



CIS Listings on the Frankfurt Stock Exchange

Dr. Dietmar Anders
Philipp von Ploetz
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C L I F F O R D
C H A N C E

“A force across the world...” *Chambers & Partners*

- n Clifford Chance has deliberately pursued an international strategy that has seen our firm grow to 30* offices in 21 countries, with significant strength in all legal disciplines across the globe.
 - l Providing full-service common law and civil law capability
 - l Combining strong domestic and international practices across Europe, the Middle East, Asia and the Americas
 - l The majority of our lawyers are nationals of, and qualified in, the country in which they are located

- n A single partnership operating through an integrated network.
 - l Our ability to share and leverage our accumulated know-how across our network is founded on a "one firm" approach, creating an environment where our lawyers work closely with colleagues from around the world

- n Strong relationships with top law firms in jurisdictions where we do not already have a presence.
 - l We have strong relationships with high-quality local law firms in most other jurisdictions and can co-ordinate advice on behalf of law firms you would like to involve in this project



Amsterdam	New York
Barcelona	São Paulo
Bucharest	Washington DC
Budapest	
Brussels	Abu Dhabi
Düsseldorf	Dubai
Frankfurt	Riyadh
Kyiv	
London	
Luxembourg	Bangkok
Madrid	Beijing
Milan	Hong Kong
Moscow	Shanghai
Munich	Singapore
Paris	Tokyo
Prague	
Rome	
Warsaw	

* Plus a co-operation agreement with Al-Jadaan & Partners Law Firm

The firm is structured around six global practice areas delivering a full service capability

n Banking & Finance

- l noted for our core banking, securitisation, project and asset finance, derivatives and regulatory practices

n Capital Markets

- l market leading debt and equity capital markets expertise, and a strong transatlantic securities practice

n Corporate

- l leading practice for completing major cross-border deals
- l expertise focusing on: M&A, corporate finance, commercial contracts, competition/antitrust, funds, investment banking, insurance and private equity

n Litigation and Dispute Resolution

- l world's largest and most comprehensive practice, with over 680 advisers covering all major jurisdictions
- l includes extensive intellectual property expertise

n Real Estate

- l sophisticated development, investment and real estate finance

n Tax, Pensions and Employment

- l highly rated domestic and international tax expertise, with the largest international tax group of any single law firm
- l lead player in the fields of pensions, employment, remuneration and share schemes

CHAMBERS
RECOGNITION

Tier 1: Chambers & Partners Global 2008 – Banking & Finance

"The firm is a global finance machine, with strong all-round capabilities and a hugely influential practice in the fields of acquisition and leveraged finance and corporate lending."

CHAMBERS
RECOGNITION

Tier 1: Chambers & Partners Global 2008 – Capital Markets

"With its *'immense resources and fantastic coverage that spreads across the world's financial hubs,'* Clifford Chance is a clear favourite among international clients to advise on all aspects of capital markets transactions in Europe, the Middle East, Asia and the USA."

CHAMBERS
RECOGNITION

Tier 1: Chambers & Partners Global 2008 – Corporate/M&A

"...a truly global law firm that, in today's thriving global M&A market, can get its arms around the most technically and geographically challenging of deals."

CHAMBERS
RECOGNITION

Tier 1: Chambers & Partners Global 2008 – Dispute Resolution

"Clients benefit hugely from Clifford Chance's sweeping geographic coverage, extensive regulatory expertise and solid foundations in the corporate and financial sectors."

CHAMBERS
RECOGNITION

Tier 1: Chambers & Partners Europe 2008 – Real Estate

"The unanimous verdict of the market is that this magic circle giant is one of the *'undisputed leaders'* in the field and benefits from an extensive European reach envied by even its closest rivals."

CHAMBERS
RECOGNITION

Tier 1: Chambers & Partners Global 2008 – Tax

"The largest firm in the world by revenue and number of lawyers, it is no surprise that Clifford Chance's tax capabilities are truly international in scope and world-class in quality."

