

GUYANA SECURITIES COUNCIL

Prospectus Guidelines

For

Public Offerings

Issued in accordance with Section 64 (1)
of the Securities Industry Act 1998

GUYANA SECURITIES COUNCIL

PROSPECTUS GUIDELINES

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PROSPECTUS GUIDELINES

CHAPTER 1

General

1. These Guidelines are issued pursuant to Section 64 (1) of the Securities Industry Act 1998. They outline the information that the Guyana Securities Council (GSC) considers necessary for inclusion in a public offering prospectus.
2. These guidelines do not change the liability provisions of the securities legislation of Guyana Securities Council and the securities requirements, or the discretionary authority of the GSC, including the authority to refuse to issue a receipt for a prospectus. The guidelines are general in nature and shall not be viewed as the sole criteria for disclosure in public offering prospectuses.
3. The purpose of the prospectus is to provide information that a prospective investor should have in order to make an informed investment decision.
4. Directors, advisers and experts have a primary obligation and liability with respect to the contents of public offering prospectuses. They shall therefore ensure that all material information about the issuer and the securities being offered by means of the prospectus is disclosed.
5. The issuer shall submit to the GSC copies of the draft prospectus together with the completed registration form/s.
6. The GSC will not consider an application for registration to be duly filed unless the registration form and prospectus are completed properly and are accompanied by all the relevant materials or documents.
7. In addition to complying with the provisions of the Securities Industry Act 1998 (SIA) and the Securities Industry Regulations (2002) a prospectus should comply with the information set out in these guidelines.
8. The prospectus shall be legible and its pages numbered. Any blank or partly blank pages shall contain words that the page has been intentionally left blank.
9. Where a prospectus contains a statement or a report given by an expert, including a valuation report used in the prospectus, that expert must have given his written consent to the inclusion of the statement or report in the form or context in which it is included in the prospectus. The prospectus must state that the expert has given and has not withdrawn the consent.

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10. A prospectus shall contain such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of the following: -
 - (a) The financial position, assets and liabilities, profits and losses, and prospects of the issuer of the securities;
 - (b) The rights attaching to those securities;
 - (c) Merits of investing in the securities and the extent of the risk involved in so doing.
11. With regard to paragraph 10 above, the information to be included must be such information which can reasonably be obtained by directors, promoters and principal advisers as well as by the stockbroker, underwriter, auditor, banker, and other professional advisers/experts or any other persons named in the prospectus.
12. Due regard shall also be had to the following:-
 - (a) The nature of the securities and the issuer of the securities;
 - (b) The persons likely to consider their acquisition;
 - (c) The fact that certain matters may reasonably be expected to be within the knowledge of professional advisers of any kind whom those persons may reasonably be expected to consult;
 - (d) Any information available to investors or their professional advisers by virtue of any written law or by virtue of requirements imposed by the GSC.
13. The GSC may require disclosure of such additional information as may be considered appropriate in any particular case.

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CHAPTER 2

Cover Page

The outside Cover of the Prospectus shall contain the following:-

1. The following particulars about the issuer: -
 - (a) full name of the issuer;
 - (b) place or country of incorporation;
2. The date of the prospectus.
3. Details of the public offering, including:
 - (a) number, type and nominal value of securities being issued/offered;
 - (b) price of securities being issued/offered;
4. Name of the adviser and managing underwriter, where applicable;
5. The following statement, to appear in **bold**: -

“The Guyana Securities Council has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence”.

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CHAPTER 3

Inside Cover / First Page

It is important that certain key information, if not included in the outside or inside cover pages, should be at least disclosed on Page 1:

1. A Responsibility Statement worded as follows:
“This prospectus has been seen and approved by the directors of the issuer and/or the offeror and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.”

2. A statement to the effect that no securities will be allotted or issued on the basis of the prospectus later than 1 year after the date of issue of the receipt for the prospectus.

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CHAPTER 4

Time Table / Definitions / Table of Contents / Corporate Directory

The prospectus shall be properly structured, with the relevant sections and headings, for ease of reference and cross-reference. The following information should be included:

I Indicative Timetable

1. The opening and closing dates of the public offering.
2. The tentative listing date (month and year).
3. The tentative dates of any special events in conjunction with the public offering,

II Definitions / Glossary

A glossary of abbreviations and technical terms.

III Table of Contents

A table of contents, listing all sections and subsections of the prospectus.

