



# Asian Capital Markets Cross-Border Listing Support Services







## KPMG offers tailor-made services and support to companies that are considering cross-border listings.

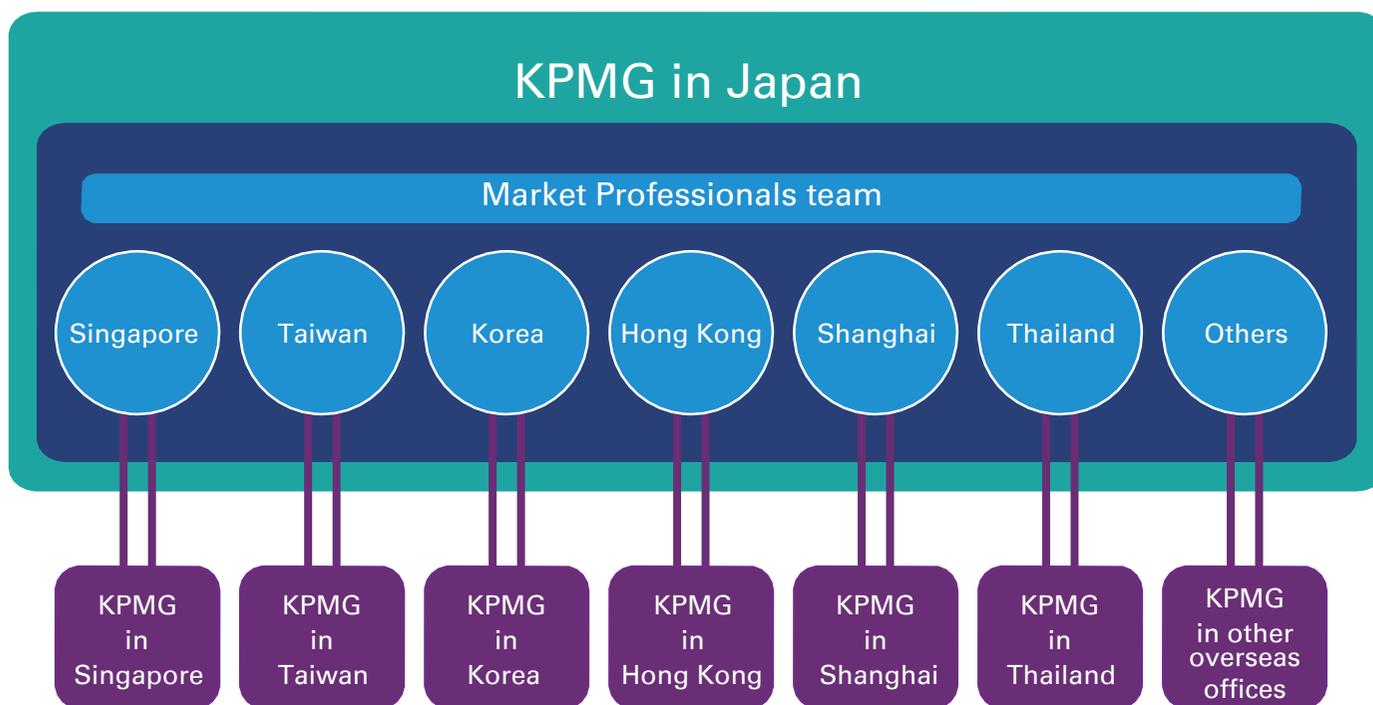
The rapid growth of the consumer markets and stock markets in Asian countries has given Japanese companies the drive to develop their global strategies. For Japanese companies that have already expanded their businesses or are considering future businesses in Asian markets, cross-border listing on Asian stock markets is seen as a strategy with a variety of potential benefits. Cross-border listings allow companies to gain access to local capital, expand their investor base, enhance credibility and brand recognition and enable the companies to attract and retain talented human resource.

In addition, many foreign companies are considering to expand their businesses in Japan as Japanese market is one of the important markets in Asia especially because the Japanese economy has shown signs of recovery in recent years. Listing on Tokyo Stock Exchange is an option for foreign companies to raise funds in Japan and to enhance the relationship with business partners in Japan.

