

بورصة الكويت  
BOURSA KUWAIT



سوق الشركات الناشئة  
EMERGING COMPANIES MARKET



Contact us

**Boursa Kuwait**

Mubarak Al Kabeer Street, Al Sharq, Kuwait  
P.O. Box 22235 Safat, 13083 Kuwait  
T: +965 2299 2000 F: +965 2244 0476

**Institutional Investor Affairs Department**

If you are seeking more information, please reach us at:  
Institutional Investor Affairs Department  
T: +965 2299 2159  
E: [balnesef@boursakuwait.com.kw](mailto:balnesef@boursakuwait.com.kw)

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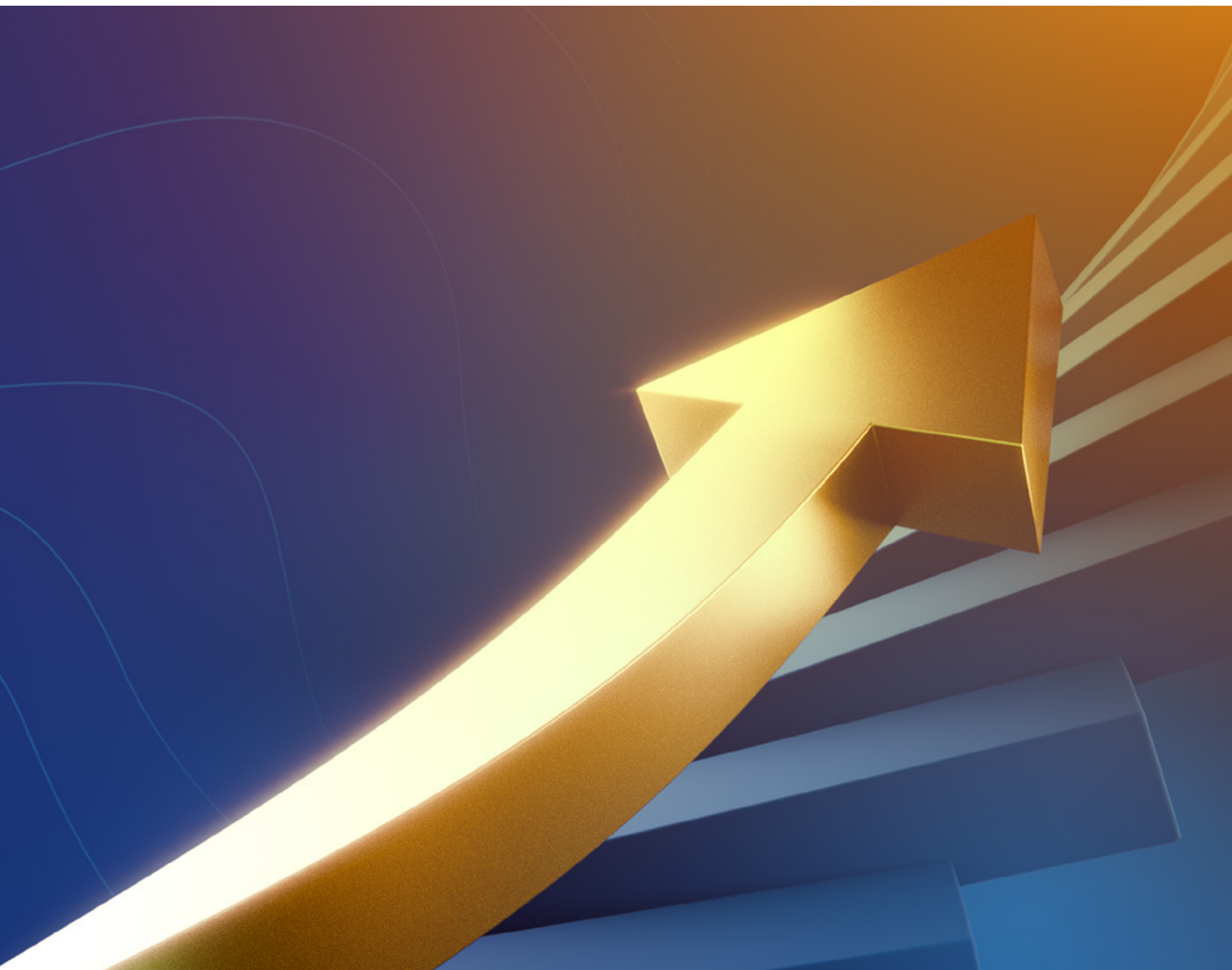
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# Emerging Companies Market

The Emerging Companies Market is a dedicated segment within Boursa Kuwait designed to support the growth of small and medium-sized enterprises by providing them with the opportunity to raise capital through the public offering of their shares to investors.





# Listing Requirements for the Emerging Companies Market

The Emerging Companies Market features flexible listing requirements that reflect the growth stage of small and medium-sized enterprises. Companies are supported and guided throughout all stages of the process by a Listing Advisor who provides the expertise and direction needed to ensure a smooth and well-planned transition that strengthens their readiness for listing.

The key listing requirements in the Emerging Companies Market include the following:

01

## Fair Market Value:

The total fair market value of the company's issued share capital must be at least

**750** Thousand  
Kuwaiti Dinars

- The fair market value per share is determined by an asset valuator or an investment advisor licensed by the Capital Markets Authority.
- If the listing is accompanied by a public offering, the fair market value per share is set at the final offering price.