IV Corporate Directory

Details of persons connected with the public offering:

1. Address and telephone number of the corporation's registered office, head/management office, e-mail, website and transfer office (if different).
2. Names and addresses of the following parties (where applicable):
 - (a) Auditors;
 - (b) Reporting Accountants;
 - (c) Solicitors; (d) Valuers;
 - (e) Principal Bankers;
 - (f) Issuing House;

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(g) Registrar;

(h) Investment Adviser/Sponsor/ Promoter and Lead Underwriter;

(i) Other Underwriters

3. Names and addresses of expert(s) who prepared reports, excerpts or summaries which are included or referred to in the prospectus.
4. Name(s) of stock exchange(s) where securities are already listed and/or the listing sought in relation to the prospectus.

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CHAPTER 5

Investor Warning/Information Summary

Investor Warning

There must be a warning at the front of the Information Summary advising investors that the Information Summary is only a summary of the salient information about the Corporation /group and that investors are advised to read the entire prospectus prior to deciding whether to invest.

Information Summary

1. There should be disclosed in pages near the front of the prospectus information about the corporation /group, including:
 - (a) Background and summary of history;
 - (b) Description of principal activities; and
 - (c) The description of the group structure.
2. There should be disclosed the names, designations and the eventual shareholdings of promoters, major shareholders, directors, key management of the corporation and key technical personnel pursuant to the distribution.
3. In the case of a corporation the core business of which has significant processes or assets involving high technology, intellectual property, franchises and licences, or with significant research and development activities, there should be provided a summary of the description of the technology used or to be used; description of intellectual property rights, both owned and licensed; and, if licensed, the identity of the licensor and the relationship between the corporation /group and the licensor along with a summary of the salient terms of the licence agreement.
4. If the corporation's or its subsidiaries' audited financial statements for the past 5 financial years have been subjected to any auditor's qualifications, then this shall be disclosed.

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CHAPTER 6

Details of Public Offering

1. The prospectus must set out the critical dates for the public offering, including:
 - (a) Opening and closing dates of the issue and/or offer;
 - (b) Date for allotment of securities (month and year); and
 - (c) Date of listing (month and year).
2. The purpose of the public offering must be clearly explained.
3. The prospectus must contain full details of:
 - (a) The number and type of securities to be issued /offered;
 - (b) Classes of securities and rights attaching to the securities regarding voting, dividends, liquidation and any special rights;
 - (c) The number of securities proposed to be issued/offered to different groups of investors;
 - (d) Where there is or is to be more than one class of securities of the corporation in issue, similar particulars must be given for each class; and
 - (e) If, in conjunction with the public offering, securities of the same or another class are sold or subscribed privately, the nature of such sale or subscription and the number and characteristics of the issue concerned.
4. The prospectus must contain details about the pricing of securities, including:
 - (a) Prices applied to different classes of investors; and
 - (b) Basis for determination of the issue/offer price.
5. The prospectus must contain full details of:
 - (a) The minimum subscription to be raised in order to satisfy the objectives of the public offering;

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- (b) The estimated net cash proceeds from the public offering;
 - (c) How the proceeds raised by the public offering will be used, including:
 - i. acquisition of specified property or other specified assets;
 - ii. other specified capital expenditure;
 - iii. repayment of specified debt;
 - iv. general working capital;
 - v. expenses relating to the public offering; and
 - vi. commissions and brokerage.
 - (d) The time frame for full utilisation of the proceeds; and
 - (e) The financial impact on the corporation/group from the utilisation of the proceeds.
6. The prospectus must contain the expenses relating to the public offering on an aggregate basis, including the aggregate remuneration paid for services of the experts.

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CHAPTER 7

Risk Factors

1. The prospectus must contain information about risks associated with investing in the corporation and the group, and where applicable, any risks associated with the assets to be acquired by means of the public offering. These must include general and specific risks relating to the above and the industry in which the corporation/group operates.
2. Any risks disclosed in the prospectus shall be accompanied by a statement of the effect (quantified if possible) that the risk factors may have on the corporation/group together with a detailed discussion of the ability of the risk factors to affect the business, operating results and financial condition of the corporation/group.
3. Any steps proposed by the corporation to mitigate or manage the risk factors shall be disclosed.
4. The material risks set out below are only a guide to some of the types of risks that may apply to a corporation but the list is not exhaustive:
 - (a) Risks associated with the nature of business of the corporation.
 - (b) Risks associated with any investment activities.
 - (c) Risks associated with any borrowings either domestic or foreign.
 - (d) Risks associated with investing in a new or relatively new venture if the corporation has no operating history or its history is limited.
 - (e) Risks associated with its products/services if the corporation is developing markets for its products/services or acceptance of its products/services is yet to be proven.
 - (f) Risks resulting from lengthy sales cycles or seasonal sales.
 - (g) Risks of dependency on particular suppliers/customers, indirect distribution channels for products, maintaining licence agreements and failure of on-going relationships.
 - (h) Risks associated with any foreign operations which may include currency fluctuations, trade restrictions, sovereignty, political and economic risks.

