Listing Rules

Listing Rules

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Chapter 1

Preliminary: All securities



1.1 Introduction

Note: ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering 'Alternative Performance Measures'. See ESMA guidelines: Alternative Performance Measures dated 5 October 2015 (ESMA/ 2015/1415).

Application

1.1.1

LR applies as follows:

(1) all of *LR* (other than ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7) applies to an issuer; and

.....

(2) ■ LR 1, ■ LR 8.1, ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7 apply to a sponsor and a person applying for approval as a sponsor.

Other relevant parts of Handbook

Note: Other parts of the Handbook that may also be relevant to issuers or sponsors include DTR (the Disclosure Guidance and Transparency Rules sourcebook), PRR (the Prospectus Regulation Rules sourcebook), COBS (the Conduct of Business sourcebook), DEPP (Decision Procedure and Penalties Manual), Chapter 9 of SUP (the Supervision manual) and GEN (General Provisions).

The following Regulatory Guides may also be relevant to issuers or sponsors:

- 1. The Enforcement Guide (EG)
- 2. [intentionally blank]



1.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

- 1.2.1 R
- (1) The FCA may dispense with or modify the *listing rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the Act).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer* or *sponsor* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The FCA may revoke or modify a dispensation or modification.
- 1.2.2 R
- (1) An application to the FCA to dispense with or modify a *listing rule* must be in writing.
- (2) The application must:
 - (a) contain a clear explanation of why the dispensation or modification is requested;
 - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
 - (c) contain all relevant information that should reasonably be brought to the FCA's attention;
 - (d) contain any statement or information that is required by the *listing rules* to be included for a specific type of dispensation or modification; and
 - (e) include copies of all documents relevant to the application.
- 1.2.3 G

An application to dispense with or modify a *listing rule* should ordinarily be made:

- (1) for a *listing rule* that is a continuing obligation, at least five *business* days before the proposed dispensation or modification is to take effect; and
- (2) for any other *listing rule*, at least ten *business days* before the proposed dispensation or modification is to take effect.

Companies in severe financial difficulty

G 1.2.4

If an issuer applies to the FCA to dispense with or modify a listing rule on the basis that it is in severe financial difficulty, the FCA would ordinarily expect the issuer to comply with the conditions in ■ LR 10.8 (to the extent relevant to the particular rule for which the dispensation or modification is sought). In particular, the FCA would expect the issuer to comply with those conditions that are directed at demonstrating that it is in severe financial difficulty.

Early consultation with the FCA

G 1.2.5 An issuer or sponsor should consult with the FCA at the earliest possible stage if it:

- (1) is in doubt about how the *listing rules* apply in a particular situation;
- (2) considers that it may be necessary for the FCA to dispense with or modify a listing rule.
- 1.2.6 G Where a listing rule refers to consultation with the FCA, submissions should be made in writing other than in circumstances of exceptional urgency or in the case of a submission from a sponsor in relation to the provision of a sponsor service.

Address for correspondence

Note: The FCA's address for correspondence is:

The Financial Conduct Authority

12 Endeavour Square

London, E20 1JN

Tel: 020 7066 8333

https://www.fca.org.uk/markets/primary-markets/contact/request-individualguidance

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1.3 Information gathering and publication

Information gathering

- 1.3.1 R An issuer must provide to the FCA as soon as possible:
 - (1) any information and explanations that the FCA may reasonably require to decide whether to grant an application for admission;
 - (2) any information that the FCA considers appropriate to protect investors or ensure the smooth operation of the market; and [Note: Article 16.1 CARD]

.....

(3) any other information or explanation that the FCA may reasonably require to verify whether *listing rules* are being and have been complied with.

FCA may require issuer to publish information

- 1.3.2 R
- (1) The FCA may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market. [Note: Article 16.2 CARD]
- (2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published). [Note: Article 16.2 *CARD*]

Misleading information not to be published

- 1.3.3 R
- An *issuer* must take reasonable care to ensure that any information it notifies to a *RIS* or makes available through the *FCA* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

Notification when a RIS is not open for business

- 1.3.4 R
- If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business it must distribute the information as soon as possible to:
 - (1) not less than two national newspapers in the *United Kingdom*;
 - (2) two newswire services operating in the *United Kingdom*; and

(3) a RIS for release as soon as it opens.



1.4 **Miscellaneous**

Appointment of sponsor

1.4.1 R

- (1) If it appears to the FCA that there is, or there may be, a breach of the listing rules or the disclosure requirements and transparency rules by an issuer with a premium listing, the FCA may in writing require the issuer to appoint a sponsor to advise the issuer on the application of the listing rules, the disclosure requirements and the transparency rules.
- (2) If required to do so under (1), an issuer must, as soon as practicable, appoint a sponsor to advise it on the application of the listing rules, the disclosure requirements and the transparency rules.

[Note: ■LR 8.2 sets out the various circumstances in which an issuer must appoint, or obtain guidance from, a *sponsor*.]

Overseas companies

1.4.2

If a *listing rule* refers to a requirement in legislation applicable to a *listed* company incorporated in the United Kingdom, a listed overseas company must comply with the requirement so far as:

- (1) information available to it enables it to do so; and
- (2) compliance is not contrary to the law in its country of incorporation.
- 1.4.3 R A listed overseas company must, if required to do so by the FCA, provide the FCA with a letter from an independent legal adviser explaining why compliance with a requirement referred to in ■LR 1.4.2 R is contrary to the law in its country of incorporation.
- 1.4.4 R [deleted]
- 1.4.5 G [deleted]

1.4.6 R

..... A document that is required under a listing rule to be filed, notified to a RIS, provided to the FCA or sent to security holders must be in English.

1.4.7	R	Market abuse safe harbours [deleted]
1.4.8	G	Fees The provisions relating to periodic fees for issuers and sponsors are set out in ■ FEES 1, ■ 2 and ■ 4.
1.4.9	G	Electronic Communication (1) If the <i>listing rules</i> require an <i>issuer</i> to send documents to its <i>security</i> holders, the <i>issuer</i> may, in accordance with ■ DTR 6.1.8 R, use <i>electronic means</i> to send those documents.
1.4.9A	R	A reference to a copy (or copies) of a document in the <i>listing rules</i> includes a copy (or copies) of a document produced, recorded or stored using <i>electronic means</i> .
1.4.10	R	[deleted]
1.4.11	R	Use of an RIS Where a <i>listing rule</i> requires an <i>issuer</i> subject to ■ DTR 6.3.1 R to use the services of an <i>RIS</i> , the <i>issuer</i> must comply with the provisions of ■ DTR 6.3.
1.4.12	R	Where a <i>listing rule</i> requires an <i>issuer</i> who is not subject to ■ DTR 6.3.1 R to use the services of an <i>RIS</i> , the <i>issuer</i> must comply with the provisions of ■ DTR 6.3, except in relation to information which is required to be disclosed under articles 17 and 19 of the <i>Market Abuse Regulation</i> or the <i>DTR</i> .



1.5 Standard and Premium Listing

Standard and premium listing explained

1.5.1 G

- (1) Under the *listing rules* each *issuer* must satisfy the requirements in the rules that are specified to apply to it and its relevant *securities*. In some cases a *listing* is described as being either a *standard listing* or a *premium listing*.
- (2) A *listing* that is described as a *standard listing* sets requirements that are based on the minimum standards set out in the *United Kingdom* provisions which implemented *CARD* and the *TD*. A *listing* that is described as a *premium listing* will include requirements that exceed those required under the *United Kingdom* provisions which implemented *CARD* and the *TD*.
- (3) Premium listing exists for:
 - (a) equity shares of:

commercial companies,

closed-ended investment funds, and

[deleted]

sovereign controlled commercial companies; and

(b) certificates representing shares of sovereign controlled commercial companies.

Any other listing will be a standard listing.

- (4) In the case of equity shares of a commercial company or equity shares or certificates representing shares of a sovereign controlled commercial company, an issuer will have a choice under the listing rules as to whether it has a standard listing or a premium listing. The type of listing it applies for will therefore determine the requirements it must comply with.
- (5) ■LR 5.4A provides a process for the transfer of the category of *listing* of *equity shares* and for the transfer of the category of *listing* of *certificates representing shares*.
- (6) In one case, for further classes of equity shares of a closed-ended investment fund, the equity shares may be admitted to a standard listing provided that, and only for so long as, the issuer has a premium listing of equity shares.

Misleading statements about status

1.5.2

An issuer that is not an issuer with a premium listing must not describe itself or hold itself out (in whatever terms) as having a premium listing or make any representation which suggests, or which is reasonably likely to be understood as suggesting, that it has a premium listing or complies or is required to comply with the requirements that apply to a *premium listing*.

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1.6 Listing Categories

- 1.6.1 **G** [deleted]
- 1.6.1A An *issuer* must comply with the *rules* that are applicable to every *security* in the category of *listing* which applies to each *security* the *issuer* has *listed*. The categories of *listing* are:
 - (1) premium listing (commercial company);
 - (2) premium listing (closed-ended investment fund);
 - (3) [deleted]
 - (3A) premium listing (sovereign controlled commercial company);
 - (4) standard listing (shares);
 - (4A) standard listing (open-ended investment companies);
 - (5) standard listing (debt and debt-like securities);
 - (6) standard listing (certificates representing certain securities);
 - (7) standard listing (securitised derivatives);
 - (8) standard listing (miscellaneous securities).
- 1.6.2 R An *issuer* must inform the *FCA* if the characteristics of a *security* change so that the *security* no longer meets the definition of a *security* in the category in which it has been placed.

Market abuse safe harbours

[deleted]

Chapter 2

Requirements for listing: All securities

2.1 **Preliminary**

Application

2.1.1 R This chapter applies to all applicants for admission to listing (unless a rule is specified only to apply to a particular type of applicant or security).

Refusal of applications

- 2.1.2 G Under the Act, the FCA may not grant an application for admission unless it is satisfied that:
 - (1) the requirements of the *listing rules* are complied with; and

- (2) any special requirement (see LR 2.1.4 R) is complied with.
- G 2.1.3 Under the Act, the FCA may also refuse an application for admission if it considers that:
 - (1) admission of the securities would be detrimental to investors' interests: or
 - (2) for securities already listed in a third country, the issuer has failed to comply with any obligations under that listing.