Today's Topics

- n Market Segments
- n Transparency Levels
- n Public Offering/Private Placement
- n Types of Documentation
- n PD Prospectus
- n Listing Requirements
- n Listing Vehicle
- n Post-listing Obligations
- n Our Approach

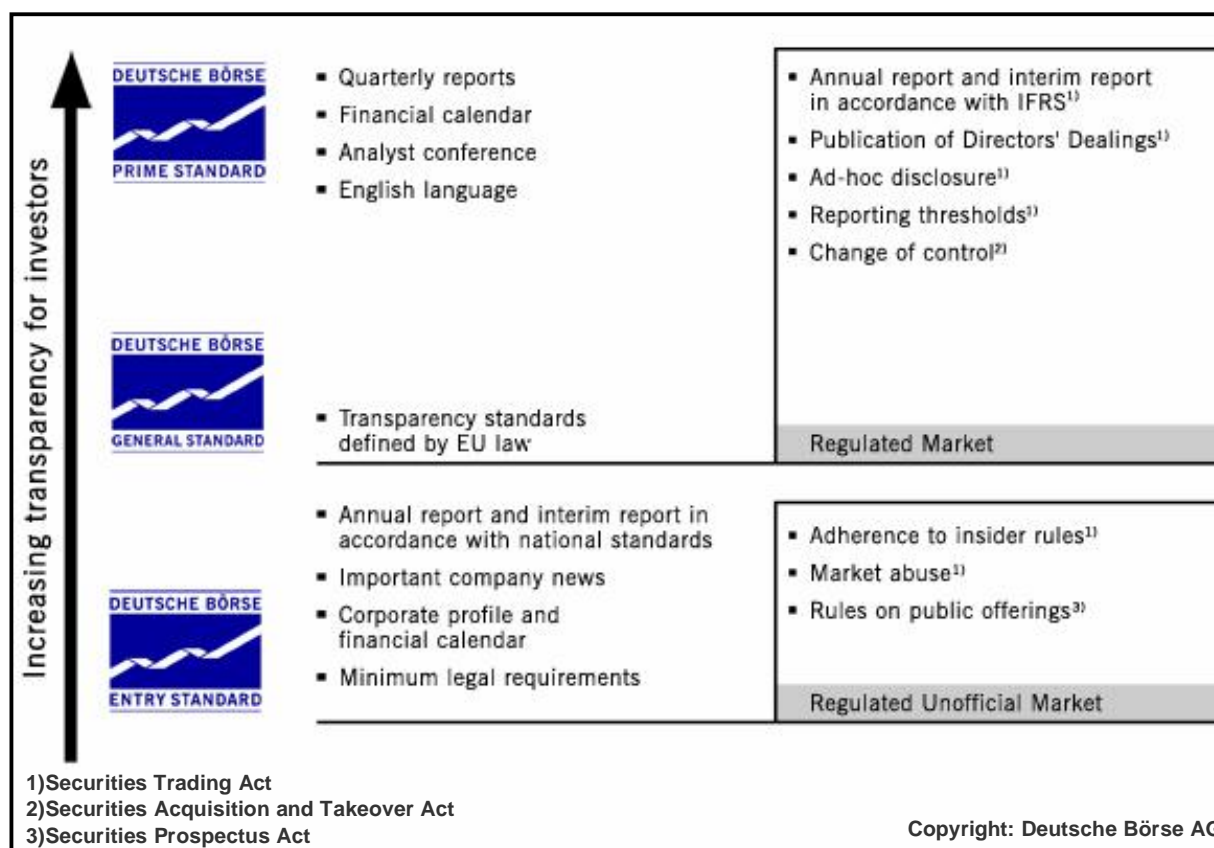
Market Segments

- n EU regulated market (*regulierter Markt*)
 - l *General Standard* – based on minimum requirements set forth in statutory laws (“directive minimum” segment)
 - l *Prime Standard* – sub-segment with increased transparency level (“super-equivalent” segment)
- n Unregulated market (*Freiverkehr*)
 - l Exchange regulated, no statutory or EU laws
 - l *Open Market* – based on minimum requirements set forth in exchange rules (First Quotation Board, Second Quotation Board)
 - l *Entry Standard* – sub-segment with increased transparency level

