

A service to create securities

Easily raise funds and sell
investment products in many
markets world-wide with our tools



When we launched this service in 2020, there were 206 sovereign countries in the world. That's **206 potential target markets** for your investment products.

Add to this the **crypto investors** and the **offshore wealth** which both do not really belong to any specific jurisdiction. Makes **208 markets in total**.

The investment world is very fragmented – due to protective national regulations, lack of common investment infrastructure and other factors. Our mission is to help you **reach out to as many distribution markets as possible**. We do it faster, cheaper and easier than anyone we currently know in the global market.

This service is powered by **John Tiner & Partners**, a Swiss-headquartered global firm with a 29+ years' history of excellence in serving the global investment community. The firm relies on its global network to make this service work. The backbone of our practice is catering to the private wealth and capital markets businesses. We operate **securitization services platforms** facilitating the launch of investment instruments. We started 208markets to make this service more accessible and open.

The brain and force behind 208Markets is a Swiss firm, **John Tiner & Partners** (est. 1995) with its global professional network. We create securities and other financial instruments for banks, asset managers and businesses raising capital world-wide. We know how to optimize them for distribution in your target markets. We operate a securitization services platform which allows to launch issues of hundreds of types of securities and other investment products with record speed.

<https://tiner.ch> | <https://208markets.com>

- Eurobonds
- Credit Linked Notes
- Asset-Backed Notes
- Actively Managed Certificates
- Islamic Investment Certificates (Sukuk)
- Structured Products (Notes)
- Depositary Receipts / Notes
- FX Contracts
- Option Products
- Commodity-Linked Products

We issue securities in the following jurisdictions:

- EU Financial Centers
- UK
- Switzerland
- Hong Kong
- Offshore Financial Centers
- Kyrgyz Republic

Asset managers (regulated)

Asset managers can greatly extend their client base by packaging their strategies into easily investable securities.

Our two most popular solutions for this are Swiss-issued Actively Managed Certificates or Portfolio-linked Notes (Swiss ISIN; Euroclear + Clearstream + SIX-SIS) and Islamic Investment Certificates (Sukuk al Wakala bei Al-Istithmar) for funds managed in a Shariah-compliant way which can be marketed to private investors and institutions observing investment restrictions based on Islamic finance principles.

Asset managers (unregulated)

If you are not a licensed asset manager but have a trading strategy and want to raise funds to manage, we can help.

Issuance of actively managed certificates (AMC) or portfolio-linked notes (performance-linked notes / bonds) is the solution. Issued under the jurisdiction of Switzerland (ISIN: CH), they are not considered “collective investment schemes” by the Swiss regulator, FINMA, and thus do not require a licensed asset manager. (Their tax treatment, though, is confirmed by the Swiss authorities to be similar to collective investment schemes and is thus favorable for investors).

‘I have a trading strategy...’

Raising funds from private investors for your investment strategy is easier done through globally cleared securities. Investors can then contribute funds to your trading activity by simply ‘buying an ISIN’ through their regular broker or bank. We can get such securities into global clearing systems for ease of trading.

Will it be considered a ‘collective investment scheme’ and thus subject to harsh regulation, and do you necessarily have to be a licensed asset manager? The answer is ‘not necessarily so’ to both questions. Securities issuance practice has developed solutions to avoid these complications.

‘We have access to pre-IPO equity and wish to sell this opportunity to investors’

Whether in the US or elsewhere, unlisted equity of fast-growing companies raising round after round of venture investment is a highly sought after asset for professional investors.

Once you secure an allocation, we can issue securities (typically, Swiss ISIN + Euroclear/Clearstream) backed by the equity participation in the startup company.

Such securities typically reward the organizer of the opportunity with an entry fee (load) charged upfront for the opportunity access and a percentage of the price appreciation (carry). The organizer need not be a regulated investment firm.

'I raise funds for a real estate development project'

The **usual way** to receive funds is under an investment agreement negotiated with each investor.

Drawbacks:

- An agreement to be negotiated with each investor; execution formalities
- A payment method and route to be agreed with each investor
- Accounting for multiple investors
- Many funds and portfolios cannot invest; prefer an ISIN.

The **optimal way**: we create securities to raise funds for the project.

Benefits:

- Standard terms for all investors (fixed in the Issue Terms)
- No need to have an agreement negotiated to invest, just buying the security by ISIN
- Investors hold the investment via their bank or broker, securities appear on the account statement
- The Developer has a **single counterparty** – the SPV company which issues the securities
- Remuneration of intermediaries is not a problem.

Raising debt or hybrid debt

Issuance of plain vanilla bonds (Eurobonds) is easy, and we are happy to help. We also structure more nuanced deals involving provision of debt financing with some of the income linked to the income of the company/asset. Other example of bespoke bonds/notes is when they are convertible into the company's stock or another asset.