Special requirements

- 2.1.4 R
 - (1) The FCA may make the admission of securities subject to any special requirement that it considers appropriate to protect investors. [Note: article 12 CARD]
 - (2) The FCA must explicitly inform the issuer of any special requirement that it imposes. [Note: article 12 CARD]

No conditional admission

2.1.5 The FCA is not able to make the admission of securities conditional on any event. The FCA may, in particular cases, seek confirmation from an issuer before the admission of securities that the admission does not purport to be conditional on any matter.

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2.2 Requirements for all securities

Incorporation

- 2.2.1 R | An applicant (other than a public sector issuer) must be:
 - (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
 - (2) operating in conformity with its *constitution*. [**Note**: articles 42 and 52 *CARD*]

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Validity

- **2.2.2** R To be *listed*, *securities* must:
 - (1) conform with the law of the applicant's place of incorporation;
 - (2) be duly authorised according to the requirements of the *applicant*'s *constitution*; and
 - (3) have any necessary statutory or other consents. [Note: articles 45 and 53 CARD]

Admission to trading

- 2.2.3 R Other than in regard to securities to which LR 4 applies, to be listed, equity shares must be admitted to trading on a regulated market for listed securities. All other securities must be admitted to trading on a RIE's market for listed securities.
 - Transferability
- 2.2.4 R (1) To be *listed*, *securities* must be freely transferable. [Note: articles 46, 54 and 60 *CARD*]
 - (2) To be *listed*, *shares* must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).
- 2.2.5 G The FCA may modify ■LR 2.2.4 R to allow partly paid securities to be listed if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the

G

securities to take place on an open and proper basis. [Note: articles 46 and 54 *CARD*]

2.2.6

The FCA may in exceptional circumstances modify or dispense with ■ LR 2.2.4 R where the *applicant* has the power to disapprove the transfer of shares if the FCA is satisfied that this power would not disturb the market in those shares. [Note: article 46 CARD]

Market capitalisation

2.2.7 R

- (1) The expected aggregate market value of all securities (excluding treasury shares and shares of a closed-ended investment fund or open-ended investment company) to be listed must be at least:
 - (a) £30 million for shares; and
 - (b) £200,000 for debt securities.
- (1A) The expected aggregate market value of shares of a closed-ended investment fund or open-ended investment company to be listed must be at least £700,000.
 - (2) Paragraph (1) does not apply to tap issues where the amount of the debt securities is not fixed.
 - (3) Paragraphs (1) and (1A) do not apply if securities of the same class are already *listed*. [Note: articles 43 and 48 CARD]

G 2.2.8

The FCA may modify LR 2.2.7 R to admit securities of a lower value if it is satisfied that there will be an adequate market for the securities concerned. [Note: articles 43 and 58 CARD]

Whole class to be listed

2.2.9

An application for *listing* of securities of any class must:

- (1) if no securities of that class are already listed, relate to all securities of that class, issued or proposed to be issued; or
- (2) if securities of that class are already listed, relate to all further securities of that class, issued or proposed to be issued. [Note: articles 49, 56 and 62 *CARD*]

Prospectus

2.2.10 R

- (1) This rule applies if:
 - (a) a prospectus must be approved and published for the securities;
 - (b) the applicant is permitted and elects to draw up a prospectus for the securities.

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(2) To be *listed* a *prospectus* must have been approved by the *FCA* and published in relation to the *securities*.

Listing particulars

2.2.11 R

- (1) This *rule* applies if, under LR 4, *listing particulars* must be approved and published for *securities*.
- (2) To be *listed*, *listing particulars* for the *securities* must have been approved by the *FCA* and published in accordance with ■LR 4.

Convertible securities and miscellaneous securities carrying the right to buy or subscribe for other securities

2.2.12 R

Convertible securities and miscellaneous securities giving the holder the right to buy or subscribe for other securities may be admitted to listing only if the securities into which they are convertible or over which they give a right to buy or subscribeare already, or will become at the same time:

- (1) listed securities; or
- (2) securities listed on a regulated, regularly operating, recognised open market. [Note: article 59 CARD]

2.2.13 G

The FCA may dispense with LR 2.2.12 R if it is satisfied that holders of the convertible securities have at their disposal all the information necessary to form an opinion about the value of the underlying securities. [Note: article 59 CARD]

- 2.2.14 R [deleted]
- 2.2.15 R

[deleted]

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Chapter 3

Listing applications: All securities



(2) This chapter applies to an applicant for the admission of securities. 3.1.1 R



3.2 Application for admission to listing

Location of official list 3.2.1 G The FCA will maintain the official list on its website. Method of application 3.2.2 R An applicant for admission must apply to the FCA by: (1) submitting, in final form: (a) the documents described in ■LR 3.3 in the case of an application in respect of equity shares; (b) the documents described in ■LR 3.4 in the case of an application in respect of debt securities or other securities; (c) the documents described in ■ LR 3.5 in the case of a block listing; (2) submitting all additional documents, explanations and information as required by the FCA; (3) submitting verification of any information in such manner as the FCA may specify; and (4) paying the fee set out in ■ FEES 3 by the required date. G 3.2.3 Before submitting the documents referred to in ■ LR 3.2.2 R (1), an applicant should contact the FCA to agree the date on which the FCA will consider the application. 3.2.4 R All documents must be submitted to the Issuer Managementat the FCA's address. Grant of an application for admission to listing 3.2.5 G The FCA will admit securities to listing if all relevant documents required by■LR 3.2.2 R have been submitted to the FCA. 3.2.6 G When considering an application for admission to listing, the FCA may: (1) carry out any enquiries and request any further information which it considers appropriate, including consulting with other regulators or exchanges;

- (2) request that an applicant, or its specified representative answer questions and explain any matter the FCA considers relevant to the application for listing;
- (3) take into account any information which it considers appropriate in relation to the application for listing;
- (4) request that any information provided by the applicant be verified in such manner as the FCA may specify; and
- (5) impose any additional conditions on the applicant as the FCA considers appropriate.
- G 3.2.7 The admission becomes effective only when the FCA's decision to admit the securities to listing has been announced by being either:
 - (1) disseminated by a RIS; or
 - (2) posted on a notice board designated by the FCA should the electronic systems be unavailable.

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3.3 Shares

Application

3.3.1 R

■ LR 3.3.2 R to ■ LR 3.3.7 R apply to an *applicant* which is applying for a *listing* of its *shares* except for *preference shares* that are *specialist securities*.

Documents to be provided 48 hours in advance

3.3.2 R

The following documents must be submitted, in final form, to the FCA by midday two business days before the FCA is to consider the application:

- (1) a completed Application for Admission of Securities to the Official List:
- (2) the *prospectus* or *listing particulars*, that has been approved by the *FCA*;
- (3) any *circular* that has been published in connection with the application, if applicable;
- (4) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable;
- (5) written confirmation of the number of *shares* to be allotted (pursuant to a board resolution allotting the *shares*); and [Note: If this is not possible, see ■LR 3.3.4 R]
- (6) if a *prospectus* or *listing particulars* have not been produced, a copy of the *RIS* announcement detailing the number and type of *shares* that are the subject of the application and the circumstances of their issue.

Note: The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the *FCA* website.

3.3.2A R

R

If a *prospectus* or *listing particulars* have not been produced then the Application for Admission of Securities to the Official List must contain confirmation that a *prospectus* or *listing particulars* are not required and details of the reasons why they are not required.

Documents to be provided on the day

3.3.3 R

The following documents signed by a *sponsor* (if a *sponsor* is required under LR 8) or by a duly authorised officer of the *applicant* (if a *sponsor* is not

required under LR 8) must be submitted, in final form, to the FCA before 9 a.m. on the day the FCA is to consider the application:

- (1) a completed Shareholder Statement, in the case of an applicant that is applying for a *listing* of a class of *shares* for the first time; or [Note: see ■ LR 8.4.3 R and ■ LR 8.4.9 R];
- (2) a completed Pricing Statement, in the case of a placing, open offer, vendor consideration placing, offer for subscription of equity shares or an issue out of treasury of equity shares of a class already listed. [Note: see ■ LR 8.4.3 R and ■ LR 8.4.9 R].

Note: The Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the FCA website.

- R 3.3.4 If written confirmation of the number of shares to be allotted pursuant to a board resolution cannot be submitted to the FCA by the deadline set out in ■ LR 3.3.2 R or the number of *shares* to be *admitted* is lower than the number notified under ■ LR 3.3.2 R, written confirmation of the number of *shares* to be allotted or admitted must be provided to the FCA by the applicant or its sponsor at least one hour before the admission to listing is to become effective.
- 3.3.4A If the FCA has considered an application for listing and the shares the subject of the application are not all allotted and admitted following the initial allotment of the shares (for example, under an offer for subscription), further allotments of shares may be admitted if before 4pm on the day before admission is sought the FCA has been provided with:
 - (1) written confirmation of the number of shares allotted pursuant to a board resolution; and
 - (2) a copy of the RIS announcement detailing the number and type of shares and the circumstances of their issue.

Other documents to be submitted

3.3.5 R Written confirmation of the number of shares that were allotted (pursuant to a board resolution allotting the shares) must be submitted to the FCA as soon as practicable after admission if the number is lower than the number that was announced under ■ LR 3.2.7 G as being admitted to listing.

Documents to be kept

3.3.6 An applicant must keep copies of the following for six years after the admission to listing:

- (1) any agreement to acquire any assets, business or *shares* in consideration for or in relation to which the company's *shares* are being issued;
- (2) any letter, report, valuation, contract or other documents referred to in the *prospectus*, *listing particulars*, *circular* or other document issued in connection with those *shares*;
- (3) the applicant's constitution as at the date of admission;
- (4) the annual report and accounts of the *applicant* and of any guarantor, for each of the periods which form part of the *applicant*'s financial record contained in the *prospectus* or *listing particulars*;
- (5) any interim accounts made up since the date to which the last annual report and accounts were made up and prior to the date of *admission*;
- (6) any temporary and definitive documents of title;
- (7) in the case of an application in respect of *shares* issued pursuant to an *employees' share scheme*, the scheme document;
- (8) where *listing particulars* or another document are published in connection with any scheme requiring court approval, any court order and the certificate of registration issued by the Registrar of Companies; and
- (9) copies of board resolutions of the *applicant* allotting or issuing the *shares*.
- 3.3.7 R An applicant must provide to the FCA the documents set out in LR 3.3.6 R, if requested to do so.