02

## Free Float:

The company must have a free float of no less than

**20%** of its share  
capital



03

**Number of Shareholders:**

The company must have at least

**20** shareholders.

Each shareholder must hold **shares with a value of no less than 5,000 Kuwaiti dinars**.

This requirement does not apply to shareholding companies established as public joint stock companies.

04

**Continuity and Activity:**

The company must be continuously engaged in one or more of its main purposes as stated in its Articles for the last two years, and the majority of its revenues must be generated from those activities.

05

**Financial Statements:**

The company must have issued financial statements approved by the General Assembly for the last two full financial years preceding the submission of the listing application.

**Listing Readiness:**

To assess your company's readiness, complete the Listing Readiness Assessment Form available on the Boursa Kuwait website.

**Listing Readiness Assessment Form**



**Note:** Companies may list either capital increase shares or shares held by existing shareholders, subject to the approved listing requirements.



# Benefits of Listing in the Market

Listing in the Emerging Companies Market offers a range of advantages, including

## 01

### **Lower Cost of Funding:**

Listing enables access to diversified sources of financing, such as capital increases or other financial instruments, at a lower cost compared to traditional funding due to higher transparency, stronger governance and reduced risk.

## 02

### **Higher Valuation:**

Listed companies often achieve higher valuations because of increased transparency, improved governance and smoother share tradability. A regulated market also helps highlight the company's true value through fair pricing mechanisms.

## 03

### **Stronger Trust and Enhanced Credibility:**

Listing strengthens the company's credibility with investors and financial institutions. Compliance with disclosure and governance standards builds greater trust and opens the door to new partnerships and investment opportunities locally and internationally.





# Challenges Faced by Small and Medium Enterprises

Listing can help mitigate some of the main challenges facing small and medium enterprises, including:



## Access to Financing:

Difficulty securing the funding needed for expansion or development due to limited collateral, elevated perceived risk from banks and in some cases weak financial records. SMEs also struggle with limited financing options and lack the ability to benefit from alternative instruments such as venture capital.



## Attracting Talent:

Difficulty competing with larger companies in attracting and retaining talent, whether in terms of salaries, job stability or clear career progression, which can affect work quality and innovation.

**Business Continuity:**

SMEs are more vulnerable during crises or economic volatility because of limited financial buffers and heavy reliance on a small number of clients.

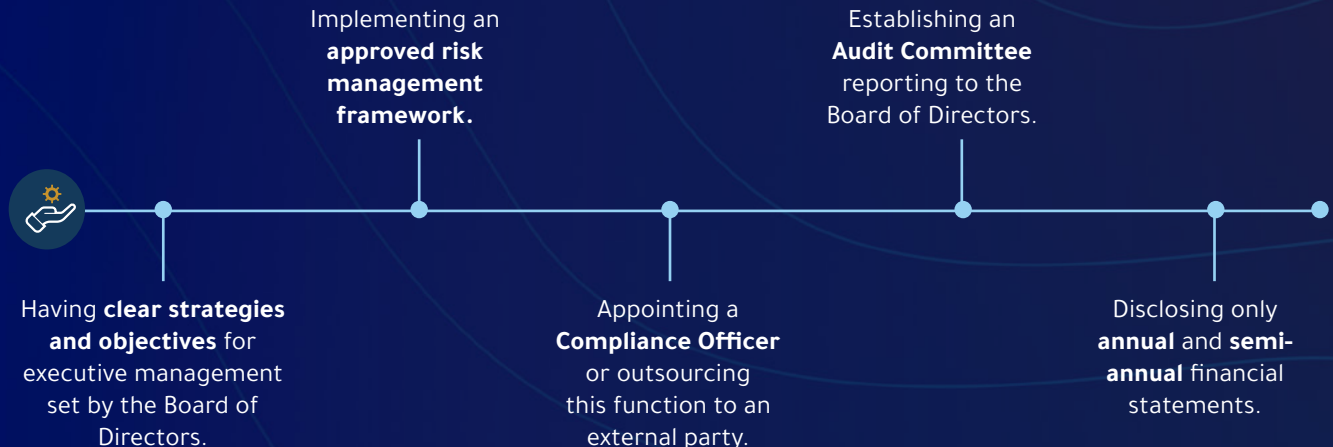
**Governance and Credibility:**

Lack of sound institutional practices, such as transparency, risk management and structured operations, reduces credibility with investors and limits the ability to grow and pursue strategic partnerships.



# Governance Requirements for Listed Companies

To enhance credibility and transparency, listed companies are required to comply with corporate governance principles, which the Listing Advisor helps ensure are met. These principles include:



# Boursa Kuwait's Support for Companies

Boursa Kuwait provides a range of services and initiatives to support companies throughout their listing journey and beyond:



## **Comprehensive Guidance:**

Offering end-to-end advisory support across all listing stages, from initial preparation through offering requirements and up to the completion of the process.



## **Enhanced Visibility:**

Helping increase the market presence of listed companies, improving their ability to reach a wider base of potential investors.



## **Access to Advisors:**

Facilitating connections with a network of accredited Listing Advisors who possess the legal, financial and regulatory expertise needed to support companies.



## **Awareness Workshops:**

Organizing workshops and educational programs on ongoing post-listing obligations such as disclosure and governance requirements.