In any event, we issue such securities in a format which allows their easy admission into global clearing systems (Euroclear, Clearstream, SIX-SIS) and may arrange an exchange listing for them for ease of access (or just prestige/visibility).

Raising funds in crypto in a compliant way

When raising funds in crypto, a great deal of legal effort is spent on proving that the token being offered to investors is a 'utility' rather than a 'security' token. Truth is, such tokens are very rarely pure utility instruments.

Our approach for non-utility tokens is – why don't we call them securities from the start, and get them **legally issued as securities**? You would be surprised at how easy and inexpensive this is if the right configuration and jurisdiction is chosen.

Structuring a private placement in a compliant way is easy, as those are exempt from prospectus approval requirements in many jurisdictions.

Raising fiat investment for a crypto business / portfolio / strategy

When exciting opportunities open in the crypto sphere it is not only the crypto investors that want to participate. Family offices, wealthy individuals, even institutions may wish to buy in. However, they prefer investing through ordinary securities, not through blockchain wallets.

We create securities to wrap up crypto assets, engage reliable crypto custodians for peace of mind and get the securities into Euroclear / Clearstream / SIX-SIS or other depository system where they are easily investable and tradable. We can even secure an exchange listing for such securities. Our typical issue country for such products is Switzerland but we also do it in other places, depending on the target distribution market.

Opening up investments in closed markets to global investors

In many countries issuance of local securities is a difficult task. And in many countries local depositories are not linked to global depository & clearing systems (such as Euroclear and Clearstream), so even if local securities are issued, there is no easy way for international investors to access them. Exchange controls also play a part.

Depending on whether you are raising equity, debt or seek combined financing (e.g., convertible debt), we will set up an SPV in a jurisdiction well connected to global financial markets and will issue globally accessible securities (Euroclear / Clearstream) which will be linked to, and backed by, the investment in your country. The capital raised by the issue will be invested in your business / asset. Normally, there should be no, or few exchange control restrictions on the repatriation of profits to pay ultimate investors under such scheme.

‘We want to raise funds from crypto investors for a non-crypto project’

One obvious solution is to co-operate with a crypto broker and have the investor open two accounts at once – one with the crypto broker to sell crypto and the other with the ordinary broker to buy the securities (that we will help issue).

Some crypto investors may be reluctant to have accounts with institutions, and to accommodate their investing profile securities may be issued as security tokens, being originally on a blockchain and not requiring the investor to deal with crypto/fiat conversion personally.

We know how to issue securities in the form of blockchain-transferable tokens that legally are securities (with an ISIN) subject to securities laws. Private placement of such securities is usually subject to less regulation and oversight than a public issue, but even public issues are possible without a need to involve the regulator in certain jurisdictions.

It is important to say that as a legal services platform we are completely software-neutral and can tether our issuance service to any blockchain and software solution.

Making local securities globally investable

If you already have securities issued under the jurisdiction having no access to global clearing (Euroclear/ Clearstream), you may want to make them globally investable. We can do it. To do that we will need to issue 'wrapping' securities in the format which allows admission into Euroclear/Clearstream.

For example, you have a private investment fund in Cyprus, and its shares cannot be admitted to global clearing. As a solution, we can issue asset-backed notes under Swiss jurisdiction (ISIN: CH) which will be backed by the fund's shares 1:1. Those securities will be admitted to SIX-SIS, Euroclear and Clearstream. There will be no additional tax consequences for investors holding asset-backed notes in comparison to investors investing into the Cyprus fund directly. The Swiss Paying Agent will handle the custody of Cypriot fund's shares and the payment flows under the securities.

Another solution is to issue depositary receipts or depositary notes on the underlying security and get those receipts / notes into the global clearing networks.

‘We want to raise investment from Islamic funds and private investors’

The Islamic investment market is huge. Out of up to 2 billion Muslims in the World a certain part welcomes investment in a Shariah-compliant way, if provided the opportunity. Many wealthy families in the Gulf and other regions would only invest into Shariah-compliant products. Same for Islamic-only financial institutions.

We structure and help launch investment products (securities and financial contracts) that are Shariah-compliant. We provide a Shariah Council to issue compliance opinions and to be available for consultation during the life of the financial product.