3.4 **Debt and other securities**

Application - debt securities etc

- 3.4.1 ■ LR 3.4.4 R to ■ LR 3.4.6 R apply to an applicant that is seeking admission of any of the following types of securities:
 - (1) debt securities;
 - (2) asset-backed securities;
 - (3) certificates representing certain securities;
 - (4) [deleted]
 - (5) convertible securities:
 - (6) miscellaneous securities: and
 - (7) preference shares that are specialist securities.

Application - issuance programmes

3.4.2 R ■ LR 3.4.7 R to ■ LR 3.4.8 R apply to an applicant for the admission of a debt securities or asset-backed securities issuance programme.

Application - public sector issuers

3.4.3 R ■ LR 3.4.9 R to ■ LR 3.4.13 R apply to an applicant that is a public sector issuer.

Documents to be provided 48 hours in advance

- 3.4.4 An applicant must submit, in final form, to the FCA by midday two business days before the FCA is to consider the application
 - (1) a completed Application for Admission of Securities to the Official List;
 - (2) the prospectus or listing particulars that has been approved by the
 - (3) any approved supplementary prospectus or approved supplementary listing particulars, if applicable;

- (4) written confirmation of the number of *securities* to be issued (pursuant to a board resolution). [Note: if this is not possible, see LR 3.4.5 R]; and
- (5) any working capital statement required to be published under LR 21.6.14R or LR 21.8.27R(2).

Note: The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the *FCA*'s website.

Documents to be provided on the day of admission

If confirmation of the number of *securities* to be issued pursuant to a board resolution cannot be submitted to the *FCA* by the deadline set out in ■LR 3.4.4 R or, the number of *securities* to be admitted is lower than the number notified under ■LR 3.4.4 R, written confirmation of the number of *securities* to be issued or admitted must be provided to the *FCA* by the *applicant* at least one hour before the *admission* to *listing* is to become

Documents to be kept

effective.

An applicant must keep, for six years after the admission to listing, a copy of the items set out in LR 3.3.6 R (1) to (6) and LR 3.3.6 R (9) and must provide any of those documents to the FCA if requested to do so.

Procedure for issuance programmes: initial offering and increase to programme size

- An applicant must comply with LR 3.4.4 R to LR 3.4.6 R with the following modifications:
 - (1) [deleted]
 - (2) if the FCA approves the application it will admit to listing all debt securities which may be issued under the programme within 12 months after the publication of the base prospectus or listing particulars subject to the FCA:
 - (a) being advised of the *final terms* of each issue for which a *listing* is sought; and
 - (b) receiving and approving for publication any supplementary documents that may be appropriate.
 - (c) [deleted]
 - (3) an applicant must submit a supplementary prospectus or supplementary listing particulars instead of the document required by LR 3.4.4 R (2) in the case of an increase in the maximum amount of debt securities which may be in issue and listed at any one time under an issuance programme.
- An applicant for the admission of securities under an issuance programme must confirm in its Application for Admission of Securities to the Official List that at admission all of the securities the subject of the application will be in issue pursuant to board resolutions authorising the issue.

Issuance programmes: final terms

- 3.4.8
- R
- (1) The final terms must be submitted in writing to the FCA as soon as possible after they have been agreed and no later than 2 p.m. on the day before listing is to become effective.
- (2) The final terms may be submitted by:
 - (a) the applicant; or
 - (b) a duly authorised officer of the applicant.
- (3) [deleted]

Note: For further details on *final terms*, see article 8(5) of the *Prospectus* Regulation.

Exempt public sector issuers

3.4.9 R An issuer that seeks admission of debt securities referred to in article 1(2)(b) and (d) of the Prospectus Regulation must submit to the FCA in final form a completed Application for Admission of Securities to the Official List.

Note: The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the FCA's website.

- G 3.4.9A An application referred to in ■ LR 3.4.9 R should be made in accordance with the timetable referred to in ■ LR 3.4.8 R.
- G 3.4.9B An issuer referred to in ■ LR 3.4.9R that is not required to produce a prospectus or listing particulars must confirm on its application form that no prospectus or listing particulars are required.
- 3.4.9C G Apart from ■LR 3.4.9 R, ■LR 3.4.9A G and ■LR 3.4.9B G no other provisions in ■ LR 3.4 apply to the admission of debt securities referred to in article 1(2)(b) and (d) of the Prospectus Regulation.

Other public sector issuers

- 3.4.10
- LR 3.4.7 R, LR 3.4.8 R and LR 3.4.11 R to LR 3.4.13 R apply to applications for admission to listing of debt securities by a public sector issuer other than one referred to in ■LR 3.4.9 R.
- R 3.4.11 An applicant referred to in ■ LR 3.4.10 R must submit the items set out in ■ LR 3.4.4 R to the FCA in final form by midday two business days before the FCA is to consider the application.

LR 3 : Listing applications: All securities

- **3.4.12** R [deleted]
- An applicant referred to in LR 3.4.10 R must keep, for six years after the admission to listing, a copy of the items set out in LR 3.3.6 R (1) to LR 3.3.6 R (6) and in LR 3.3.6 R (9).

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3.5 **Block listing**

Application

3.5.1 R This section applies to an applicant that wishes to apply for admission of securities using a block listing.

When a block listing can be used

- 3.5.2 G If the process of applying for admission of securities is likely to be very onerous due to the frequent or irregular nature of allotments and if no prospectus or listing particulars are required for the securities, an applicant may apply for a block listing of a specified number of the securities.
- G 3.5.3 The grant of a block listing constitutes admission to listing for the securities that are the subject of the block. Separately, the provisions of article 1(4) of the Prospectus Regulation will need to be considered by the applicant when the securities that are the subject of the block listing are being issued.
- 3.5.4 R An applicant applying for admission to listing by way of a block listing must submit in final form, at least two business days before the FCA is to consider the application, a completed Application for Admission of Securities to the Official List. An application in respect of multiple schemes must identify the schemes but need not set out separate block listing amounts for each scheme.

Note: The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the FCA website.

- 3.5.5 R (1) An applicant applying for admission to listing by way of a block listing must notify an RIS of the number and type of securities that are the subject of the block listing application and the circumstances of their issue.
 - (2) The notification in paragraph (1) must be made by 9 a.m. on the day the FCA is to consider the application.
- 3.5.6 Every six months the applicant must notify a RIS of the details of the number of securities covered by the block listing which have been allotted in the previous six months, using the Block Listing Six Monthly Return.

Note: A copy of the Block Listing Six Monthly Return can be found on the Primary Markets section of the FCA website.

3.5.7

An *issuer* that wishes to synchronise block listing six monthly returns for a number of block listing facilities may do so by providing the return required by LR 3.5.6 R earlier than required to move the timing of returns onto a different six monthly cycle. An *issuer* with multiple block listing facilities should ensure that allotments under each facility are separately stated.

Chapter 4

Listing particulars for professional securities market and certain other securities: All securities



4.1 **Application and Purpose**

Application

- 4.1.1 This chapter applies to an issuer that has applied for the admission of:
 - (1) securities specified in article 1(2) of the Prospectus Regulation (other than securities specified in article 1(2)(a), (b) or (d) of that regulation); or
 - (2) any other specialist securities for which a prospectus is not required under the Act or the Prospectus Regulation.

Purpose

- G 4.1.2
- (1) The purpose of this chapter is to require *listing particulars* to be prepared and published for securities that are the subject of an application for *listing* in the circumstances set out in ■LR 4.1.1 R where a prospectus is not required under the Prospectus Regulation.

Listing particulars to be approved and published

4.1.3 An issuer must ensure that listing particulars for securities referred to in ■ LR 4.1.1 R are approved by the FCA and published in accordance with ■ LR 4.3.5 R.

> **Note**: Under ■LR 2.2.11 R, the securities will only be listed if listing particulars for the securities have been approved by the FCA and published.

LR 4/2



4.2 **Contents and format of listing** particulars

General contents of listing particulars

- 4.2.1 G
- Section 80 (1) of the Act (general duty of disclosure in listing particulars) requires listing particulars submitted to the FCA to contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of:
 - (1) the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the securities; and
 - (2) the rights attaching to the securities.

Summary

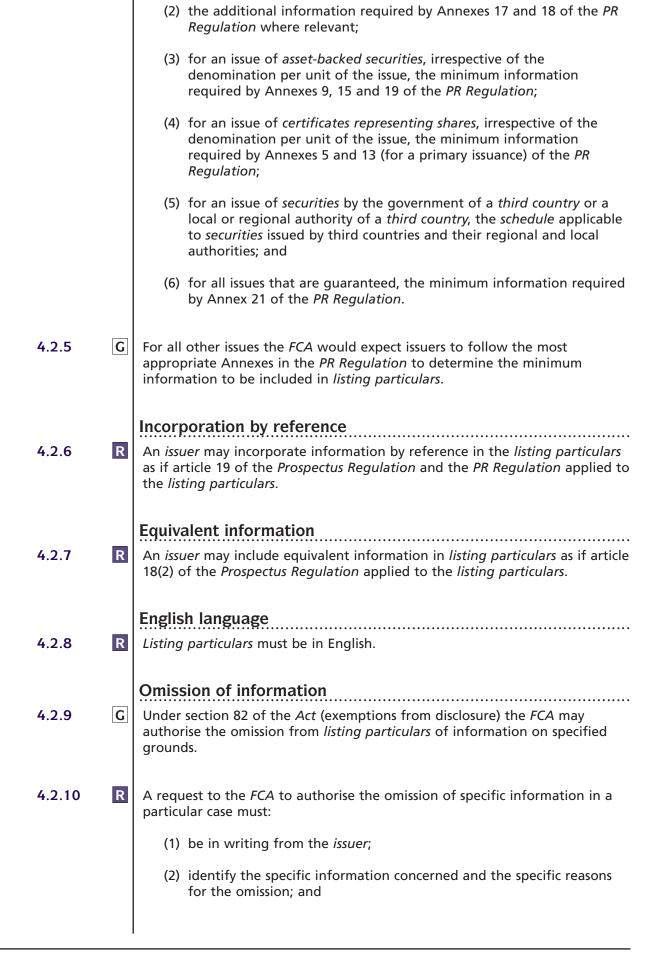
- R 4.2.2
- (1) The listing particulars must contain a summary that complies with the requirements in article 7 of the *Prospectus Regulation*, ■ PRR 4.1.2R and Chapter I of the Prospectus RTS Regulation (as if those requirements applied to the *listing particulars*).
- (2) Paragraph (1) does not apply:
 - (a) in relation to specialist securities referred to in LR 4.1.1R (2); or
 - (b) if, in accordance with article 7(1) of the Prospectus Regulation, no summary would be required in relation to the securities.

