

## ISM SPECIAL LISTING FACILITY- DIGITAL ASSETS

### SERIES 9000

Rule no.	Rule																
<b>9000</b>	<b>SPECIAL LISTING FACILITY - DIGITAL ASSETS</b>																
9001	<b>Introduction</b>																
9001.1	This Part sets out the requirements for the listing of Digital Assets (as defined herein) on the ISM. The rules herein are exclusive and none of the requirements of any other Part of the Rules shall apply unless expressly stated.																
9001.2	If the requirements for an application for the listing of a type of Digital Asset are not addressed by this Part, the applicant must consult with the Exchange on the specific listing requirements which will apply, and all such conditions as imposed in any such case shall be incorporated herein as a specific addendum to this Part.																
9010	<b>Interpretation</b>																
9010.1	As used in this Part, the following terms shall have the meanings assigned:																
<b>“blockchain”</b>	means a continuously growing list of decentralised digital records that are linked and secured by cryptography;																
<b>“Dealer”</b>	means any person who trades in a Digital Asset, whether for his own account or on the account of others;																
<b>“Digital Asset”</b>	means any cryptographically secured digital representation of a set of rights provided on a digital platform (token), issued or created (or to be issued or created), for commercial exploitation or reward, and which are exchanged and traded or cleared on a blockchain, and includes, each of: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">(a)</td> <td>any token that is in the nature of a security within the meaning of the <i>Securities Act</i>;</td> </tr> <tr> <td style="text-align: center;">(b)</td> <td>any token that directly or indirectly, provides the holder(s) thereof (individually or collectively with other holder(s)), with:               <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">(i)</td> <td>contractual or legal rights to any of (i) an ownership or equity interest in the issuer or in any person or pool of assets, or</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>an entitlement to a share of the profits, losses, assets or liabilities of the issuer or any other person or pool of assets other than, in the event of liquidation or dissolution of the issuer, to receive a portion of (but not in excess of) the original subscription price paid for the token in the initial token offering, or</td> </tr> <tr> <td style="text-align: center;">(iii)</td> <td>an entitlement to receive distributions of profits, revenues, assets or other distributions from the issuer or any other</td> </tr> </table> </td> </tr> <tr> <td></td> <td>person or pool of assets, which otherwise accords to such holders the legal status as a creditor; any token that provides the contractual right for the holder(s) thereof, individually or collectively with other holder(s), thereof, the opportunity to participate in financial returns or obtain a financial reward by reference to:               <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td>which otherwise accords to such holders the legal status as a creditor;</td> </tr> </table> </td> </tr> <tr> <td style="text-align: center;">(c)</td> <td>any token that provides the contractual right for the holder(s) thereof, individually or collectively with other holder(s), thereof, the opportunity to participate in</td> </tr> </table>	(a)	any token that is in the nature of a security within the meaning of the <i>Securities Act</i> ;	(b)	any token that directly or indirectly, provides the holder(s) thereof (individually or collectively with other holder(s)), with: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">(i)</td> <td>contractual or legal rights to any of (i) an ownership or equity interest in the issuer or in any person or pool of assets, or</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>an entitlement to a share of the profits, losses, assets or liabilities of the issuer or any other person or pool of assets other than, in the event of liquidation or dissolution of the issuer, to receive a portion of (but not in excess of) the original subscription price paid for the token in the initial token offering, or</td> </tr> <tr> <td style="text-align: center;">(iii)</td> <td>an entitlement to receive distributions of profits, revenues, assets or other distributions from the issuer or any other</td> </tr> </table>	(i)	contractual or legal rights to any of (i) an ownership or equity interest in the issuer or in any person or pool of assets, or	(ii)	an entitlement to a share of the profits, losses, assets or liabilities of the issuer or any other person or pool of assets other than, in the event of liquidation or dissolution of the issuer, to receive a portion of (but not in excess of) the original subscription price paid for the token in the initial token offering, or	(iii)	an entitlement to receive distributions of profits, revenues, assets or other distributions from the issuer or any other		person or pool of assets, which otherwise accords to such holders the legal status as a creditor; any token that provides the contractual right for the holder(s) thereof, individually or collectively with other holder(s), thereof, the opportunity to participate in financial returns or obtain a financial reward by reference to: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td>which otherwise accords to such holders the legal status as a creditor;</td> </tr> </table>		which otherwise accords to such holders the legal status as a creditor;	(c)	any token that provides the contractual right for the holder(s) thereof, individually or collectively with other holder(s), thereof, the opportunity to participate in
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			financial returns or obtain a financial reward by reference to:
		(i)	fluctuations in the value or price or property of any description, or in an index, or other factor, specified for that purpose in the contract, or
		(ii)	the happening of a particular event, specified for that purpose in the contract;
		(d)	any token that provides the contractual right for a holder thereof to utilise the token:
		(i)	to have access to, become a participant in (or user of), a recognised Platform developed and managed (or proposed in the issuer's Disclosure Document to be developed and managed), by the issuer, or
		(ii)	to become a preferred user (whether by economic discount, preferred access, preferred use or otherwise), the products and/or services provided or proposed to be provided by or in a Recognised Platform developed and managed (or proposed in the issuer's Disclosure Document to be developed and managed), by the issuer, or
		(iii)	as a means of voting on matters relating to the governance, management or operation of a Recognised Platform developed and managed (or proposed in the issuer's Disclosure Document to be developed and managed), by the issuer;
		(e)	any token utilised or designed to be utilised as payment between participants on a Recognised Platform (but which is not legal tender and which is not exchangeable for legal tender); and
		(f)	any other token recognised for listing by the Exchange;
			but does not include:
		(a)	an “eligible financial contract” within the meaning of sec. 35(8) of the <i>Bankruptcy and Insolvency Act</i> , or
		(b)	an official digital or electronic currency or other form of money issued and regulated exclusively by a state;
	<b>“Disclosure Document”</b>		means where applicable, any document published by a Promoter, in connection with the offering of Digital Assets, and whether described as a White Paper, Memorandum, Offering Circular, Circular, Prospectus or otherwise;
	<b>“issuer”</b>		means:
		(a)	the person who has a legal or beneficial interest in and to the series of rights related to the Digital Asset and who distributes or proposes to distribute the same, or
		(b)	in the absence of a person in (a) above, the company, body corporate or unincorporated, partnership (whether limited or general), firm, syndicate, joint venture organisation, trust, unincorporated association, or other legal entity or association of persons designated as the issuer for the purpose of listing of the Digital Assets by the Exchange;
	<b>“Participant”</b>		means any person who provides any services in relation to:
		(a)	the distribution, issue, trade, clearing, or custody of a listed Digital Asset, or
		(b)	the utilisation by Trading Participants of a Recognised Platform, or
		(c)	the utilisation by Trading Participants of a wallet for a listed Digital Asset,
			and includes without limitation, (i) any person providing escrow services, including the receipt, maintenance and release of subscription funds in connection with a distribution of Digital Assets; (ii) any person providing registry administration services for Digital Assets; and (iii) any person providing collection, review and record-keeping of

