

# IPSO Wholesale

## Key points

A new FCA regulated stock exchange for commercial real estate

March 2021

## What is IPSX Wholesale?

IPSX Wholesale is a multilateral trading facility (MTF) operated by IPSX UK Limited under its FCA recognition for the trading of shares.

IPSX Wholesale provides commercial real estate owners with an onshore UK market that can accept a variety of different corporate structures within a highly flexible regulatory environment.

IPSX Wholesale provides an immediate solution for offshore funds that are looking for a UK venue providing the reputational benefits of being quoted on an onshore FCA regulated stock exchange along with the option to access the structural benefits of being a UK REIT.

## Proposed issuers

IPSX Wholesale provides commercial real estate or infrastructure owners with an UK onshore market that can host a variety of different real estate strategies.

- IPSX Wholesale is an ideal venue for offshore funds looking for a UK venue with minimum free floats
- All issuers have 'real assets' as their underlying assets. By this we mean that they will hold - or develop - buildings or infrastructure which could be used for purposes such as commercial, retail, student accommodation, health care, residential (such as large-scale rent to buy) or airports.
- The issuers may be JV REITs and/or newly formed REITs.
- Issuers owning assets which they intend to extend, repurpose or retrofit can be admitted to IPSX Wholesale for fundraising, provided they anticipate the asset becoming stabilised and income-producing within a suitable timeframe.

## What are the admission criteria for IPSX Wholesale?

IPSX Wholesale provides significant choice and flexibility for commercial real estate owners with no prescribed minimum free float on admission. Owners can combine their assets and either hold or make them available for trading in a more efficient way in a UK onshore jurisdiction which offers a clear structure and governance.

- The asset must generally have a minimum value of £50m.
- The loan-to-value of the asset holding company can be up to a maximum of 80%.
- There is no prescribed minimum free float.
- An Admission Document must be published, if the issuer is exempt from the Prospectus Directive
- There must be a RICS compliant Red Book Valuation for the admission document and thereafter on a six-monthly basis.
- Types of issuers eligible for admission could include more complex ownership structures such as joint venture single asset REITs.
- Once admitted, asset holding companies can also opt for REIT status, providing tax transparency.

## How will issuers join the market?

IPSX Wholesale issuers must appoint an IPSX Lead Adviser and an IPSX Approved Valuer to help them through the admission process.

## Investors

Only Institutional Investors may invest in IPSX Wholesale admitted issuers. These are:

- Eligible counterparties
- Per se Professional clients
- Elective Professional clients

Elective Professional Clients are broadly defined as a client that has expertise, experience and knowledge in light of the nature of the transactions envisaged, and is capable of making his own investment decisions and understanding the risks involved, and:

- has stated in writing to its broker that it wishes to be treated as a professional client either generally or in respect of a particular service or transaction or type of transaction or product;
- the broker has given the client a clear written warning of the protections and investor compensation rights it may lose; and
- the client has stated in writing to its broker, in a separate document from the contract, that it is aware of the consequences of losing such protections

## Summary

The key features of IPSX Wholesale MTF are as follows:

- Onshore market capable of supporting a broad variety of corporate structures, including JV REITs
- The ability to accommodate issuers with a lower free float or higher leverage
- Access restricted to Institutional Investors only

## Next steps

IPSX Wholesale is now open to applications for admission to trading. To discuss next steps, contact:



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