Format of listing particulars

- 4.2.3
- R
- (1) The listing particulars must be in a format that complies with the relevant requirements in the Prospectus Regulation and the PR Regulation (as if those requirements applied to the listing particulars).

Minimum information to be included

- 4.2.4 R
- The following minimum information from the PR Regulation must be included in *listing particulars*:
 - (1) for an issue of bonds including bonds convertible into the issuer's shares or exchangeable into a third party issuer's shares or derivative securities, irrespective of the denomination of the issue, the minimum information required by Annexes 7 and 15 of the PR Regulation;



- (3) state why in the *issuer*'s opinion one or more of the grounds in section 82 of the *Act* applies.
- **4.2.11** R For the purposes of section 82(1)(c) of the *Act, specialist securities* are specified.

Responsibility for listing particulars

- 4.2.12 G Part 3 of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (SI 2001/2956) sets out the *persons* responsible for *listing particulars*. In particular, in those regulations:
 - (1) regulation 6 specifies who is generally responsible for *listing* particulars; and
 - (2) regulation 9 modifies the operation of regulation 6 in relation to specialist securities.
- **4.2.13** R (1) In the case of *listing particulars* for *specialist securities*:
 - (a) the *issuer* must state in the *listing particulars* that it accepts responsibility for the listing particulars;
 - (b) the *directors* may state in the *listing particulars* that they accept responsibility for the *listing particulars*; and
 - (c) other *persons* may state in the *listing particulars* that they accept responsibility for all or part of the *listing particulars* and in that case the statement by the *issuer* or *directors* may be appropriately modified.
 - (2) An *issuer* that is a government or a local or regional authority is not required under paragraph (1)(a) to state that it accepts responsibility for the *listing particulars*.

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4.3 Approval and publication of listing particulars

Approval of listing particulars

- 4.3.1 An application for approval of listing particulars or supplementary listing particulars must comply with the procedures in ■ PRR 3.1 (as if those procedures applied to the application), except that the applicant does not need to submit a completed form A.
- 4.3.2 R The FCA will approve listing particulars or supplementary listing particulars if it is satisfied that the requirements of the Act and this chapter have been complied with.
- G 4.3.3 The FCA will try to notify the applicant of its decision on an application for approval of listing particulars or supplementary listing particulars within the same time limits as are specified in article 20 of the *Prospectus Regulation* for an application for approval of a prospectus or supplementary prospectus.
- 4.3.4 R An issuer must ensure that listing particulars or supplementary listing particulars are not published until they have been approved by the FCA.

Filing and publication of listing particulars etc

4.3.5 An issuer must ensure that after listing particulars or supplementary listing particulars are approved by the FCA, the listing particulars or supplementary listing particulars are filed and published as if the relevant requirements in ■ PRR 3.2, article 21 of the *Prospectus Regulation*, the *PR Regulation* and the Prospectus RTS Regulation applied to them.

LR 4/6



4.4 Miscellaneous

Supplementary listing particulars

4.4.1 G

Section 81 of the *Act* (supplementary listing particulars) requires an *issuer* to submit *supplementary listing particulars* to the *FCA* for approval if at any time after *listing particulars* have been submitted to the *FCA* and before the commencement of dealings in the *securities* following their *admission* to the *official list*:

- (1) there is a significant change affecting any matter contained in those particulars the inclusion of which was required by:
 - (a) section 80 of the *Act* (general duty of disclosure in listing particulars); or
 - (b) listing rules; or
 - (c) the FCA; or
- (2) a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when the particulars were prepared.
- 4.4.2 R
- An issuer must ensure that after supplementary listing particulars are approved by the FCA, the supplementary listing particulars are filed and published as if the requirements in PRR 3.2, article 21 of the Prospectus Regulation, the PR Regulation and the Prospectus RTS Regulation applied to them.

Final terms

4.4.3 R

If final terms of the offer are not included in the *listing particulars*:

(1) the final terms must be provided to investors and filed with the FCA, and made available to the public, as if the relevant requirements in ■ PRR 3.2, article 21 of the Prospectus Regulation, the PR Regulation and the Prospectus RTS Regulation applied to them; and

.....

(2) the *listing particulars* must disclose the criteria and/or the conditions in accordance with which the above elements will be determined or, in the case of price, the maximum price.

Chapter 5

Suspending, cancelling and restoring listing and reverse takeovers: All securities

LR 5 : Suspending, cancelling and restoring listing and reverse takeovers: All securities

5.1 Suspending listing

FCA may suspend listing

- R 5.1.1
- (1) The FCA may suspend, with effect from such time as it may determine, the *listing* of any securities if the smooth operation of the market is, or may be, temporarily jeopardised or it is necessary to protect investors. [Note: article 18(1) CARD]
- (2) An issuer that has the listing of any of its securities suspended must continue to comply with all listing rules applicable to it.
- (3) If the FCA suspends the *listing* of any securities, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.

Examples of when FCA may suspend

- 5.1.2 G
- Examples of when the FCA may suspend the listing of securities include (but are not limited to) situations where it appears to the FCA that:
 - (1) the issuer has failed to meet its continuing obligations for listing; or
 - (2) the issuer has failed to publish financial information in accordance with the *listing rules*; or
 - (3) the *issuer* is unable to assess accurately its financial position and inform the market accordingly; or
 - (4) there is insufficient information in the market about a proposed transaction: or
 - (5) the issuer's securities have been suspended elsewhere; or
 - (6) the issuer has appointed administrators or receivers, or is an investment trust and is winding up; or
 - (7) for a securitised derivative that relates to a single underlying instrument, the underlying instrument is suspended; or
 - (8) for a securitised derivative that relates to a basket of underlying instruments, one or more underlying instruments of the basket are suspended; or
 - (9) for a miscellaneous security that carries a right to buy or subscribe for another security, the security over which the listed miscellaneous security carries a right to buy or subscribe has been suspended.

5

LR 5 : Suspending, cancelling and restoring listing and reverse takeovers: All securities

5.1.3 G The FCA will not suspend the *listing* of a security to fix its price at a particular level.

Suspension at issuer's request

5.1.4 G An *issuer* that intends to request the *FCA* to suspend the *listing* of its *securities* will need to comply with ■LR 5.3. The *FCA* will not suspend the *listing* if it is not satisfied that the circumstances justify the suspension.

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LR 5 : Suspending, cancelling and restoring listing and reverse takeovers: All securities

5.2 **Cancelling listing**

FCA may cancel listing

5.2.1 The FCA may cancel the listing of securities if it is satisfied that there are special circumstances that preclude normal regular dealings in them. [Note: article 18(2) CARD

Examples of when FCA may cancel

- 5.2.2 G Examples of when the FCA may cancel the listing of securities include (but are not limited to) situations where it appears to the FCA that:
 - (1) the securities are no longer admitted to trading as required by these rules; or
 - (2) the issuer no longer satisfies its continuing obligations for listing, for example if the percentage of *shares* in public hands falls below 10% (the FCA may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or
 - (3) the securities' listing has been suspended for more than six months;
 - (4) the securities are equity shares with a standard listing issued by a closed-ended investment fund where the closed-ended investment fund no longer has a premium listing of equity shares.
- 5.2.3 The FCA will generally seek to cancel the listing of an issuer's equity shares or certificates representing equity securities when the issuer completes a reverse takeover.

[Note: ■LR 5.6 contains further detail relating to reverse takeovers.]

Cancellation at issuer's request

- 5.2.4 R An issuer must satisfy the requirements applicable to it in ■ LR 5.2.5 R to ■ LR 5.2.11CR and ■ LR 5.3 before the *FCA* will cancel the *listing* of its *securities* at its request.
- 5.2.4A G ■ LR 5.2.4 R applies even if the *listing* of the *securities* is suspended.