		customer due diligence conducted on other Participants on a Recognised Platform (but does not include the Listing Sponsor);
	<b>“Promoter”</b>	includes, the issuer of any Digital Asset, the developer of any Recognised Platform, or any other person engaged (whether for remuneration or not) in the solicitation of investment in any Digital Asset or in respect of the utilisation of any Recognised Platform, or the distribution of any Digital Asset;
	<b>“Recognised Platform”</b>	means any blockchain based distributed digital ledger platform (with or without smart contract (scripting) functionality), on which Digital Assets are recorded, exchanged or traded, cleared or otherwise utilised, and which is recognised by the Exchange;
	<b>“Sandbox”</b>	means the ring-fenced regulatory regime applicable to the issue, distribution, offer, solicitation, trade, and exchange of a Digital Asset, prescribed by the Financial Services Commission of Barbados, or any administrative or regulatory authority having or claiming jurisdiction in and over the Digital Asset or the Recognised Platform;
	<b>“smart contract”</b>	means a blockchain-based computer protocol intended to facilitate, verify or enforce the negotiation or performance of a digital set of agreed upon terms or contract;
	<b>“Trading Participant”</b>	means Dealers and Promoters;
	<b>“wallet”</b>	means a usable adaptation of a software programme that stores private and public keys and interacts with a Recognised Platform to record ownership and enables Trading Participants to facilitate the storage of listed Digital Assets.
9010.2		Terms such as “issuer” “distribution” “offer” “solicitation” “trade” are used herein as such (and their correlative terms), are interpreted and applied in this Part as having the same meanings as assigned under the <i>Securities Act</i> . The terms “associate” and its derivative terms shall have the meaning assigned under the <i>Securities Act</i> .
9010.3		Terms in general commercial use, such as security token, utility token, coin, bitcoin, crypto- currency, crypto-asset, programmable security, smart security or similar terms and designations in popular usage from time to time applied to Digital Assets, are not used in this Part. This Part is intended to provide rules for listing of any kind of digital asset (or token, however described), issued in a form acceptable to the Exchange and which in the opinion of the Exchange is suitable for listing under this Part.
9010.4		This Part applies to any offer, solicitation, distribution or trade in Digital Assets listed on the Exchange, in connection with an initial or secondary offering of such Digital Asset, as well as continuous offerings of the listed Digital Assets.
9020.		<b>Listing Requirements</b>
9020.1		The listing document for Digital Assets and to be filed with the Exchange must contain the information prescribed by the Exchange (or be in a prescribed form published by the Exchange). The listing document to be filed with the Exchange must include (or be accompanied by evidence of) the following information:

	•	the details of the establishment or registration of the issuer under the laws of a jurisdiction acceptable to the Exchange;
	•	details of the business of the issuer, with a summary of material financial, regulatory and legal risks associated with the purchase of the Digital Asset;
	•	details of each Promoter involved in the listing of the Digital Assets in compliance with the relevant standard as applicable under anti-money laundering regulations;
		details of restrictions in respect of markets for the offer or issue of the Digital Assets;
	•	details of all applications made under any Sandbox regime, and the terms and conditions imposed under any Sandbox regime;
	•	details of the value, valuation methodology and subscription price for the Digital Asset, as well as structure of the fees, details and costs related to the distribution, trading and clearing of the Digital Assets;
	•	details of the methodology of the exchange and transfer of the Digital Assets including specifically details in respect of the publication of the terms and conditions required under any Sandbox regime or by the Exchange (the “ <u>Terms and Conditions</u> ”);
	•	details of the mechanism and facility for capture of all Dealer details related to the trade in the Digital Assets and the policy for record retention related thereto;
	•	a certified copy of the Disclosure Document;
	•	any one or more legal opinions, confirming <i>inter alia</i> (1) the registration of the Digital Asset where applicable or a confirmation of the absence of the requirement for registration under the laws of Barbados; (2) the registration of the Digital Asset where applicable or a confirmation of the absence of the requirement for registration under the laws of any other applicable jurisdiction; (3) the non-contravention of any rules of any other applicable jurisdiction;
	•	a contractual undertaking of the issuer to provide and deposit with the Listing Sponsor the means to access up-to-date financial information relating to the listing, exchange and transfer of the Digital Assets including all information required to link a wallet to the corresponding Trading Participant.
9030.		<b>Terms and Conditions</b>
9030.1		It shall be a condition of the listing of Digital Assets on the Exchange that the issuer and each Promoter comply with all terms, conditions and restrictions applicable in respect of the listed Digital Assets, including all conditions stated in this Part and in the Rules.
9030.2		It shall be a condition of the listing of Digital Assets on the Exchange that the issuer and each Promoter comply with all terms, conditions and restrictions described in the Disclosure Document.
9030.3		In addition, the Exchange may require, as a condition of the listing of Digital Assets on the Exchange, the acceptance by the Promoters of further and additional terms related to the acceptance for listing with the covenant and performance by the issuer and each Promoter to comply with such additional terms and conditions.
9030.4		The Exchange may require such additional terms and conditions as it considers necessary or advisable, including:

	<ul style="list-style-type: none"> <li>a restriction, limiting the payment or scheduled payments to a Promoter (or any associate of the Promoter), from the proceeds of the sale or distribution of the Digital Assets, subject to satisfaction of performance criteria and/or the effluxion of a specified period of time as determined by the Exchange;</li> </ul>
	<ul style="list-style-type: none"> <li>the inclusion of a term in each contract entered into by any Trading Participant on a Recognised Platform for the set-off or netting of obligations between all Trading Participants trading in Digital Assets on the Recognised Platform;</li> </ul>
	<ul style="list-style-type: none"> <li>the subordination of claims of a Promoter (or any associate of the Promoter), against any other Trading Participant to the claims of all Trading Participants against each other <i>inter se</i>.</li> </ul>
	<ul style="list-style-type: none"> <li>the subrogation of the rights and claims of a Promoter (or any associate of the Promoter), to the Exchange (or its designated nominee);</li> </ul>
	<ul style="list-style-type: none"> <li>the rateable abatement of payment rights owing to Trading Participants (or any specified category of Trading Participants), until the value of their aggregate liabilities equals the realised value of the Digital Assets.</li> </ul>
9040.	<b>Registration of Promoters</b>
9040.1	The Listing Sponsor shall keep a register of every Promoter (whether or not named in the listing document) and shall collect and maintain all documentation usually required in respect of beneficial owners prescribed under anti-money laundering regulations. The Listing Sponsor shall ensure that all engagements with the Promoter provide for permitted disclosure of information subject to applicable law.
9050.	<b>Registration of Participants</b>
9050.1	Every Participant proposing to perform services in relation to a listed Digital Assets shall be required to register with the Exchange as a Participant, in the form published by the Exchange. No person shall act as a Participant in relation to a listed Digital Asset, unless registered with the Exchange and the Financial Services Commission, and the failure to register shall constitute a breach of these Rules.
9060.	<b>Registration of Dealers</b>
9060.1	The Promoter shall be required to provide the Listing Sponsor with, or ensure that the Listing Sponsor is provided with, access to a database register on which is maintained up-to-date information on each Dealer trading a listed Digital Asset on a Recognised Platform. This information shall include all documentation usually required in respect of account holders prescribed under anti-money laundering regulations as well as details of all trading activity in the Digital Assets by each Trading Participant. The Listing Sponsor shall ensure that all engagements with the Promoter provide for permitted disclosure of information on the Dealers trading a listed Digital Asset subject to applicable law.
9070.	<b>Disclosure Document Compliance Statement</b>
9070.1	Every Disclosure Document shall include an express statement substantially in the following <b>The offer, sale and distribution of the Digital Assets has not been approved or disapproved by the Financial Services Commission or the Exchange nor has the Financial Services Commission or the Exchange determined the fairness or merits of investment in the Digital Assets or upon the adequacy of the information contained in this Disclosure Document. This Disclosure Document contains particulars given in compliance with the applicable listing rules of the Exchange and is in conformity with the regulations, rules and procedures of the Exchange.</b>

9080.	<b>Penalties</b>
9080.1	Where there is any breach of these Rules or any Terms and Conditions the Exchange may immediately de-list the Digital Assets and may order every Dealer or Promoter to cease all trading and other activity related to the Digital Asset.
9080.2	Where a Promoter breaches any Terms and Conditions, or any applicable law, in addition to the de-listing of the Digital Asset by the Exchange, the Promoter shall be subject to a financial penalty of up to the greater of USD500,000 or 1% of the value of the listed Digital Assets payable to the Exchange.
9080.3	Where a Listing Sponsor fails to comply with any obligation under these Rules, the Listing Sponsor shall be subject to a financial penalty of USD25,000 which shall be payable to the Exchange.

DRAFT 2018/12/19