Their fit therefore, under Barbados’ securities legislation, would have been of particular comfort to the FSC. In short order, we intend to acquire an end-to-end technology solution for the issuance, trading, clearing and settlement of Digital Assets.”*

The BSE wishes to thank the FSC, the Barbados Working Group for Fintech Regulation, the legal firm of Chancery Chambers and all of the exchange’s extended stakeholders. We are deeply appreciative of your invaluable assistance and we look forward to working with you in building onward from this momentous achievement.