Cancellation of listing of securities with a premium listing

5.2.5 R

Subject to ■ LR 5.2.7 R, ■ LR 5.2.10 R, ■ LR 5.2.11A R and ■ LR 5.2.12 R, an *issuer* with a *premium listing* that wishes the *FCA* to cancel the *listing* of any of its *securities* with a *premium listing* must:

- (1) send a *circular* to the holders of the relevant *securities*. The *circular* must:
 - (a) comply with the requirements of ■LR 13.3.1 R and ■LR 13.3.2 R (contents of all circulars);
 - (b) be submitted to the FCA for approval prior to publication; and
 - (c) include the anticipated date of cancellation (which must be not less than 20 *business days* following the passing of the resolution referred to in paragraph (2));
- (2) in the case of a cancellation of *listing* of *equity shares*, obtain, at a general meeting, the prior approval of a resolution for the cancellation from:
 - (a) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and
 - (b) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution;
- (2A) in the case of a cancellation of *listing* of *certificates representing* shares, obtain, at a meeting of the holders of the certificates, the prior approval of a resolution for the cancellation from:
 - (a) a majority of not less than 75% in value of the *certificates* representing shares in issue at the time of the meeting that are voted on the resolution; and
 - (b) where an *issuer* has a *controlling shareholder*, a majority in value of the *certificates representing shares* in issue at the time of the meeting that are:
 - (i) held by holders of certificates other than the *controlling* shareholder; and
 - (ii) that are voted on the resolution;
 - (3) notify a RIS, at the same time as the *circular* is despatched to the relevant holders of the *securities*, of the intended cancellation and of the notice period and meeting; and
 - (4) notify a *RIS* of the passing of the resolution in accordance with LR 9.6.18 R or (as applicable) LR 21.8.11R

5.2.5A R [deleted]

- (1) [deleted]
- (2) [deleted]

5.2.6 R [deleted]

- 5.2.7
- LR 5.2.5 R (2) and (2A) will not apply where an issuer of securities notifies a RIS:
 - (1) that the financial position of the *issuer* or its *group* is so precarious that, but for the proposal referred to in ■LR 5.2.7 R (2), there is no reasonable prospect that the issuer will avoid going into formal insolvency proceedings;
 - (2) that there is a proposal for a transaction, arrangement or other form of reconstruction of the issuer or its group which is necessary to ensure the survival of the issuer or its group and the continued listing would jeopardise the successful completion of the proposal;
 - (3) explaining;
 - (a) why the cancellation is in the best interests of those to whom the issuer or its directors have responsibilities (including the bodies of securities holders and creditors, taken as a whole); and
 - (b) why the approval of shareholders or, in the case of certificates representing shares, holders of certificates will not be sought prior to the cancellation of listing; and
 - (4) giving at least 20 business days notice of the intended cancellation.
- 5.2.7A

Where a closed-ended investment fund no longer has a premium listing of equity shares it must apply under ■LR 5.2.8 R for cancellation of the listing of any other class of listed equity shares.

Requirements for cancellation of other securities

- 5.2.8 R
- An issuer that wishes the FCA to cancel the listing of listed securities (other than securities with a premium listing) must notify a RIS, giving at least 20 business days notice of the intended cancellation but is not required to obtain the approval of the holders of those securities contemplated in ■ LR 5.2.5 R (2) or (2A).
- 5.2.9
- Issuers with debt securities falling under LR 5.2.8 R must also notify, in accordance with the terms and conditions of the issue of those securities, holders of those securities or a representative of the holders, such as a trustee, of intended cancellation of those securities, but the prior approval of the holders of those securities in a general meeting need not be obtained.

Cancellation in relation to takeover offers: offeror interested in 50% or less of voting rights

- 5.2.10
- LR 5.2.5 Rdoes not apply to the cancellation of securities with a premium listing in the case of a takeover offer if:
 - (1) the offeror or any controlling shareholder who is an offeror is interested in 50% or less of the voting rights of an issuer before announcing its firm intention to make its takeover offer;
 - (2) the offeror has by virtue of its shareholdings and acceptances of its takeover offer, acquired or agreed to acquire issued share capital carrying 75% of the voting rights of the issuer; and

(3) the offeror has stated in the offer document or any subsequent circular sent to the holders of the shares that a notice period of not less than 20 business days prior to cancellation will commence either on the offeror obtaining the required 75% as described in ■ LR 5.2.10 R (2) or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006 (Right of offeror to buy out minority shareholder).

5.2.10A

For the purposes of \blacksquare LR 5.2.10 R (3), the offer document or *circular* must make clear that the notice period begins only when the *offeror* has announced that it has acquired or agreed to acquire *shares* representing 75% of the voting rights.

5.2.11 R

Where ■LR 5.2.10R applies, the *issuer* must notify shareholders and, in the case of *certificates representing shares*, holders of certificates:

- (1) by stating:
 - (a) that the *offeror* has reached the threshold described in LR 5.2.10R(2);
 - (b) that the notice period has therefore commenced; and
 - (c) the anticipated date of cancellation, or
- (2) by stating in the explanatory letter or other material accompanying the section 979 notice:
 - (a) that the notice period has commenced; and
 - (b) the anticipated date of cancellation.

Cancellation in relation to takeover offers: offeror interested in more than 50% of voting rights

5.2.11A R

■ LR 5.2.5 R does not apply to the cancellation of *securities* with a *premium listing* in the case of a takeover offer if:

- (1) the offeror or any controlling shareholder who is an offeror is interested in more than 50% of the voting rights of an issuer before announcing its firm intention to make its takeover offer;
- (2) the *offeror* has by virtue of its shareholdings and acceptances of its takeover offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*;
- (3) the offeror has obtained acceptances of its takeover offer or acquired or agreed to acquire shares from independent shareholders that represent a majority of the voting rights held by the independent shareholders on the date its firm intention to make its takeover offer was announced; and
- (4) the offeror has stated in the offer document or any subsequent circular sent to the holders of the shares that a notice period of not less than 20 business days prior to cancellation will commence either on the offeror obtaining the relevant shareholding and acceptances as described in LR 5.2.11A R (2) to (3) or on the first date of issue of

R

compulsory acquisition notices under section 979 of the Companies Act 2006.

- 5.2.11B
- For the purposes of LR 5.2.11A R (4), the offer document or circular must make clear that the notice period begins only when the offeror has announced that it has acquired or agreed to acquire shares representing 75% of the voting rights and, if relevant, has obtained acceptances of its takeover offer or acquired or agreed to acquire shares from independent shareholders that represent a majority of the voting rights held by the independent shareholders.
- 5.2.11C
- Where ■LR 5.2.11AR applies, the issuer must notify shareholders and, in the case of certificates representing shares, holders of certificates:
 - (1) by stating:
 - (a) that the relevant thresholds described in LR 5.2.11AR(2) to (3) have been reached:
 - (b) that the notice period has therefore commenced; and of
 - (c) the anticipated date of cancellation, or
 - (2) by stating in the explanatory letter or other material accompanying the section 979 notice:
 - (a) that the notice period has commenced; and
 - (b) the anticipated date of cancellation.
- 5.2.11D
- [deleted]

Cancellation as a result of schemes of arrangement etc

- 5.2.12
- LR 5.2.5 R and LR 5.2.8 R do not apply to the cancellation of equity shares and certificates representing shares as a result of:
 - (1) a takeover or restructuring of the issuer effected by a scheme of arrangement under Part 26 of the Companies Act 2006; or
 - (2) an administration or liquidation of the *issuer* pursuant to a court order under the Insolvency Act 1986, Building Societies Act 1986, Water Industry Act 1991, Banking Act 2009, Energy Act 2011 or the Investment Bank Special Administration Regulations 2011; or
 - (3) the appointment of an administrator under paragraphs 14 (appointment by holder of floating charge) or 22 (appointment by company or directors) of Schedule B1 to the Insolvency Act 1986; or
 - (4) a resolution for winding up being passed under section 84 of the Insolvency Act 1986; or
 - (5) the appointment of a provisional liquidator by the court under section 135 of the Insolvency Act 1986; or
 - (6) a company voluntary arrangement pursuant to Part 1 of the Insolvency Act 1986, subject to the time limits for the challenge of

decisions made set out in Part 1 of the Insolvency Act 1986 having expired; or

(7) statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation having similar effect to those set out in (1) to (6).

5.2.13 G

In determining whether the statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation have a similar effect to those set out in LR 5.2.12R (1) to LR 5.2.12R (6), the *FCA* will in particular have regard to whether those procedures require a court order, the approval of 75% of the shareholders entitled to vote on the resolution, or a formal declaration of the *overseas issuer*'s insolvency or inability to pay its debts.



5.3 Requests to cancel or suspend

Information to be included in request to suspend or cancel

- 5.3.1 A request by an issuer for the listing of its securities to be suspended or cancelled must be in writing and must include:
 - (1) the issuer's name;
 - (2) details of the securities to which it relates and the RIEs on which they are traded:
 - (3) a clear explanation of the background and reasons for the request;
 - (4) the date on which the *issuer* requests the suspension or cancellation to take effect:
 - (5) for a suspension, the time the *issuer* wants the suspension to take effect:
 - (6) if relevant, a copy of any circular or announcement or other document upon which the issuer is relying;
 - (7) if relevant, evidence of any resolution required under LR 5.2.5 R;
 - (8) if being made by an agent on behalf of the issuer, confirmation that the agent has the issuer's authority to make it;
 - (9) the name and contact details of the person at the issuer (or, if appropriate, an agent) with whom the FCA should liaise in relation to the request;
 - (10) if the issuer is making a conditional request, a clear statement of the applicable conditions;
 - (11) a copy of any announcement the issuer proposes to notify to a RIS that it is relying on in making its request to suspend or cancel; and
 - (12) a copy of any announcement the issuer proposes to notify to a RIS announcing the suspension or cancellation.
- 5.3.2 The issuer must also include with a request to cancel the listing of its securities the following:
 - (1) if the cancellation is to take effect after the completion of the compulsory acquisition procedures under Chapter 3 of Part 28 of the

Companies Act 2006, a copy of the notice sent to dissenting shareholders of the offeree together with written confirmation that there have been no objections made to the court within the prescribed period;

- (2) for a cancellation referred to in ■LR 5.2.10 R or ■LR 5.2.11A R an extract from, or a copy of, the offer document or relevant circular clearly showing the intention to cancel the offeree's *listing* and a copy of the announcement stating the date on which the cancellation was expected to take effect; and
- (3) if a cancellation is to take place after a scheme of arrangement becomes effective under section 899 of the Companies Act 2006 and a new *company* is to be *listed* as a result of that scheme, either:
 - (a) a copy of the certificate from the Registrar of Companies that the scheme has become effective; or
 - (b) documents which demonstrate adequately that the scheme will become effective on a specified date in the future.
- 5.3.3 G Announcements referred to in ■LR 5.3.1 R (12) should be issued after the dealing notice issued on a *RIS* announcing the suspension or cancellation.

Timing of suspension requests

5.3.4 G A written request by an *issuer* to have the *listing* of its *securities* suspended should be made as soon as practicable. Suspension requests received for the opening of the market should allow sufficient time for the *FCA* to deal with the request before trading starts.

Timing of cancellation requests

- A written request by an *issuer* to have the *listing* of its *securities* cancelled must be made not less than 24 hours before the cancellation is expected to take effect.
- 5.3.6 Cancellations will only be specified to take effect when the market opens on a specified day. An *issuer* should therefore ensure that all accompanying information has been provided to the *FCA* well before the date on which the *issuer* wishes the cancellation to take effect and at the very latest by 3 p.m. on the *business day* before it is to take effect. If the information is received after 3:00 p.m. on the day before the *issuer* wishes the cancellation to take effect, it will normally be specified to take effect at the start of the *business day* following the next day.

