



In a World First, MERJ Lists Tokenized Shares on a National Exchange

MERJ delivers key new regulated infrastructure for digital securities

Seychelles, Aug. 7, 2019 – MERJ announces the first-ever official listing of a tokenized security on a fully compliant and regulated national stock exchange. The move comes just six weeks after the Seychelles-based exchange announced its plans at the Bloomberg Emerging and Frontier Forum in London. The move to combine traditional financial markets with distributed ledger technology (DLT) signals the dawn of a new era for regulated digital assets.

MERJ will follow its listing, completed today, by offering 16% of the tokenized shares in a public offering later this year and is in discussion with several companies planning to list their tokenized shares on its exchange. The listing brings tokenized securities under the umbrella of an internationally compliant, regulated bourse for the first time. It enables MERJ — which is licensed by the Seychelles Financial Services Authority as a securities exchange, clearing agency, and securities facility — to provide end-to-end infrastructure that is compliant with the highest global standards of investor protection.

MERJ plans to use blockchain technology to streamline every process that takes place in securities markets — from issuance to shareholder registers, to compliance, distribution and voting — ultimately reducing costs for investors and issuers. The technology creates an access point to the capital markets, which is particularly suited to the “mobile first” ecosystems in many emerging markets.

“MERJ has fully leveraged its end-to-end ecosystem to deliver the world’s first publicly listed securities token,” said Edmond Tuohy, CEO of MERJ Exchange. “We are combining the best of the old world and the new to provide a key piece of missing infrastructure for the growth of digital assets.”

MERJ is using the Ethereum blockchain to record the share register ownership. The exchange chose Ethereum because at this stage it is the best supported protocol for these purposes.

The Seychelles exchange developed as a result of the IMF and the World Bank working with the islands’ government to develop a financial services sector, in coordination with international agencies like the OECD and FATF, ensuring compliance with the highest international standards.

The FSA Seychelles is an associate member of IOSCO and MERJ is an affiliate member of the World Federation of Exchanges. MERJ’s regulated infrastructure combines an exchange, clearing house and central securities depository. This structure is a key advantage in delivering on the many benefits of tokenization.

“Whether they’re issuing tokenized or traditional shares, companies are not going to want to go to a jurisdiction that doesn’t meet high international standards because it will attract greater scrutiny from global regulators,” said CEO Tuohy. “There is no regulatory arbitrage; people want clarity and simplicity, not added complexity. We’ve spent three years working with our regulators to build a robust and compliant framework for issuers wanting to leverage the benefits of distributed ledger technology within a publicly listed environment. Our listing today and the interest from other corporate issuers demonstrates the validity of what we have built.”

Listings on MERJ represent more than one-fifth of the national GDP of the Republic of Seychelles, a key metric in evaluating the maturity of a market economy. The exchange has worked since 2013 to build a solid foundation for international issuers and investors and now includes listings from across North America, Europe, Asia, Australia and Africa.

For photos, please [click here](#). Please credit as requested in the file name.

About

About MERJ

MERJ EXCHANGE Limited, formerly Trop-X Limited, was incorporated in the Republic of Seychelles in 2011. The exchange went live in 2013 and upgraded from a correspondent member to an affiliate member of the World Federation of Exchanges in 2016. As an end-to-end Regulated Market, MERJ has established and administers rules for the listing, trading, clearing, and settlement of securities.

www.merj.exchange

About Seychelles

The Seychelles is a fully independent commonwealth country, an associate member of The International Organisation of Securities Commissions (IOSCO) in good standing with international agencies the OECD and Financial Action Task Force (FATF). In June 2019 Seychelles sovereign debt was upgraded to BB by ratings agency Fitch, underscoring the strong economic trajectory.

About Ed Tuohy

Ed previously established Macquarie's Equity Derivatives and Structured Finance business in South Africa and was a co-founder of Velocity Trade South Africa. Through successive roles, he has developed in depth expertise in regulation, markets, risk, operations and the implementation of IT infrastructure. Ed is a chartered accountant by training since qualifying with KPMG in 1999.

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