- (i) Risks associated with dependence on key personnel.
- (j) Risks associated with dependence on protection of intellectual property.
- (k) Risks associated with security and system disruptions.
- (l) Risks associated with assets not covered or adequately covered by insurance.
- (m) Risks of rapid or over expansion of a corporation's business or rapid development of technological change.
- (n) Risks of competition from new entrants.
- (o) Risks associated with dependency on particular products, markets, or geographical locations.
- (p) Risks associated with economic conditions and cycles that are significant or peculiar to the business.
- (q) Risks associated with the control of the corporation by a/some shareholder (s).
- (r) Risks relating to any form of government control or regulation, including government funding, grants or subsidies, tariff protection and environmental regulations, that, when changed, have financial consequences for the corporation.
- (s) Risks associated with any legal uncertainties concerning the corporations business or operations or contractual agreements.
- (t) Risks associated with the technology used or to be used by the corporation.
- (u) Risks relating to financial performance which may include, but not be limited to:
 - (i) covenants under borrowing facility agreements which limit the corporations/groups operating and financial flexibilities;
 - (ii) foreseeable capital commitments; and
 - (iii) indebtedness

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CHAPTER 8

Information about Corporation and Group

The prospectus must disclose at least the following information about the corporation and group:

1. History

- (a) History of the business or enterprise; and
- (b) Authorised, issued and paid-up capital and changes therein since the date of incorporation, including the date of allotment, number of shares allotted, consideration given and cumulative issued and paid-up capital, details of outstanding warrants, options, convertible securities and uncalled capital.

2. Business Overview

where applicable, there shall be a description of and information on:

- (a) Group structure (where applicable), including a list of subsidiary and associated corporations and the percentage interest held;
- (b) If the group structure is complex, a diagrammatic illustration of the group shall be included;
- (c) Principal activities;
- (d) The types of products manufactured or services provided by the corporation;
- (e) The technology used or to be used;
- (f) Any brand names, patents, trade marks, licences, technical assistance agreements, franchises and other intellectual property rights pertaining to the corporation. If any of the intellectual property rights are licensed, to state the identity of the licensor and the relationship between the corporation/group and the licensor, and provide a summary of the salient terms of the licence agreement;
- (g) The corporations estimated market coverage, position and share which are supported by studies and/or reports;
- h) Any significant new or proposed products / services;

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- (i) Principal markets for products and if exported, the percentage and names of countries exported to;
- (j) Types, sources and availability of raw materials/input;
- (k) Quality control procedures or quality management programmes;
- (l) Information on any interruptions in the business which may have had a significant effect on the operations of the corporation/group during the past 12 months;
- (m) Information on key employees, including:
 - (i) total number of employees;
 - (ii) training and development programmes undertaken and on-going;
 - (iii) whether employees are members of any unions and, if so, to name the unions;
- (n) Modes of marketing/distribution/sales;
- (o) Production/operating capacities and output; and
- (p) Location of:
 - (i) principal assets, both tangible and intangible;
 - (ii) production facilities;
 - (iii) principal place of business; and
 - (iv) marketing and distribution network.

3. Subsidiary and Associated Corporations

The information to be disclosed shall include, but not be limited to, the following:-

- (a) Date and country of incorporation;
- (b) Brief History;

- (c) Principal activities and products/services;

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- (d) Major shareholders and percentage effective interest held by the corporation;
- (e) Issued and paid-up capital; and
- (f) Whether a particular subsidiary/associated corporation has any subsidiary or associated corporations.

4. Industry Overview

In relation to the industry/ (ies) in which the corporation/group operates there shall be a disclosure of the following:-

- (a) Description of the industry (ies) and its position within the industry;
- (b) Different segments/sectors;
- (c) Past performance (if applicable);
- (d) Future growth;
- (e) Industry players and competition;
- (f) Relevant laws and regulations governing the industry and peculiarities of the industry;
- (g) Demand/supply conditions;
- (h) Substitute products/services;
- (i) Prospects and outlook of the industry; and
- (j) Industry's reliance on and vulnerability to imports.