Market Segments (cont'd)

- n All market segments in Frankfurt open to shares and GDRs of German and foreign issuers
- n On the Main Market of the LSE:
 - ı Primary Listing – only for ordinary shares, not GDRs
 - ı Secondary Listing – not for UK companies, but only foreign issuers
- n On the AIM: requirement of an extensive prospectus, whereas a listing on the Open Market/Entry Standard of FSE may be undocumented (only internal “Exposé” required)

Transparency Levels



Public Offering/Private Placement

n Public offering

- | Securities prospectus in compliance with EU Prospectus Directive ("PD")
- | Approval by German BaFin (or other competent EU authority, if non-German listing vehicle)



- | EU Passport available
- | Access to large investor base
- | Admission to Prime Standard/General Standard
- | Eligibility for relevant indices of Deutsche Börse

Public Offering/Private Placement (cont'd)

n Private Placement

- | Undocumented offer, Information Memorandum or Private Placement Memorandum possible
- | Private placement exemptions include:
 - Fewer than 100 investors in each EU state
 - Offer to qualified investors only
 - Total offering volume of less than EUR 100,000



- | Trading on Open Market/Entry Standard
- | Reduced selection of indices
- | Smaller but focused/specialised investor base
- | No public offering/marketing permitted

Types of Documentation

	PD prospectus	AIM sub-PD prospectus	Info Memo/Private Placement Memo	Open Market Exposé
regime	EU regulated market	unregulated market		
disclosure level	ü ü ü ü ü	ü ü ü ü	ü ü ü / ü ü	ü
required for	public offering and/or listing in regulated market (e.g. Prime Standard)	AIM listing in unregulated market	(voluntary)	Frankfurt listing in unregulated market (e.g. Open Market, Entry Standard)
approval needed	ü	ü	û	û
language	English (German issuers: German)	English	English/other	German
public marketing possible	ü	û	û	û
prospectus liability	ü	(ü)	(ü)	û
passporting possible	ü	û	û	û

PD Prospectus

n Language

- ┆ German, if
 - German issuer and listing/offering only in Germany
- ┆ English with German translation of summary, if
 - Foreign issuer and listing/offering only in Germany
 - German issuer and listing/offering in Germany plus another EU member state

n Disclosure letters

- ┆ German law disclosure letter
 - Also on Information Memorandum applying PD standards
 - Not on documents with limited disclosure, such as Private Placement Memorandum
- ┆ U.S. 10b-5 letter if applicable
 - Purpose
 - Procedure

PD Prospectus (cont'd)

n Financial information

- ┆ Generally, audited financial information for last 3 financial years plus interim financial information, if applicable under the individual timetable
- ┆ Consolidated annual/interim financial statements (IFRS; US GAAP if applicable), plus annual financial statement (non-consolidated/stand-alone) for last financial year (local GAAP)
- ┆ Pro-forma financial information may be required in case of significant recent transactions
- ┆ German standard for Comfort Letters (IDW PS 910) available; next to SAS 72 if applicable

PD Prospectus (cont'd)

n Liability Regime

- | No harmonisation throughout EU
- | German prospectus liability regime for BaFin approved PD prospectuses
- | Prospectus liability in general only of issuer and underwriters; normally no external liability for directors, selling shareholders and experts
- | Due Diligence Defence available: liability only in case of gross negligence
- | Favourable limitation of time: 1 year since knowledge of inaccuracy or 3 years since publication of prospectus, whichever is earlier

Listing Requirements

	Inclusion in Open Market and Entry Standard	Admission to trading in Prime Standard or General Standard
Minimum operating history and financial publicity	1 year	3 years, exceptions available
Issue volume	–	Anticipated trading value of the issuer's shares min. EUR 1.25m. At least 10,000 shares
Listing/admission document	PD prospectus only if public offering	PD prospectus
Free float	Min. 30 investors	Min. 100 investors Min. 25 per cent. of share class, exceptions available

