

Financial Service Providers and the Seychelles Securities Exchange

A multi-asset securities exchange, like Trop-X, the Seychelles Securities Exchange, has the potential to grow the capital markets infrastructure of a country. As such there are significant opportunities for various financial services providers involved directly and indirectly in the capital markets to participate and benefit from the securities exchange. Ultimately the success of a securities exchange is largely dependent on the rest of the financial services infrastructure existing in the country. A securities exchange is like the engine of a car. Without the car body, a driver, passengers, road infrastructure, etc. it is just an engine. Thus Trop-X intends to leverage the existing Seychelles financial services providers to develop the Seychelles capital markets. In a previous article we touched on the opportunities for some of the new financial services professions brought about by the securities exchange being Sponsor Advisors and Brokers as well as briefly on auditors and company secretaries. In this article we will focus more on the opportunities available to existing financial services providers operating in Seychelles and types of services they may provide to the Securities Exchange.

Corporate/Trustee Services Providers

Seychelles has a vibrant existing “offshore” financial services sector that Trop-X intends to leverage.

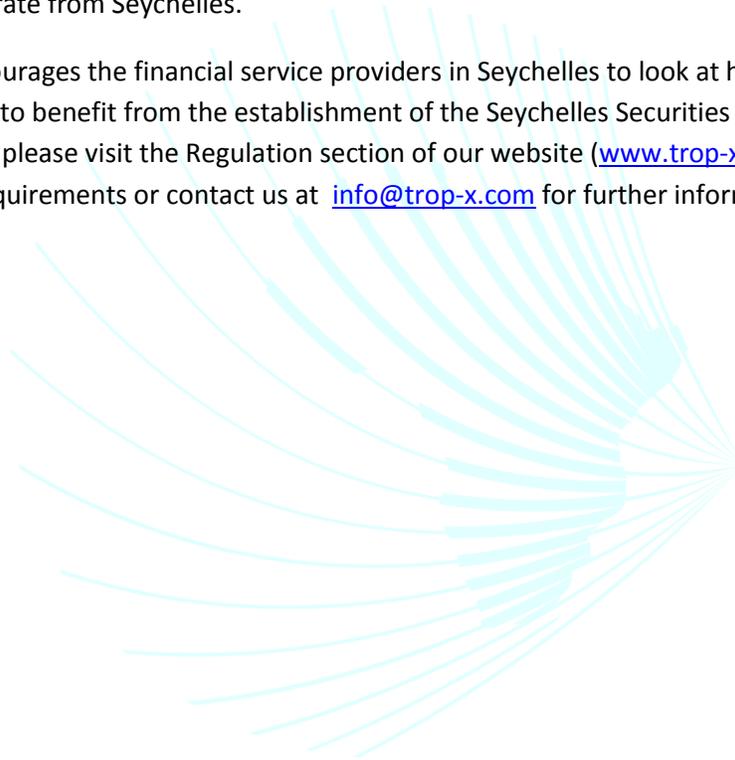
Formations – the Trop-X Listing Requirements and Pan-African plans presents an opportunity for Seychelles Corporate Services Providers to structure vehicles for listing. Trop-X allows for the listing of International Business Companies (IBCs), Company Special License (CSL), unit trusts and funds.

Company Secretary - It is a requirement for every listed company to retain a qualified company secretary. Thus there will be both formation and company secretarial opportunities for those service providers who are engaged.

Capital raising – in many cases companies listing on Trop-X will have requirements to raise capital. Capital raising commissions can range from 5% to as high as 8% depending on the type of listing. There could be an opportunity for corporate services and trustee services providers to leverage their existing High Net Worth Individual (HNWI) client base to assist with capital raising associated with a listing and the opportunity to earn significant commissions that go along with it. Similarly, any CSPs approached by clients with a project for which they raising capital could possibly use the exchange for this purpose as well.

Private Client Services – one of the reasons Seychelles has yet to develop to a level we would all like to see in terms of quality, high value structures (i.e. trusts, foundations, etc.) for High Net Worth Individuals (HNWI) is the lack of an investment infrastructure in Seychelles. Asset Managers, Fund Managers, Investment Banks and the like generate substantial opportunities for Corporate Services and Trustee Services firms to attract good quality HNWI clients and the high value structures that go with them. Trop-X is developing products to attract these types of investment firms and Seychelles offers a very attractive tax incentive for these participants to set up and operate from Seychelles.

Trop-X strongly encourages the financial service providers in Seychelles to look at how they can best position themselves to benefit from the establishment of the Seychelles Securities Exchange. For further information, please visit the Regulation section of our website (www.trop-x.com) to view our Rules and Listing Requirements or contact us at info@trop-x.com for further information.



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