5. Major Customers and Major Suppliers

The prospectus shall contain descriptions of major customers and suppliers.

6. Future Plans, Strategies and Prospects

The prospectus shall contain the following: -

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- (a) Description of the business development plans (if any) and future plans of the corporation/group as well as steps taken (including time frame) to realise those plans;
- (b) Strategies to be adopted to ensure growth; and prospects of the corporation/group in the light of the industry prospects /outlook /conditions, future plans/strategies and competition.

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CHAPTER 9

Information on Shareholders / Directors / Key Management

1. The prospectus must disclose at least the following information about its major shareholders and promoters:
 - (a) Name, designation and background;
 - (b) Nationality or country of incorporation;
 - (c) Shareholding in the corporation, and to state the ultimate beneficial ownership of any shares held under nominee/corporation or trustee arrangements;
 - (d) In the case of a corporation, its principal activity, directors, major shareholders and their shareholdings in the corporation; and
 - (e) Directorships and major shareholdings in all other public corporations for the past 2 years.
2. The prospectus should disclose the knowledge/experience of the promoters in the business being promoted.
3. The prospectus must provide description of the significant changes of the major shareholders/promoters of the corporation with regard to their direct or indirect shareholdings for the past 3 years.
4. The prospectus must provide information on the directors and chief executive officer, as follows:
 - (a) Name, occupation and qualification;
 - (b) Profile including business and management experience;
 - (c) Designation/Functions;
 - (d) Representation of corporate shareholder where applicable);
 - (e) Shareholding (both direct and indirect) in the corporation; and

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- (f) Directorships and major shareholdings in all other public corporations for the past 5 years.
- 5. There shall be disclosed the aggregate remuneration and benefits of directors and chief executive officer of the corporation for services in all capacities to the group within specific bands or ranges for the last financial year.
- 6. There shall be disclosed details on the members of the Audit Committee as follows:-
 - (a) Names;
 - (b) Designation; and
 - (c) Directorship.
- 7. In relation to the corporations key management and, where applicable, its key technical personnel, the following details shall be provided:
 - (a) Name and qualification;
 - (b) Profile including business and management or technical experience;
 - (c) Designation/Functions; and
 - (d) Shareholding (both direct and indirect) in the corporation
- 8. Extracts of the constituent documents of the corporation relating to the following should be provided: -
 - (a) Transfer of securities;
 - (b) Remuneration of directors;
 - (c) Voting and borrowing powers of directors, including voting powers in relation to proposals, arrangements or contracts in which they are interested; and
 - (d) Changes in capital and variation of class rights

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9. The prospectus must provide a statement as to whether or not any director or key management personnel and, where applicable, its key technical personnel, is or has been involved in any of the following events (whether in or outside Guyana):-
 - (a) A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or
 - (b) Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - (c) Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory authority temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
10. The prospectus must disclose details of any relationships or associations between the major shareholders, promoters, directors, key management or key technical personnel. This should include information on directors' and substantial shareholders' direct and indirect shareholdings in the corporation before and after the public offering.
11. Salient details of any existing or proposed service agreements between the corporation /group and its directors and key management or key technical personnel shall be set out.
12. Details of amounts or benefits paid or intended to be paid or given to any promoter within the two years prior to the date of the prospectus shall be disclosed.

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CHAPTER 10

Related-Party Transactions/Conflicts of Interest

1. The prospectus must disclose existing and potential related-party transactions and conflicts of interest in relation to the corporation and its related-parties, together with steps taken to resolve such conflicts of interest. Related-party transactions which may or may not result in conflicts of interest are transactions entered into by the corporation or its subsidiaries which involve the interest, direct or indirect, of a related party. Such disclosure is also required if the corporation enters into any transactions with its key management or key technical personnel.
2. The corporation must disclose the nature and extent of the related-party transactions and conflict-of-interest situations in the prospectus. Any approvals received from non-interested shareholders must be stated.
3. Declaration of any experts existing and potential interests/conflicts of interest in an advisory capacity (if any) vis-s the corporation/group. Experts means advisers, firms of public accountants, law firms, valuers, engineers and such other parties which provide advice to the corporation /group.
4. In addition, the prospectus must comply with the requirements of the Securities Industry Act 1998 and Securities Industry Regulations 2002 that deals with Conflicts of Interest.

