

July 2007



NEWHAVEN TRUST COMPANY (CHANNEL ISLANDS) LIMITED

NEWHAVEN JOINS THE CHANNEL ISLANDS STOCK EXCHANGE

To enhance its corporate services platform, Newhaven Trust Company (Channel Islands) Limited ("Newhaven") is delighted to announce that it has joined the Channel Islands Stock Exchange ("CISX"), as a Category 1 Listing Member.

As well as administration services provided for structured finance vehicles such as debt repackaging, capital market debt and other securitisations, Newhaven is now able to sponsor the listing of all acceptable types of securities on this internationally recognised Exchange. Initially, Newhaven will be working with an international bank to assist it with its listing requirements.

Although possessing many unique qualities and certainly having some distinct advantages over many other exchanges in the same time zone, the CISX is a stock exchange like any other with responsibility for setting standards of public disclosure of information for the securities it lists and regulating the marketplace. However the speed of turnaround and simplicity of the listing process normally results in lower costs than with the listing processes for other exchanges.

CISX Listing Rules meet international standards and are easy to understand. There are product specific chapters each setting out conditions for listing, application process, document requirements and continuing obligations. Existing documentation (for example, prospectus, offering memorandum, scheme particulars, pricing supplements) may be utilised to form the listing document, furthering the potential to save on costs. The Market Authority is receptive to innovative product structures and there is flexibility in a range of areas including choice of settlement or paying agents, for example.

About the CISX

The CISX is licensed to operate as an investment exchange under The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and subject to the Investment Exchange (Notification) Rules 1998, is regulated by the Guernsey Financial Services Commission (GFSC), a member of IOSCO, the International Organisation of Securities Commissions.

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ADVANTAGES OF LISTING ON THE CISX

The criteria for selecting which particular finance centre with which to do business is similar to the criteria for choosing which stock exchange to list securities. Such criteria include high regulatory standards, low costs, professional expertise and efficiency of service. The key strengths of the CISX may be summarised as:

- speedy turnaround time & consistency of response;
- competitive pricing & cost effectiveness;
- international standards of issuer regulation;
- responsive and approachable (the Market Authority meets every day to consider listing applications);
- pragmatic approach to disclosure requirements;
- in EU time zone but outside EU's prescriptive direction
- enhanced marketability and added value service, and
- a premier location.

INTERNATIONAL RECOGNITION

- The UK Financial Services Authority has approved the CISX, as a Designated Investment Exchange within the meaning of the Financial Services and Markets Act 2000.
- The UK's HMRC has designated the CISX as a Recognised Stock Exchange under Section 841 of the Income and Corporation Taxes Act, 1988 (ICTA)
- The CISX was approved as an Affiliate Member of the International Organisation of Securities Commissions (IOSCO), in October 2003.
- The CISX became an Associate Member of the International Capital Market Services Association (ICMSA), in August 2005.
- The US Securities and Exchange Commission has designated the CISX as a Designated Offshore Securities Market, within the meaning of Rule 902(b) under Regulation S of the Securities Act of 1933.
- The CISX was officially recognised by the Australian Stock Exchange in July 2000.
- The CISX is registered with the World Federation of Exchanges as a 'Corresponding Market'.
- The CISX is a member of the European Securitisation Forum.

"Financial institutions and international investors have discovered the advantages of CISX listings."

"The number of listings has exceeded 2000 with a market capitalisation of over US\$50 billion"

Tamara Menteshvili
Chief Executive
CISX

THE JURISDICTION

The Channel Islands are in the premier league of international financial centres and continue to demonstrate their commitment to the highest of regulatory standards.

The Bailiwicks of Jersey and Guernsey are within OECD jurisdictions and OECD conventions apply. Both Jersey and Guernsey are 'Designated Territories' under Section 270 of the UK Financial Services Markets Act, 2000.