(Certain other requirements to be fulfilled and documents to be furnished)

Listing Requirements (cont'd)

- n No significant additional listing and transparency requirements for foreign issuers – discrimination-free
- n Authorities for listing/prospectus approval familiar with international transactions and foreign issuers (including precedents from Russia/CIS)
- n No requirements for sponsor (unlike “Nominated Adviser” or “Listing Sponsor” in other jurisdictions)

Listing Vehicle

n German stock corporation

- | EUR 50,000 minimum capital
 - | Two-tier board system
 - | Minimum of one management board member and three supervisory board members required
 - | No residency or nationality requirements regarding board members
 - | Established in approx. two to four weeks
- ↓
- | PD prospectus approved by German BaFin
 - | German stock corporation laws set framework for corporate governance
 - | Note: German Corporate Governance Code only applicable to German corporations

Listing Vehicle (cont'd)

n Other EU listing vehicle

- ı Tax structure to be considered
- ı Choice of corporate governance rules across EU
- ı PD prospectus approved by national regulator
- ı Frankfurt listing based on established concept of passporting

Listing Vehicle (cont'd)

n Non-EU stock corporation

- ı Usually GDR programme set up
- ı Direct listing of shares not yet tested for some jurisdictions
- ı National requirements to be considered
- ı Choice of EU regulator for first time listing/offering of non-EU issuer

Post-listing Obligations

- n Insider dealing prohibition
- n Insider list requirements
- n Ad-hoc publication duty
- n Market manipulation prohibition
- n Reporting on Directors' Dealings
- n Notification/publication of changes in voting rights
- n Annual document
- n Financial reporting obligations
- n Other (e.g. additional Prime Standard obligations)

Our Approach

n Due Diligence

- | High international market standards, even if no 144A/10b-5
- | Pragmatic determinations of thresholds/materiality/scope
- | On-site examinations possible, but also familiar with large-scale virtual data rooms; assistance in compilation of data

n Prospectus

- | Identify and involve key information providers at issuer
- | Deliver comprehensive 1st draft, actively seek input and finalise document in limited number of drafting sessions
- | Coordinate further drafting with banks, auditors and printer
- | English or German as lead drafting language, with available Russian language speakers

Our Approach (cont'd)

n BaFin procedure

- | Established track record with BaFin representatives which are approachable and hands-on
- | Proactive management of process, with upfront meetings or conference calls for major regulatory issues

n Team

- | One integrated Clifford Chance team tailored to the transaction
- | German, English, U.S. and Russian legal expertise and language capabilities of Clifford Chance in co-operation with experienced Belarus counsel
- | Combined know-how facilitates Frankfurt listing (German law), EU offerings (other EU member states' laws), contractual agreements (English law), and 144A/10b-5 component (U.S. law)
- | Other CEE offices/capabilities; industry-specific expertise
- | Fully linked with the firm's other practice areas/offices

Thank you for your attention –
any questions?

Your Clifford Chance contacts in Frankfurt:

Dr. Dietmar Anders

Partner
Banking & Capital Markets

Clifford Chance Frankfurt

Tel. +49 69 7199 1570

Fax +49 69 7199 4000

E-mail dietmar.anders@cliffordchance.com

Philipp von Ploetz

Counsel
Banking & Capital Markets

Clifford Chance Frankfurt

Tel. +49 69 7199 3171

Fax +49 69 7199 4000

E-mail philipp.ploetz@cliffordchance.com

John Lovrich

U.S. Associate
Banking & Capital Markets

Clifford Chance Frankfurt

Tel. +49 69 7199 3180

Fax +49 69 7199 4000

E-mail john.lovrich@cliffordchance.com



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www.cliffordchance.com

Clifford Chance, Mainzer Landstraße 46, 60325 Frankfurt am Main, Germany

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Steuerberatern und Solicitors · Sitz: Frankfurt am Main · AG Frankfurt am Main PR 1000

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