

Barbados Stock Exchange Obtains Designated Recognised Stock Exchange Status from the UK's Her Majesty's Revenue & Customs

April 15, 2019 – The Barbados Stock Exchange Inc. (BSE) is pleased to advise that it has obtained 'Designated Recognised Stock Exchange' status from the United Kingdom (UK) Her Majesty's Revenue & Customs (HMRC).

Managing Director of the BSE, Marlon Yarde noted that, *"the recognition of the BSE as a "recognised stock exchange" under Section 1005 of the United Kingdom Income Tax Act (UK-ITA), represents a significant milestone in the BSE's continued development. This will not only enhance the profile of Barbados as an internationally recognised financial center – it will also provide an avenue for sustainable and progressive development of the capital markets within Barbados and the wider Caribbean Community region."*

The recognition of the BSE by HMRC under the UK-ITA should act to encourage enhanced capital investment by UK investors while providing viable investment alternatives for a wider section of the British public. In addition, it will be of benefit to Barbados and UK investors through the preservation of the following fiscal benefits (as accorded by the UK-ITA):

- securities listed on the BSE(ISM) may be held in tax advantaged Individual Savings Accounts (ISA's) and Personal Equity Plans (PEP's) by UK investors;
- holders of debt securities satisfying the Eurobond exemption and listed on the BSE(ISM) are exempted from withholding tax on distributions underlying these debt securities;
- inheritance tax allowances may accrue to UK holders of securities listed on the BSE(ISM); and
- UK pension schemes will be permitted to hold securities listed on the BSE(ISM), giving companies and funds listed on BSE(ISM) access to a larger market of sophisticated, well-capitalized investors.

The pursuit of HMRC recognition was part of the BSE's "Go Global" strategy – aiding further in the development of the Exchange's International Securities Market (ISM). Mr. Yarde noted, *"the vision of having securities admitted to trading – on the four markets of the BSE – and being recognised as 'listed' for the purposes of HMRC legislation was important. For UK investors, this will provide a viable post-Brexit strategy. Accordingly, achieving this HMRC recognition is an integral part of the BSE's growth into **a great and lasting International institution.**"*

The BSE wishes to thank both Chancery Chambers and Chancery Advocates for their counsel towards this momentous achievement.