In May 2000, the G-7 Financial Stability Forum (established by the G-7 Ministers) judged both Guernsey and Jersey to be Group 1 jurisdictions (the top group of offshore financial centres), considering both to have appropriate legal infrastructures, supervisory practices and levels of resources devoted to supervision and co-operation relative to the size of their financial activities.

In June 2000, the Financial Action Task Force, on behalf of the Offshore Group of Banking Supervisors, completed its reviews of Guernsey's and Jersey's anti-money laundering systems and concluded that both jurisdictions are co-operative and have comprehensive anti-money laundering systems.

Jersey and Guernsey were recognised as 'Qualified Intermediary' jurisdictions by the US Internal Revenue Service in September 2000.

CORPORATE ADMINISTRATION SERVICES

Newhaven arranges and administers special purpose vehicles and specifically designed structures which can be utilised for a variety of purposes, such as:

- Structured finance,
- Repackaging programmes,
- Securitisations,
- Debt instruments
- Securities issues
- Fractional Ownership structures
- Intellectual Property holding structures
- High Value Asset holding vehicles

Balance Sheet Remote Structures

Often special purpose vehicles or structures are required to be balance sheet remote. Newhaven arranges and manages suitable vehicles and owning structures to facilitate this.

CORPORATE ADMINISTRATION SERVICES (CONTD.)

Limited Partnerships

At Newhaven we have seen Limited Partnerships increasingly become a popular mechanism for holding assets. They have proved especially popular for property holding vehicles and private equity funds. They, however, have many other uses as there is no restriction on what type of business can be conducted through this type of structure. The Limited Partnership is a flexible tool which does not impose any capital adequacy, investment or gearing restrictions by law. The partnership interests of a limited partnership can also be listed on a stock exchange like the CISX.

Cellular Companies

The asset and liability segregation provided by Guernsey cellular companies can also provide many distinct advantages for the structurer. Newhaven has developed significant experience in the employment of various types of company. Indeed, a wide range of structures utilising cellular models housing both financial and non-financial assets are administered by Newhaven.

Protected Cell Companies (PCCs)

PCCs are a specific form of SPV. Assets are placed into separate Cells within the same company, so that if there is a financial problem involving one of the Cells, the assets of the others are protected from contagion. The key legal principle is that the assets of individual Cells are not available to the creditors of any other Cell. This 'ring-fencing' makes PCCs the ideal vehicle for securitisations as subsequent issues would not require the set up of new special purpose vehicles thus providing time and cost savings. Ongoing administration costs are also saved.

Incorporated Cell Companies (ICCs)

An ICC has Cells like a PCC but they are separately incorporated and distinct legal entities. This provides an extra layer of protection for investors who may be concerned about the legal standing regarding ring fencing in PCCs, although the sanctity of the PCC's ring-fencing attributes have been scrutinised in the UK and Guernsey courts and not compromised. An ICC could be used instead of a PCC if there is no need or desire to be a single legal entity or if there is a perceived requirement to spin off Incorporated Cells as stand-alone companies at a later date e.g. for asset disposal.

Our Experience

The management team at Newhaven is comprised of finance industry professionals who are able to bring their collective wealth of experience to the prudential management and administration of special purpose vehicles and structures.

We assist in the assembly and ongoing management of tailor-made innovative structures for international financial arrangements, including the establishment of trusts and corporate vehicles. These have included structures established for the purpose of making investments off-balance sheet, securitising assets, tax driven financing and the repackaging of financial instruments. As previously described a variety of corporate models are available.

Acknowledging the need for a suitably diversified Board, Newhaven will also introduce experienced external directors if the need arises.

We would welcome the opportunity of discussing any of the subjects covered in this publication with you.



NEWHAVEN TRUST

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Newhaven Trust Company (Channel Islands) Limited, incorporated in Guernsey, is licensed to conduct business under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) law 2000 and is regulated by the Guernsey Financial Services Commission.

Should you no longer wish to receive communications from us, please let us know.

We're on the web:
www.newhaventrust.net