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Other Information concerning the Corporation/Group

1. Approvals, major licences and permits obtained, conditions attaching (if any) and status of compliance.
2. Information on land and buildings owned by the corporation/group as follows:-
 - (a) Approximate age of building;
 - (b) Tenure/date of expiry of lease; and
 - (c) Description/existing use.
 - (d) Details of last valuation

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CHAPTER 12

Financial Information

I. Historical Financial Information

- (1) A prospectus shall contain;
 - (a) An **Income Statement** of the issuer for:
 - (i) Each of its past 5 financial years or such other period as the Concil may determine;
 - (ii) Any part of a subsequent financial year to the date at which the balance sheet required at paragraph (d) below is made up;
 - (b) A **Statement Of Surplus** of the issuer for each financial year and the part of a financial year referred to at (a) above;
 - (c) Subject to paragraph (3) below, A **Statement Of Changes In The Financial Position** of the issuer for each financial year and part of a financial year covered by the income statement referred to at (a) above;
 - (d) A **Balance Sheet** of the issuer –
 - (i) As at a date not more than one hundred and twenty days before a receipt is issued for the prospectus by the GSC;
 - (ii) Subject to paragraph (2) below, as at the corresponding date of the previous financial year.
- (2) Where the balance sheet required by paragraph (1)(d)(i) is at a date other than a financial year end, the balance sheet required by paragraph (1)(d)(ii) may be omitted if the prospectus contains a balance sheet as at-
 - (i) The most recent financial year end; and
 - (ii) The most recent financial year end the immediately preceding the most recent year end.
- (3) Every prospectus of an issuer engaged primarily in the business of investing shall include a statement of changes in net assets instead of the statement of changes in financial

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CHAPTER 12

Financial Information

I. Historical Financial Information

(1) A prospectus shall contain;

(a) An **Income Statement** of the issuer for:

- (i) Each of its past 5 financial years or such other period as the Council may determine;
- (ii) Any part of a subsequent financial year to the date at which the balance sheet required at paragraph (d) below is made up;

(b) A **Statement Of Surplus** of the issuer for each financial year and the part of a financial year referred to at (a) above;

(c) Subject to paragraph (3) below, A **Statement Of Changes In The Financial Position** of the issuer for each financial year and part of a financial year covered by the income statement referred to at (a) above;

(d) A **Balance Sheet** of the issuer –

- (i) As at a date not more than one hundred and twenty days before a receipt is issued for the prospectus by the GSC;
- (ii) Subject to paragraph (2) below, as at the corresponding date of the previous financial year.

(2) Where the balance sheet required by paragraph (1)(d)(i) is at a date other than a financial year end, the balance sheet required by paragraph (1)(d)(ii) may be omitted if the prospectus contains a balance sheet as at-

- (i) The most recent financial year end; and
- (ii) The most recent financial year end the immediately preceding the most recent year end.

(3) Every prospectus of an issuer engaged primarily in the business of investing shall include a statement of changes in net assets instead of the statement of changes in financial

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position as required by paragraph (1)(c) above.

- (4) Where the securities to which a prospectus relates are debt securities and the payment of principal or interest is guaranteed, the prospectus shall contain the financial statements required by paragraph (1) above with respect to the guarantor.
- (5) Where the financial statements required by paragraph (1) above relate to part of a financial year, the prospectus shall contain an income statement, a statement of surplus and a statement of changes in financial position for the comparable period in the preceding financial year.

II. Pro forma Consolidated Balance Sheet and Reporting Accountants/ Auditors Letter

- (1) A proforma consolidated balance sheet at the last date to which the accounts are made up (where applicable), adjusted for the following:
 - (a) Any restructurings or acquisitions connected with the proposed public offering; and
 - (b) Proceeds of the proposed public offering exercise and proposed utilisation of funds. The prospectus shall also set out the details of such adjustments. Such a pro forma will assist investors or analysts in determining the financial effects of the restructuring and the notional financial position of the corporation they are being invited to invest in.
- (2) The pro forma must also include information on the following: -
 - (a) Current net tangible asset (NTA) per share; and
 - (b) Pro forma NTA per share.
- (3) The pro forma consolidated balance sheet must be accompanied by a Reporting Accountants/Auditors Letter reporting on the manner on which the statements are compiled.