However, in practice, due to the lack of expertise and resources, cross-border listing and fundraising create challenges for companies in areas such as compliance with local accounting and regulatory requirements and adapting to local practices.

KPMG Japan together with KPMG member firms in other Asian countries offer tailor-made accounting, tax and advisory services to support companies in their cross-border listing journey.

# KPMG Asia Listing Advisory Group



KPMG Japan, comprised of KPMG AZSA LLC, KPMG Tax Corporation, KPMG FAS, KPMG Consulting and other member firms in Japan, provides tailor-made services to companies that are considering cross-border listings.

By utilizing global KPMG network, KPMG Japan provides high-quality services that are tailored to meet the companies' needs in the cross-border listing process, not only for Japanese companies' cross-border listing on Asian stock markets but also for foreign companies' listing on the Tokyo Stock Exchange.

Specialized teams for each major Asian stock market that work closely with the respective overseas KPMG member firms are formed in KPMG Japan Asia Listing Advisory Group. Each country team consists of professionals who are familiar with the local listing regulations and practices, and are experienced in public offerings.

Furthermore, we maintain close connection with other professional parties involved in the listing process such as lawyers and underwriters (sponsors, issue managers) in order to provide companies with integrated and market-specific services.

KPMG offers integrated and high-quality services for:

- Japanese companies' overseas listing on Asian stock markets
- Spin-off listing of Japanese companies' overseas businesses on Asian stock markets
- Foreign companies' listing on Tokyo Stock Exchange
- Global offering/ cross-border fundraising by listed companies

# How we can help

## Short Review and IPO Advisory Services

KPMG assists companies to assess IPO readiness such as reviewing the existing accounting policies, the quality of accounting records and internal controls over financial reporting processes and providing recommendations.

KPMG offers IPO advisory services such as assisting the companies to prepare the listing documents, liaising with the stock exchanges and/or the underwriters (sponsors/ issue managers).

## GAAP Conversion Services

Many Asian and overseas stock markets permit listing applicants to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) for the inclusion in the listing documents and for continuing disclosure obligation. KPMG adopts a structured approach to help Japanese companies convert their financial statements from Japanese GAAP to IFRS.

On the other hand, for the listing on Tokyo Stock Exchange, foreign companies incorporated in certain countries are required to prepare their financial statements in accordance with Japanese GAAP for the inclusion in the offering documents and for continuing filing requirements. KPMG also provides advisory services to foreign companies to assist them in preparing the Japanese GAAP financial statements.

## Audit Services

KPMG adopts a globally consistent KPMG Audit Methodology in conducting high quality audit and review on financial statements prepared in accordance with IFRS, US GAAP and Japanese GAAP.

In addition, KPMG provides internal controls audit in accordance with the requirement under Japanese Financial Instruments and Exchange Act. Audit of financial statements and audit of internal controls are performed together as a combined audit.

## J-SOX Compliance Advisory Services

All companies listed on the Tokyo Stock Exchange are required to assess its internal controls over financial reporting (ICOFR) annually. Compliance with J-SOX requirements could be challenging for companies.

KPMG assists companies with readiness assessment, development of process flowcharts and risks and controls matrices documentation, testing the design and effectiveness of internal controls and management reporting on evaluation of ICOFR.

## Tax Advisory Services

Group restructuring is often undertaken to prepare for the listing. Group structure is reviewed and reorganized in order to manage tax risks and reduce tax costs for the entire group.

KPMG Tax professionals provide advice on planning and implementation of group restructuring to achieve tax efficiency as well as dealing with various tax issues such as transfer pricing, tax haven, corporate inversion and global tax planning.

## Management System Support Services

A well-established and sophisticated management system is essential for improving management structure in areas such as capturing timely and accurate business information, introducing KPIs, setting short to medium profit forecast. There are also cases where new system is introduced or the

existing system is upgraded in response to the new financial reporting requirements. KPMG assists companies to develop and implement an integrated and efficient management system which is align with the companies' business strategy.

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