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## ISE provide investment funds with markets options – GEM and MSM

It is now over a year since the Irish Stock Exchange (“**ISE**”) extended the scope of its successful Global Exchange Market (“**GEM**”) to investment funds in response to industry concerns relating to the impact and application of the Statutory Audit Directive (“**SAD**”) to those funds already listed on its Main Securities Market (“**MSM**”).

The development was welcomed by fund promoters who can now avail of the ISE supervised market listings option for their investment funds.

Each market offers a substantially equivalent level of ISE supervision and transparency, but provides issuers with a choice based on the needs of their investors.

The option of a GEM listing addresses the requirements of funds wishing to retain the established benefits and recognition of an ISE listing, while maintaining their existing audit arrangements outside of the scope of the Statutory Audit Directive.

The GEM listing and ongoing requirements mirror in all material respects the MSM requirements but as GEM is not an EU regulated market, issuers will not be subject to the Statutory Audit Directive, Prospectus Directive or Transparency Directives.

[www.dilloneustace.com](http://www.dilloneustace.com)

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Investors can take comfort that an investment fund listed on either the GEM or MSM of the ISE has met the suitability, diversification and ongoing compliance and reporting requirements of an internationally recognised listing authority with specific expertise in investment funds.

We have set out below a comparative analysis between MSM and GEM:

	<b>MSM</b>	<b>GEM</b>
Market status under MiFID	EU regulated market	Exchange regulated market
Competent Authority	ISE – open ended funds  Central Bank – closed ended funds under Prospectus Directive	ISE
Ongoing reporting obligations	Open ended funds - MSM continuing obligation requirements – Chapter 7 of the MSM Code of Listing Requirements for Investment Funds  Please refer to our publication on these continuing obligations for open ended funds requirements at the link attached:  <a href="#">Irish Stock Exchange - Continuing Obligations Requirements - MSM</a>  Ongoing reporting requirements and transparency materially equivalent to GEM requirements.  Closed ended Funds – ISE reporting as above and Transparency Directive	Open and closed ended funds - GEM continuing obligation requirements – Chapter 4 of the GEM Rules for Investment Funds  Please refer to our publication on these continuing obligations for open ended funds requirements at the link attached:  <a href="#">Irish Stock Exchange - Continuing Obligations Requirements - GEM</a>  Ongoing reporting requirements and transparency materially equivalent to MSM requirements.
Prospectus Directive	Applies only for closed ended funds	Not applicable
Transparency Directive	Applies only for closed ended funds	Not applicable
Statutory Audit Directive	Yes	Not applicable
Market Abuse Directive	Yes	Yes

**Transfer from MSM to GEM**

The transfer of a fund's listing from the MSM to the GEM (or from GEM to MSM) may be done simply by way of an ISE announcement which would be subject to prior approval by the ISE. Switching can be facilitated within two to three business days.

There are no initial or ongoing cost differences between MSM and GEM listings, and there is no cost implication or ISE fee pertaining to a transfer between the markets.

A significant number of fund promoters have already transferred their ranges to GEM, a trend which we expect to continue as issuers feel the impact of SAD.

Further information on the implications of SAD can be found at the following link:

[Statutory Audit Directive - Deadlines](#)

For information on making an application to the GEM or for transfer queries please do not hesitate to contact a member of Dillon Eustace's Irish Stock Exchange Listing team or your usual Financial Services contact at Dillon Eustace.

**Dillon Eustace**  
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