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CHAPTER 13

Accountant's Report

- (1) Where the prospectus contains a forecast, that forecast must be reviewed and reported on by an accountant who is qualified to conduct such a review.
- (2) The report must state that it has been prepared by an accountant who is a member, in good standing, of the Institute of Chartered Accountants of Guyana.
- (3) The report must be signed and dated. There shall also be a statement as to whether the report was prepared for incorporation in the prospectus.
- (4) In making the accountants report, the reporting accountant shall, by way of note, state any adjustments in respect of any items in the income statement or balance sheet which have been dealt with in the report.
- (5) The report must state the following:
 - (a) The basis of accounting policies adopted in preparation of the report;
 - (b) That the report has been prepared in accordance with ICAG/IAS standards. There should also be adequate disclosure on any changes in the accounting policy adopted and the reasons for such changes; Purchase of any Business.
- (6) If the proceeds, or any part of the proceeds, of the issue of the securities are to be utilised directly or indirectly for the purchase of any business, the report must deal with-
 - (a) The income statement of the business, in respect of each of the 5 financial years immediately preceding the last date to which the accounts of the business were made up; and
 - (b) The balance sheet of the business for each of the past 5 financial years immediately preceding the last date to which the accounts of the business were made up. Such date shall not, in any case, be more than 6 months prior to the issue of prospectus.

Acquisition of another Corporation

- (7) If –
 - (a) The proceeds, or any part of the proceeds, of the public offering of the securities are

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to be applied directly or indirectly in any manner resulting in the acquisition by the issuer of securities of any other corporation; and

- (b) Due to that acquisition, or anything to be done in consequence or in connection with it, that corporation will become a subsidiary of the issuer.
- (8) For the purposes of the above paragraph, the report shall indicate how the income statement of that other corporation and, where applicable, the consolidated income statement of that other corporation and its subsidiaries dealt with by the report would, in respect of the securities to be acquired, have concerned members of the issuer and what allowance would have to be made, in relation to balance sheet and consolidated balance sheet so dealt with, for holders of other securities, if the issuer had at all material times held the securities to be acquired.

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CHAPTER 14

Valuation Certificate

I General

- (1) This chapter applies to valuations for inclusion in the prospectus.
- (2) All valuations are required to be carried out by independent registered valuers who must ensure compliance with relevant and applicable valuation standards.
- (3) Valuations shall be set out in the form of Valuation Certificates with reference made to the relevant valuation reports which must be made available for inspection.
- (4) The Valuation Certificate shall be dated and must contain clear, accurate and adequate information to enable investors and their investment advisers to make an informed investment decision.
- (5) A Property Schedule shall be appended if valuations involve a number of properties.
- (6) The following additional information must be disclosed, where relevant:
 - (i) Opinions on legal issues affecting the valuation;
 - (ii) Material contravention of statutory requirements which may include breaches of land use conditions, violation of building by-laws for buildings and/or extensions built etc.;
 - (iii) Relevant details of the following documents which have been duly verified:
 - Title deeds / Transport / Leases/ Certificate of title;
 - Land/building leases;
 - Approval letters for conversion of land use;
 - Planning/layout consents including any material or onerous conditions attached to such consents;
 - Agreements such as joint venture, privatization, etc.

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CHAPTER 15

Directors' Report

The prospectus must contain a report by the directors of the corporation stating whether, after due enquiry by them in relation to the interval between the date to which the last audited accounts of the corporation/group have been made up and the date of filing the prospectus:

- (a) the business of the corporation and its subsidiary corporations/group has, in their opinion, been satisfactorily maintained;
- (b) there have, in their opinion, arisen, since the last audited accounts of the corporation/group, any circumstances which have adversely affected the trading or the value of the assets of the corporation or any of its subsidiary corporations/within the group;
- (c) the current assets of the corporation and its subsidiary corporations appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are any contingent liabilities by reason of any guarantees or indemnities given by the corporation or any of its subsidiary corporations;
- (e) there have been, since the last audited accounts of the corporation/group, any changes in the published reserves or any unusual factors affecting the profits of the corporation and its subsidiary corporations/group.