Instruments for:

Raising capital

Raising dept

Attracting assets
under management

Accessing foreign
investment markets

Structuring control over
an existing investment (asset)

Intra-group financial
arrangements

Collective investment arrangements

- Investment funds (regulated)
- Investment funds (unregulated, e.g., for sophisticated / qualified investors)
- Actively managed certificates, actively managed trackers (not regulated as collective investment schemes and thus allowing for lower cost and higher flexibility)
- Portfolio linked notes / bonds, strategy notes (similar to actively managed certificates)
- Exchange Traded Notes (ETNs) or Exchange Traded Products (ETPs)
- Investment Agency Islamic Certificates (Sukuk Al Wakala Bei Al Istithmar) (= actively managed certificates, Shariah-compliant)

Packaging exciting investment opportunities for distribution

- Asset-backed notes (good for packaging pre-IPO, anticipated IPO, venture, special situations (distressed assets) etc.)
- Actively managed certificates, portfolio linked notes / bonds, performance linked notes / bonds (good for packaging managed portfolios and active market strategies)
- Loan participation notes, Recovery notes (if the funding is raised to buy out a bad debt for potential recovery)

Raising equity capital globally

- In some countries we may help with local share (stock) issuance, but this is jurisdiction-specific. For global capital raise we will create a holding company in a good holding company jurisdiction and arrange for its stock issuance
- Equity-linked notes (legally, debt instruments, but fully linked to, and backed by, equity)
- Depositary receipts, depositary notes: global and market-specific
- Equity-linked security tokens, to raise funds from crypto investors

Raising debt financing globally

- ‘Eurobonds’ in the form of plain vanilla bonds, notes, loan participation notes (LPN)
- Credit-linked notes (CLN) to package debt portfolios into a single security
- Mortgage-backed securities (market-specific)
- Convertible notes (venture financing etc.)

Raising finance from Shariah-compliant investors

- Shariah-compliant investment funds
- Shariah-compliant actively managed certificates, portfolio linked notes, performance linked notes etc. to package managed strategies / portfolios
- Sukuk al Mudarabah (Business Partnership Islamic Certificate), good for financing assets and active businesses
- Sukuk al Ijarah (Lease Financing Islamic Certificate), good for financing assets generating a rental / leasing income
- Sukuk al-Istisna (Asset Financing Islamic Certificate), good for financing the creation or acquisition of an asset with subsequent lease-back to the originator of the issue
- Sukuk al Wakala bei al Istithmar (Islamic Investment Agency Certificate), a collective investment management tool, similar to an investment fund but easier to set up and administer
- Shariah-compliant money market instruments (various types, depending on the distribution market)
- Shariah-compliant derivative products (various types, legal structure is distribution market-specific)

Packaging investment bets on market movement

- Structured products (structured notes, certificates) of all types
- Themed actively managed certificates
- Derivative products (exchange-listed and OTC)

Multiple securities (feeder instruments) to finance a single investment

A single security may not necessarily be optimal to raise finance from different markets. In such cases a combination of instruments feeding capital into the same asset or managed pool is used. For example, a mining company in Country X may offer local securities to local investors and organize a capital raise for global investors through securities admitted to Euroclear/Clearstream. Another example is when investment is raised through ordinary securities, but a separate instrument is created to raise funds for the same underlying portfolio / business / asset / strategy from crypto investors by offering them regulated security tokens linked to the same Underlying.

Crypto related instruments

We arrange issues of ordinary regulated securities enabling raising of 'fiat' funds to be invested in the crypto sphere (single crypto assets / crypto asset portfolios / actively managed strategies in crypto / DeFi yield schemes etc.) Such securities can take the form of debt instruments (bonds / notes) with a variable coupon, fully principal-guaranteed or not. Alternatively, we use the form of actively managed certificates. Those can be either Euroclear / Clearstream admitted (with an option for being listed on a EU stock exchange) or subject to other depository / clearing arrangements.

We create and enable easy trading arrangements (e.g., exchange listing) for regulated derivative instruments where the underlying asset is a crypto asset.

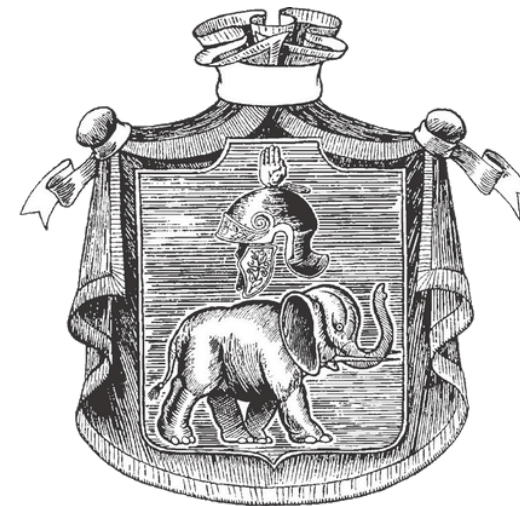
If the initiator of the issue wishes to raise funds in crypto to be invested into real-world assets or businesses, we arrange the issuance of regulated security tokens where the underlying asset is the RWA.

Alternatively, we may issue ordinary securities linked to the RWA but enable their purchase with crypto (via a licensed crypto broker and a securities broker).

- Issuing securities and financial instruments on a turnkey basis. Creation of securities, ISIN / CFI / LEI / GIIN, brokers, exchange listing
- Making available a regulated financial infrastructure to effect settlements

Please contact your relationship manager with any **specific** inquiries

Info @ 208markets . com



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