Withdrawing request

(1) If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities*, it may withdraw its request at any time before the suspension or cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

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- (2) Even if an issuer withdraws its request, the FCA may still suspend or cancel the listing of the securities if it considers it is necessary to do so.
- (3) If an issuer has published either a statement or a circular that states that the issuer is, or intends, to seek a suspension or cancellation and the issuer no longer intends to do so, it should, as soon as possible, notify a RIS with a statement to that effect.

Notice of cancellation or suspension

G 5.3.8

If an issuer requests the FCA to suspend or cancel the listing of its securities under ■ LR 5.3.1 R and the FCA agrees to do so, the notification given by the FCA to the issuer will include the following information:

- (1) the date on which the suspension or cancellation took effect or will take effect;
- (2) details of the suspension or cancellation; and
- (3) in relation to requests for suspension, details of the issuer's right to apply for the suspension of its listed securities to be cancelled.

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5.4 Restoring listing

Revoking a cancellation of listing

5.4.1 G If an *issuer* has the *listing* of its *securities* cancelled, it may only have them readmitted to the *official list* by re-applying for their listing.

Restoring a listing that is suspended

The FCA may restore the listing of any securities that have been suspended if it considers that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors. The FCA may restore the listing even though the issuer does not request it.

Requests to restore

- 5.4.3 G
- (1) An *issuer* that has the *listing* of any of its *securities* suspended may request the *FCA* to have them restored.
- (2) The request should be made sufficiently in advance of the time and date the *issuer* wishes the *securities* to be restored.
- (3) Requests received for when the market opens should allow sufficient time for the *FCA* to deal with the request.
- (4) The request may be an oral request. The FCA may require documentary evidence that the events that lead to the suspension are no longer current (for example, financial reports have been published or an appropriate announcement has been made) to process the request.
- (5) Even if restoration is required urgently, it will normally take up to 30 minutes to be effected.
- (6) The FCA will issue a dealing notice on a RIS announcing the restoration.

Refusal of request to restore

5.4.4 R

The FCA will refuse a request to restore the *listing* of securities if it is not satisfied of the matters set out in \blacksquare LR 5.4.2 R.

Withdrawal of a request to restore securities

5.4.5

G

- (1) If an issuer has requested the FCA to restore the listing of any securities, it may withdraw its request at any time while the securities are still suspended. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible.
- (2) Even if a request to restore has been withdrawn, the FCA may restore the listing of securities if it believes the circumstances justify it.

Restoring listing of securitised derivatives

G 5.4.6

- (1) If an underlying instrument is restored, the securitised derivative's listing will normally be restored.
- (2) For a securitised derivative relating to a basket of underlying instruments that has been suspended, the securitised derivative's listing may be restored by the FCA, irrespective of whether or not the underlying instrument has been restored, if:
 - (a) the issuer of the securitised derivative confirms to the FCA that despite the relevant underlying instrument(s) suspension a market in the securitised derivative will continue to be made; and
 - (b) the FCA is satisfied that restoring the securitised derivative is not inconsistent with either the protection of investors or the smooth operation of the market.

5.4.7

For a miscellaneous security that carries a right to buy or subscribe for another security, the miscellaneous security's listing will be restored if the security over which the miscellaneous security carries a right to buy or subscribe is restored.

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5.4A Transfer between listing categories

Application

5.4A.1 R

This section applies to an *issuer* that wishes to transfer the category of its *listing* from:

- (1) a standard listing (shares) to a premium listing (commercial company); or
- (2) a standard listing (shares) to a premium listing (closed-ended investment fund); or
- (2A) a standard listing (shares) to a premium listing (sovereign controlled commercial company); or
- (2B) a standard listing (certificates representing certain securities) to a premium listing (sovereign controlled commercial company); or
- (2C) a standard listing (shares) to a standard listing (open-ended investment company); or
- (2D) a standard listing (open-ended investment company) to a standard listing (shares); or
- (2E) a standard listing (open-ended investment company) to a premium listing (commercial company); or
- (2F) a standard listing (open-ended investment company) to a premium listing (sovereign controlled commercial company); or
- (3) a premium listing (commercial company) to a standard listing (shares); or
- (4) a premium listing (closed-ended investment fund) to a premium listing (commercial company); or
- (5) a premium listing (commercial company) to a premium listing (closed-ended investment fund); or
- (5A) a premium listing (commercial company) to a standard listing (openended investment company); or
 - (6) a premium listing (closed-ended investment fund) to a standard listing (shares);

- (7) a premium listing (commercial company) to a premium listing (sovereign controlled commercial company); or
- (8) a premium listing (sovereign controlled commercial company) to a premium listing (commercial company); or
- (9) a premium listing (closed-ended investment fund) to a premium listing (sovereign controlled commercial company); or
- (10) a premium listing (sovereign controlled commercial company) to a premium listing (closed-ended investment fund); or
- (11) a premium listing (sovereign controlled commercial company) to a standard listing (shares); or
- (12) a premium listing (sovereign controlled commercial company) to a standard listing (certificates representing certain securities); or
- (13) a premium listing (sovereign controlled commercial company) to a standard listing (open-ended investment company).
- 5.4A.2

An issuer will only be able to transfer a listing of its equity shares from a premium listing (closed-ended investment fund) to a standard listing (shares) if it has ceased to be a closed-ended investment fund (for example if it has become a commercial company) or if it continues to have a premium listing of a class of equity shares. This is because ■ LR 14.1.1R(1) provides that ■ LR 14 does not apply to equity shares of a closed-ended investment fund without a premium listing of equity shares.

5.4A.2A

An issuer will only be able to transfer a listing of its equity shares from a standard listing (open-ended investment company) to a standard listing (shares) if it has ceased to be an open-ended investment company (for example if it has become a commercial company). This is because ■ LR 14.1.1R(1A) provides that ■ LR 14 does not apply to equity shares of an open-ended investment company.

Initial notification to the FCA

- 5.4A.3 R
- (1) If an issuer wishes to transfer the category of its listing it must notify the FCA of the proposal.
- (2) The notification must be made as early as possible and in any event not less than 20 business days before it sends the *circular* required under ■ LR 5.4A.4 R (2)(a) or publishes the announcement required under ■ LR 5.4A.5 R (2).
- (3) The notification must include:
 - (a) an explanation of why the issuer is seeking the transfer;
 - (b) if a sponsor's letter is not required under LR 8.4.14R(1), an eligibility letter setting out how the issuer satisfies each listing rule requirement relevant to the category of listing to which it wishes to transfer;
 - (c) a proposed timetable for the transfer; and

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(d) if an announcement is required to be published under LR 5.4A.5R (2), a draft of that announcement.

Shareholder approval required in certain cases

5.4A.4 R

- (1) This rule applies to a transfer of the *listing* of:
 - (a) equity shares with a premium listing into or out of the category of premium listing (closed-ended investment fund); or
 - (b) equity shares with a premium listing out of the category of premium listing (commercial company); or
 - (c) equity shares or certificates representing shares with a premium listing out of the category of premium listing (sovereign controlled commercial company) into the category of standard listing (shares) or standard listing (certificates representing certain securities) or standard listing (open-ended investment company).
- (2) The *issuer* must:
 - (a) send a *circular* to the holders of the *equity shares* or the *certificates representing shares*, as applicable;
 - (b) notify a RIS, at the same time as the circular is despatched to the relevant holders of the equity shares or the certificates representing shares (as applicable), of the intended transfer and of the notice period and meeting date; and
 - (c) [deleted]
 - (d) notify a RIS of the passing of the resolution required under (3) below.
- (3) (a) In the case of a transfer of the *listing* of *equity shares* with a *premium listing* into or out of the category of *premium listing* (closed-ended investment fund), the issuer must obtain at a general meeting the prior approval of a resolution for the transfer from a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; or
 - (b) in the case of a transfer of the listing of equity shares with a premium listing (commercial company) into the category of standard listing (shares) or standard listing (open-ended investment company), the issuer must obtain at a general meeting the prior approval of a resolution for the transfer from:
 - (i) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and
 - (ii) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent* shareholders voted on the resolution; or
 - (c) in the case of a transfer of the *listing* of *equity shares* with a *premium listing* (commercial company) into the category of *premium listing* (sovereign controlled commercial company), the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from:
 - (i) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and

- (ii) where an issuer has a controlling shareholder, a majority of the votes attaching to the shares of independent shareholders voted on the resolution; or
- (d) in the case of a transfer of the listing of equity shares with a premium listing (sovereign controlled commercial company) into the category of standard listing (shares) or standard listing (openended investment company), the issuer must obtain at a general meeting the prior approval of a resolution for the transfer from:
 - (i) a majority of not less than 75% of the votes attaching to the shares voted on the resolution; and
 - (ii) where an issuer has a controlling shareholder, a majority of the votes attaching to the shares of independent shareholders voted on the resolution; or
- (e) in the case of a transfer of the *listing* of certificates representing shares with a premium listing (sovereign controlled commercial company) into the category of standard listing (certificates representing certain securities), the issuer must obtain, at a meeting of the holders of the certificates, the prior approval of a resolution for the transfer from:
 - (i) a majority of not less than 75% in value of the certificates representing shares in issue at the time of the meeting that are voted on the resolution; and
 - (ii) where an issuer has a controlling shareholder, a majority in value of the certificates representing shares in issue at the time of the meeting that are:
 - (A) held by holders of certificates other than the controlling shareholder; and
 - (B) that are voted on the resolution.

Announcement required in other cases

- 5.4A.5 R
- (1) This rule applies to any transfer of a listing of equity shares or certificates representing shares other than a transfer referred to in ■ LR 5.4A.4 R (1).
- (2) The issuer must publish an announcement on a RIS giving notice of its intention to transfer its listing category.

