

**MARKET COMMENTS  
PROPOSED PRIVATE PLACEMENT RULES**

| <b>COMMENTS</b>  | <b>ECSRC RESPONSES</b>  |
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| 1. The Rule was found to be restrictive on the frequency of private placement by Issuer  | <ul style="list-style-type: none"> <li>a. This concern is valid.</li> <li>b. Rule has not been finalized.</li> </ul>  |
| 2. The Rule was found to be restrictive in the number of investors   | <ul style="list-style-type: none"> <li>a. Need for further discussion with market players on this matter, as it relates to the limit on number of investors.</li> <li>b. Nevertheless, there should be a limit to the number of investors, or the private nature of the placement is nullified.</li> <li>c. Rule has not been finalized.</li> </ul> |
| 3. The provision that governs signed declaration by investors was found to be impracticable  | <ul style="list-style-type: none"> <li>a. A simple form can be appended to the subscription documents.</li> <li>b. Rule has not been finalized.</li> </ul>  |
| 4. The Rule was found to be restrictive on Eligible Investors  | <ul style="list-style-type: none"> <li>a. Some eligibility criterion must exist or the private nature of the issue will be nullified.</li> <li>b. However, the thresholds may need to be revised.</li> <li>c. Rule has not been finalized.</li> </ul>   |
| 5. The Rule was found to be restrictive on transfer of Securities  | <ul style="list-style-type: none"> <li>a. The restrictions on transfer should remain.</li> <li>b. Rule has not been finalized.</li> </ul>   |
| 6. The Commission should consider a provision for issuers to make private placements with registration/listing rights and giving the issuer a specified period of time during which the securities can be registered publicly. | <ul style="list-style-type: none"> <li>a. This suggestion is unacceptable. A security cannot be allowed to enter the public domain with the minimal level of scrutiny that is afforded to private placements.</li> <li>b. Rule has not been finalized.</li> </ul>   |

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| <p>7. The Rule should be clarified to explain what is meant by “invitation,” as Rule 2.0 (ii) provides that the issue must be made only to select investors by invitation. Rule has not been finalized.</p> | <p>a. Rule has not been finalized.</p> |
| <p>8. Proposed provisions in Rules 4.0 and 4.1 on registered private placements do not contain requirements that should present difficulties for issuers that intend to conduct private placements.</p>     | <p>a. Rule has not been finalized.</p> |
| <p>9. The Rule was found to be restrictive, as it relates to clause 2.0 (i) that a company should be registered or incorporated in a member territory of the Eastern Caribbean Securities Market.</p>       | <p>a. Rule has not been finalized.</p> |
| <p>10. Under Rule 3.2, the 60 day requirement seems unduly long.</p>  | <p>a. Rule has not been finalized.</p> |
| <p>11. Pursuant to Rule 4 (iii), at the time of the application for registration is submitted, the full list of potential investors may not be known.</p>   | <p>a. Rule has not been finalized.</p> |