



Market Notice

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Investing Companies added as an Issuer type and maximum LTV on IPSX Prime increased



Following the conclusion of two consultations undertaken by IPSX in September 2021 and February 2022, IPSX has updated its Rules for Issuers. There are three elements to the changes, which are outlined below.

I. Investing Companies

IPSX has expanded the types of Issuers it may accept to include Investing Companies. Such companies will be admitted to IPSX on the basis that they are doing so with the intention of acquiring real estate assets soon after admission.

The updated Rules for Issuers require that an Investing Company implements and publishes a clearly articulated Acquisition Policy, which describes the asset(s) it intends to acquire and provides details of their purpose, value, an estimate of income they will generate and their location(s). In addition, the anticipated timescale for the completion of those acquisitions must also be published.

An Investing Company is required to provide updates on the progress of the implementation of its Acquisition Policy and seek shareholder consent to continue with that policy. Shareholder consent will also be required for any changes to an Investing Company's Acquisition Policy, and the revised policy must be published.

Investing Companies are also subject to other obligations, both at the time of admission and on an ongoing basis.

2. Maximum LTV on IPSX Prime increased

The maximum Loan to Value (LTV) of an Issuer to IPSX Prime has been increased to 80% from its previous level of 40%.

At launch, the maximum LTV for IPSX Prime issuers was set at 40%, compared to 80% for IPSX Wholesale Issuers. The experience gained by IPSX since launch is that many real estate assets are funded with an LTV higher than 40%. This means that a large number of potential issuers, who would otherwise be suitable for admission to IPSX Prime, are excluded. This change aligns the maximum LTV for IPSX Prime Issuers with that of IPSX Wholesale Issuers.

3. Other Minor Changes

A number of minor changes have also been made to the IPSX Rules for Issuers:

- Development Plans (Rule 1.25): This rule has been amended to make clear that such Issuers are only admissible to IPSX Wholesale.
- Provision of Financial Information (Rule 3.28): Guidance has been added to this rule to make clear that, in the event that the Issuer is part of a group, only consolidated financial information is required.
- Failure to meet financial reporting timetable (Rule 3.29): This rule has been amended to broaden the possible courses of action that IPSX may take in the event this occurs.
- Schedule Three – Red Book Valuation Requirements: Guidance regarding the contents of a Red Book Valuation report has been expanded to specifically cover Multiple Asset Issuers.
- Other Minor Changes have been made to correct errors which do not change the substance of the Rule in question.

The revised IPSX Rules for Issuers will take effect on 31 March 2022.

Any queries regarding this notice should be addressed to:

regulation@ipsx.com



This IPSX Market Notice is available on our website at <http://www.ipsx.com/market-notices>

Calls to IPSX may be recorded to enable IPSX to carry out its regulatory responsibilities