Approval and contents of circular

- 5.4A.6
- The *circular* referred to in LR 5.4A.4 R must:
 - (1) comply with the requirements of LR 13.1, LR 13.2 and LR 13.3;
 - (2) be approved by the FCA before it is circulated or published; and
 - (3) include the anticipated transfer date (which must be not less than 20 business days after the passing of the resolution under ■ LR 5.4A.4 R).

Approval and contents of announcement

5.4A.7

R

The announcement referred to in ■ LR 5.4A.5 R (2) must:

- (1) contain the same substantive information as would be required under LR 13.1 and LR 13.3 if it were a *circular* but modified as necessary so it is clear that no vote of holders of the relevant *securities* is required; and
- (2) include the anticipated transfer date (which must be not less than 20 business days after the date the announcement is published).

5.4A.8

R

The announcement must be approved by the FCA before it is published.

Specific information required in circular or announcement

5.4A.9 G

Information required under ■LR 13.3.1R(1) (Contents of all circulars) to be included in the *circular* or announcement should include an explanation of:

- (1) the background and reasons for the proposed transfer;
- (2) any changes to the *issuer*'s business that have been made or are proposed to be made in connection with the proposal;
- (3) the effect of the transfer on the *issuer*'s obligations under the *listing* rules;
- (4) how the *issuer* will meet any new eligibility requirements, for example working capital requirements, that the *FCA* must be satisfied of under ■LR 5.4A.12 R (3); and
- (5) any other matter that the FCA may reasonably require.

Applying for the transfer

5.4A.10 R

If an *issuer* has initially notified the *FCA* under ■LR 5.4A.3 R it may apply to the *FCA* to transfer the *listing* of its *securities* from one category to another. The application must include:

- (1) the issuer's name;
- (2) details of the securities to which the transfer relates;
- (3) the date on which the issuer wishes the transfer to take effect;
- (4) a copy of any *circular*, announcement or other document on which the *issuer* is relying;
- (5) if relevant, evidence of any resolution required under LR 5.4A.4 R;
- (6) if an agent is making the application on the *issuer*'s behalf, confirmation that the agent has the *issuer*'s authority to do so;
- (7) the name and contact details of the person at the *issuer* (or, if appropriate an agent) with whom the *FCA* should liaise in relation to the application; and

(8) a copy of any announcement the issuer proposes to notify to a RIS informing the market that the transfer has taken place.

Issuer must comply with eligibility requirements

5.4A.11 R

- (1) An issuer applying for a transfer of its securities must comply with all eligibility requirements that would apply if the issuer was seeking admission to listing of the securities to the category of listing to which it wishes to transfer.
- (2) For the purposes of applying the eligibility requirements referred to in (1) to a transfer then, unless the context otherwise requires, a reference in such a requirement:
 - (a) to the admission of securities is to be taken to be a reference to the transfer of the securities; and

.....

(b) to a prospectus or listing particulars is to be taken to be a reference to the *circular* or announcement.

Approval of transfer

5.4A.12

If an *issuer* applies under ■ LR 5.4A.10 R, the *FCA* may approve the transfer if it is satisfied that:

- (1) the issuer has complied with LR 5.4A.4 R or LR 5.4A.5 R (whichever is relevant);
- (2) the 20 business day period referred to in LR 5.4A.6 R or LR 5.4A.7 R (whichever is relevant) has elapsed; and
- (3) the issuer and the securities will comply with all eligibility requirements that would apply if the issuer was seeking admission to listing of the securities to the category of listing to which it wishes to transfer.

5.4A.13

The FCA will not generally reassess compliance with eligibility requirements (for example ■ LR 6.7.1R (Working capital)) if the *issuer* has previously been assessed by the FCA as meeting those requirements under its existing listing category when its securities were listed.

When transfer takes effect

5.4A.14 R

- (1) If the FCA approves a transfer of a listing then it must announce its decision on a RIS.
- (2) The transfer becomes effective when the FCA's decision to approve is announced on the RIS.
- (3) The issuer must continue to comply with the requirements of its existing category of *listing* until the decision is announced on the RIS.
- (4) After the decision is announced the issuer must comply with the requirements of the category of listing to which it has transferred.

Obligations under the Act and Prospectus Rules

5.4A.15

G

An *issuer* may take steps, in connection with a transfer, which require it to consider whether a *prospectus* is necessary, for example, if the *company* or its capital is reconstituted in a way that could amount to an *offer of transferable securities to the public*. The *issuer* and its advisers should consider whether obligations under the *Act* and the *prospectus rules* may be triggered.

Transfer as an alternative to cancellation

5.4A.16 G

There may be situations in which an *issuer's* business has changed over a period of time so that it no longer meets the requirements of the applicable *listing* category against which it was initially assessed for *listing*. In those situations, the *FCA* may consider cancelling the *listing* of the *equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category.

5.4A.17 G

There may be situations in which an *issuer* with a *listing* of *securities* in the category of *premium listed* (*sovereign controlled commercial company*) no longer has a *sovereign controlling shareholder*. In those situations, the *FCA* may consider cancelling the *listing* of the *securities* or suggest to the issuer that, as an alternative, it applies for a transfer of its *listing* category.

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5.5 **Miscellaneous**

Decision-making procedures for suspension, cancellation etc

5.5.1 G The decision-making procedures that the FCA will follow when it cancels, suspends or refuses a request by an *issuer* to suspend, cancel or restore listing are set out in DEPP (Decision Procedure and Penalties).

Suspension, cancellation or restoration by overseas exchange or authority

- 5.5.2 An issuer must inform the FCA if its listing has been suspended, cancelled or restored by an overseas exchange or overseas authority.
- G 5.5.3 (1) The FCA will not automatically suspend, cancel or restore the listing of securities at the request of an overseas exchange or overseas authority (for example, if listing of a listed issuer's securities are suspended, cancelled or restored on its home exchange).
 - (2) The FCA will not normally suspend the listing of securities where there is a trading halt for the security on its home exchange.
 - (3) If a listed issuer requests a suspension, cancellation or restoration of the listing of its securities, after a suspension, cancellation or restoration on its home exchange, the issuer should send to the FCA written confirmation:
 - (a) that the suspension, cancellation or restoration of listing on its home exchange has become effective; or
 - (b) if it has not yet become effective, of the time and date it is proposed to become effective.
 - (4) If an overseas exchange or overseas authority requests the FCA to suspend, cancel or restore the listing of securities, the FCA will, wherever practical, contact the issuer or its sponsor before it suspends, cancels or restores the listing. Therefore, issuers are encouraged to contact the FCA at the same time as they contact their home exchange.
 - (5) If the FCA is unable to contact the issuer or sponsor, it will suspend, cancel or restore the *listing* of the *securities* when it is satisfied that the listing of the relevant securities has been, or will be, suspended, cancelled or restored on their home exchange.

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5.6 Reverse takeovers

Application

- 5.6.1 R
- This section applies to an issuer with:
 - (1) a premium listing;
 - (2) a standard listing (shares); or
 - (3) a standard listing of certificates representing equity securities.

•••••

Categories of reverse takeover to which this section does not

- 5.6.2 \mathbf{R}
- LR 5.6 does not apply where an *issuer* acquires the *shares* or *certificates* representing equity securities of a target with the same category of listing as the issuer.

- 5.6.3 R
- Class 1 requirements Notwithstanding the effect of ■LR 5.6.2 R, an issuer with a premium listing must in relation to a reverse takeover comply with the requirements of ■ LR 10.5 (Class 1 requirements) for that transaction.

Definitions

- 5.6.4 R
- A reverse takeover is a transaction, whether effected by way of a direct acquisition by the issuer or a subsidiary, an acquisition by a new holding company of the issuer or otherwise, of a business, a company or assets:
 - (1) where any percentage ratio is 100% or more; or
 - (2) which in substance results in a fundamental change in the business or in a change in board or voting control of the issuer.

When calculating the percentage ratio, the issuer must apply the class tests and ■ LR 10.2.10R (Aggregating transactions).

- 5.6.5 G
- For the purpose of LR 5.6.4R (2), the FCA considers that the following factors are indicators of a fundamental change:
 - (1) the extent to which the transaction will change the strategic direction or nature of its business: or

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- (2) whether its business will be part of a different industry sector following the completion of the transaction; or
- (3) whether its business will deal with fundamentally different suppliers and end users.
- 5.6.5A A shell company is an issuer whose:
 - (1) assets consist solely or predominantly of cash or short-dated securities; or
 - (2) predominant purpose or objective is to undertake an acquisition or merger, or a series of acquisitions or mergers.

Requirement for a suspension

- 5.6.6 R A shell company, or in the case of a shell companywith a premium listing, its sponsor, must contact the FCA as early as possible:
 - (1) before announcing a reverse takeover which has been agreed or is in contemplation, to discuss whether a suspension of listing is appropriate; or
 - (2) where details of the reverse takeover have leaked, to request a suspension.
- 5.6.7 G Examples of where the FCA will consider that a reverse takeover is in contemplation include situations where:
 - (1) the shell company has approached the target's board;
 - (2) the shell company has entered into an exclusivity period with a target; or
 - (3) the shell company has been given access to begin due diligence work (whether or not on a limited basis).
- 5.6.8 G Generally, when a reverse takeover between a shell company and a target is announced or leaked, there will be insufficient publicly available information about the proposed transaction and the shell company will be unable to assess accurately its financial position and inform the market accordingly. In this case, the FCA will often consider that suspension will be appropriate, as set out in ■ LR 5.1.2G (3) and ■ (4). However, the FCA may agree with the shell company that a suspension is not required if the FCA is satisfied that:
 - (1) there is sufficient publicly available information about the proposed transaction; or
 - (2) where the shell company is an issuer which falls within LR 5.6.5AR(2), the *shell company* has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised.

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5.6.9 G ■ LR 5.6.10G to ■ LR 5.6.18FR set out circumstances in which the FCA will generally be satisfied that a suspension is not required.

Reverse takeover by a shell company: target admitted to a regulated market

- The FCA will generally be satisfied that there is sufficient information in the G 5.6.10 market about the propos ed transaction if:
 - (1) the target has shares or certificates representing equity securities admitted to a regulated market; and
 - (2) the shell company makes an announcement stating that the target has complied with the disclosure requirements applicable on that regulated market and providing details of where information disclosed pursuant to those requirements can be obtained.
- 5.6.11 R An announcement made for the purpose of ■LR 5.6.10G (2) must be published by means of an RIS.