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CHAPTER 16

Additional Information

As a minimum, the prospectus must contain the following additional information:

- (1) In relation to any capital of the corporation or any of its subsidiary corporations which is under option, or agreed conditionally or unconditionally to be put under option, the following shall be disclosed: -
 - (a) The number, description and amount of the securities concerned;
 - (b) The period during which the option is exercisable;
 - (c) The exercise price;
 - (d) The consideration given or to be given for the option; and
 - (e) The names of the grantees, provided that, where options have been granted or agreed to be granted to all shareholders or holders of debt securities or to any class thereof or to directors and employees under a share option scheme, it shall be sufficient, so far as the names are concerned, to record that fact without giving the names of the grantees.
- (2) Information and details of amounts or benefits paid or intended to be paid or given to any promoter within the 2 years prior to the date of the prospectus.
- (3) Full particulars of any contract or arrangement subsisting at the date of the prospectus in which any director or major shareholder of the corporation is interested and which is significant in relation to the business of the corporation or the group taken as a whole.
- (4) A statement as to whether either of the following has occurred during the last financial year and the current financial year:-
 - (a) Public take-over offers by third parties in respect of the corporations securities; and
 - (b) Public take-over offers by the corporation in respect of other corporations securities.
- (5) If the foregoing statement is in the affirmative, state the price of the offer and the outcome

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thereof.

- (6) Where the securities are offered by way of rights or allotted to the holders of an existing listed security, the pro-rata entitlement, the last date on which transfers were or will be accepted for registration for participation in the public offering must be disclosed. A statement of the treatment of any fractions, whether the documents of title are renounceable and whether approval has been obtained from the shareholders of the existing listed corporation.
- (7) There shall be disclosed the amount of any outstanding convertible debt securities of the corporation and its subsidiaries and the conditions governing and the procedures for conversion, exchange or subscription of such securities.
- (8) Particulars of any capital (of the corporation or any of its subsidiaries) which has, within the period of 2 years immediately preceding the publication of the prospectus, been issued or is proposed to be fully or partly paid-up for a non-cash consideration. Provide a description of the consideration for which the same has been or is to be issued.
- (9) Particulars of any capital (of the corporation or any of its subsidiaries), which has, within the period of 2 years immediately preceding the publication of the prospectus, been issued or is proposed to be issued for cash. Disclose the price and terms upon which the capital has been or is to be issued and, if not already fully paid, the dates when any instalments are payable with the amount of all calls or instalments in arrears.
- (10) There shall be provided indication of the persons, so far as known to the corporation, who, directly or indirectly, jointly or severally, exercise control over the corporation and particulars of the proportion of the voting capital held. Joint control means control exercised by 2 or more persons who have concluded an agreement which may lead to their adopting a common policy in respect of the corporation.
- (11) In the case of share ownership schemes for participation by employees, details of the scheme should be provided.
- (12) If the prospectus or cover contains photographs or illustrations of properties or assets which do not belong to the corporation, the photographs or illustrations shall be accompanied by a statement to the effect that the properties or assets depicted do not belong to the corporation.

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CHAPTER 17

Application for Securities

- (1) The prospectus shall contain instructions about how to apply for the securities pursuant to the prospectus and how to complete applications.
- (2) The addresses where completed applications shall be sent should be set out in the prospectus, as well as statements as to whom payment shall be made.
- (3) The prospectus shall disclose the minimum number of securities that can be applied for and the multiples of additional securities for which investors may apply.
- (4) The prospectus must state whether directors reserve the right to extend the closing date.
- (5) The application form must be identifiable with the prospectus to which it relates and warn investors against signing the form without having read and understood the prospectus. Accordingly, the application form must contain the following statements:-
 - (a) the name of the corporation and registration number (if any);
 - (b) the date of the prospectus to which it relates;
 - (c) the expiry date of the prospectus;
 - (d) words to the effect that the application form must not be circulated unless notification is included as to where a copy of the prospectus may be obtained; and
 - (e) words to the effect that investors shall have read the prospectus before completing the application form.
- (6) Since investors will forward the application to the issuer/placement agent(s), it is important that they retain all information contained in the body of the prospectus for future reference. In respect of an application form, the form and reverse side shall not contain any investment information that is not also contained in the body of the prospectus.
- (7) If the prospectus offers securities which have been specified by the stock exchange to be prescribed securities, the prospectus must state that the securities are so prescribed and that applicants are required to have securities accounts when making their applications.

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CHAPTER 18

Documents to be made available for inspection

The documents to be made available for inspection must be clearly identified and should include:

- (a) All legal documents in relation to the issue.
- (b) Where applicable, all material contracts.
- (c) Such other documents as the GSC may require.