Reverse takeover by a shell company: target subject to the disclosure regime of another market

- 5.6.12 G The FCA will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction if the target has securities admitted to an investment exchange or trading platform that is not a regulated market and the shell company:
 - (1) confirms, in a form acceptable to the FCA, that the disclosure requirements in relation to financial information and inside information of the investment exchange or trading platform on which the target's securities are admitted are not materially different from the disclosure requirements: and
 - (2) makes an announcement to the effect that:
 - (a) the target has complied with the disclosure requirements applicable on the investment exchange or trading platform to which its securities are admitted and provides details of where information disclosed pursuant to those requirements can be obtained: and
 - (b) there are no material differences between those disclosure requirements and the disclosure requirements under DTR.
- 5.6.13 R Where a shell company has a premium listing, a written confirmation provided for the purpose of ■ LR 5.6.12G (1) must be given by the shell company's sponsor.
- 5.6.14 R An announcement made for the purpose of ■LR 5.6.12G (2) must be published by means of an RIS.

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Reverse takeover by a shell company: target not subject to a public disclosure regime

5.6.15

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Where the target in a reverse takeover by a shell company is not subject to a public disclosure regime, or if the target has securities admitted on an investment exchange or trading platform that is not a regulated market but the shell company is not able to give the confirmation and make the announcement contemplated by ■ LR 5.6.12 G, the FCA will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction such that a suspension is not required where the shell company makes an announcement containing:

- (1) financial information on the target covering the last three years. Generally, the FCA would consider the following information to be sufficient:
 - (a) profit and loss information to at least operating profit level;
 - (b) balance sheet information, highlighting at least net assets and liabilities:
 - (c) relevant cash flow information; and
 - (d) a description of the key differences between the shell company's accounting policies and the policies used to present the financial information on the target;
- (2) a description of the target to include key non-financial operating or performance measures appropriate to the target's business operations and the information as required under Annex 1 Section 10 (Trend information) of the *PR Regulation* (see ■ PRR Appendix 2) for the target;
- (3) a declaration that the *directors* of the *shell company* consider that the announcement contains sufficient information about the business to be acquired to provide a properly informed basis for assessing its financial position; and
- (4) a declaration confirming that the shell company has made the necessary arrangements with the target vendors to enable it to keep the market informed without delay of any developments concerning the target that would be required to be released were the target part of the shell company.
- 5.6.16 R An announcement made for the purpose of ■LR 5.6.15 G must be published by means of an RIS.
- 5.6.17 R Where a shell company has a premium listing, a sponsor must provide written confirmation to the FCA that in its opinion, it is reasonable for the shell company to provide the declarations described in ■ LR 5.6.15G (3) and **(4)**.
- 5.6.18 Where the FCA has agreed that a suspension is not necessary as a result of an announcement made for the purpose of ■LR 5.6.15 G the shell company must comply with the obligation under article 17(1) of the Market Abuse Regulation on the basis that the target already forms part of the enlarged group.

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Reverse takeover by a shell company which falls within LR 5.6.5AR(2): other circumstances where a suspension is not required

5.6.18A

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The FCA will generally be satisfied that a shell company which falls within LR 5.6.5AR(2) has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that a suspension is not required where the following conditions are met:

- (1) at the date of admission the aggregate gross cash proceeds received by the shell company in consideration for the listed shares issued by it to public shareholders was at least £100 million;
- (2) the *shell company* has adequate binding arrangements in place with an independent third party to ensure that the aggregate gross cash proceeds received in consideration for any *listed shares* that it has issued, or issues, to *public shareholders* are protected from being used for any purpose other than:
 - (a) to provide the consideration for a *reverse takeover* which has been approved by:
 - (i) its board in accordance with (4); and
 - (ii) its public shareholders in accordance with (5);
 - (b) to redeem or purchase *listed shares* held by *public shareholders* following the exercise of the right to be redeemed or purchased referred to in (7);
 - (c) to be distributed to *public shareholders* if that a *reverse takeover* has not been completed by the date specified in (3); or
 - (d) to return capital to *public shareholders* in the event of a winding up of the *company*,

provided that a specified amount or proportion of such proceeds may be excluded from the amount which is protected, and may be retained to be used by the *shell company* to fund its operations, where that amount or proportion has been disclosed in the *prospectus* published in relation to the *admission* to *listing* of the *shell company's shares*;

- (3) the shell company's constitution:
 - (a) provides that if the *shell company* has not completed a *reverse* takeover on or before the date which is 24 months from the date of admission it will:
 - (i) cease operations on the date which is 24 months from the date of admission; and
 - (ii) distribute the amount protected and referred to in (2) to *public shareholders* as soon as possible after the date specified in (i);
 - (b) may provide that the period of 24 months referred to in (a) can be extended for a further period of up to 12 months provided that any such extension is approved by the public shareholders of the shell company before the end of the period referred to in (a);
 - (c) may provide that the period of 24 *months* referred to in (a), or the extended period referred to in (b), can be extended for a

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further period of up to 6 months where, before the end of the period referred to in (a) or (b), as applicable:

- (i) the approval of shareholders for a reverse takeover has been obtained but the reverse takeover has not completed;
- (ii) a general meeting to obtain the approval of shareholders for a reverse takeover has been convened;
- (iii) the shell company has made an announcement that:
 - (A) a general meeting to obtain the approval of shareholders for a reverse takeover will be convened for a date which is specified in the announcement; and
 - (B) a notice to convene the general meeting referred to in (A) will be sent to shareholders within a specified time following the announcement; or
- (iv) an agreement for a reverse takeover has been entered into but the reverse takeover has not been completed and the shell company has not made an announcement in accordance with (iii),

provided that any such extension is notified to a RIS before the end of the period referred to in (a) or (b), as applicable.

(4) the shell company's constitution:

provides that the shell company must obtain the approval of its board for a reverse takeover before it is entered into; and

ensures that the following do not take part in the board's consideration of the reverse takeover and do not vote on the relevant board resolution:

- (i) any director who is, or an associate of whom is, a director of the target or of a subsidiary undertaking of the target; and
- (ii) any director who has a conflict of interest in relation to the target or a subsidiary undertaking of the target;
- (5) the shell company's constitution:
 - (a) provides that the shell company must obtain the approval of its shareholders for a reverse takeover either:
 - (i) before the transaction is entered into; or
 - (ii) if the transaction is expressed to be conditional on that approval, before it is completed; and
 - (b) ensures that any founding shareholder, sponsor or director does not vote on the relevant resolution;
- (6) the shell company's constitution provides that where any director has a conflict of interest in relation to the target or a subsidiary undertaking of the target, the shell company must publish, in sufficient time before shareholder approval for a reverse takeover is sought, a statement by the board that:
 - (a) the proposed transaction is fair and reasonable as far as the public shareholders of the shell company are concerned; and
 - (b) the directors have been so advised by an appropriately qualified and independent adviser;

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- (7) the holders of the *listed shares* have the right to require the *shell company* to redeem or otherwise purchase their *shares* for a predetermined amount, which is exercisable:
 - at the discretion of the holder prior to completion of a *reverse takeover*; and
 - whether or not the holder voted in favour of the *reverse* takeover on any shareholder resolution to approve the transaction;
- (8) the *shell company* has disclosed the matters set out in (2) to (7) in the *prospectus* published in relation to the *admission to listing* of the *shell company's shares*.

5.6.18B R In ■ LR 5.6.18AG:

- (1) "founding shareholder" means a shareholder who founded or established a shell company;
- (2) "public shareholder" means a shareholder who is not a founding shareholder, a sponsor or a director;
- (3) "sponsor" means a person who provides any of the following to a shell company:
 - (a) capital or other finance to support the operating costs of the *shell company*;
 - (b) financial, advisory, consultancy or legal services;
 - (c) facilities or support services; or
 - (d) any other material contribution to the establishment and ongoing operation of the *shell company*.

5.6.18C R

- (1) In order for the FCA to be satisfied for the purposes of ■LR 5.6.8G(2), the shell company must provide a written confirmation from the board to the FCA that:
 - (a) the conditions set out in ■LR 5.6.18AG have been met; and
 - (b) the conditions set out in LR 5.6.18AG(2) to (7) will continue to be met until a reverse takeover is completed.
- (2) The *shell company* must provide to the *FCA* evidence of the basis upon which it considers that it meets the conditions set out in LR 5.6.18AG, if requested to do so.

5.6.18D R

- (1) Where the FCA has agreed that a suspension is not necessary as a result of the shell company meeting the conditions set out in LR 5.6.18AG and having provided the written confirmation set out in LR 5.6.18CR, the shell company must make an announcement of the reverse takeover.
- (2) The announcement must include:
 - (a) a description of the business carried on by the target;

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- (b) hyperlinks to all relevant publicly available information on the target;
- (c) all material terms of the proposed transaction, including the expected dilution effect on public shareholders from securities held by directors, sponsors or founding shareholders, or from new securities issued or expected to be issued as part of the transaction:
- (d) the proposed timetable for the transaction;
- (e) an indication of how the target has been, or will be assessed and valued by the shell company, with reference to any selection and evaluation process for prospective target companies set out in the prospectus published in relation to the admission to listing of the shell company's shares; and
- (f) any other material details and information which the shell company is aware of, or ought reasonably to be aware of, about the target or the proposed transaction that an investor in the shell company needs to make a properly informed decision.
- (3) If any of the information set out in (2) is not known when the announcement required by (1) is made:
 - (a) the announcement required by (1) must also identify the information set out in (2) which has not been included in that announcement; and
 - (b) the *shell company* must make an announcement of such information as soon as it is known or the shell company becomes, or ought reasonably have become, aware of it and in any event in sufficient time before shareholder approval for the reverse takeover is sought.
- 5.6.18E R An announcement made for the purposes of ■LR 5.6.18DR must be published by means of an RIS.
- 5.6.18F The shell company must contact the FCA as soon as possible if at any time after the written confirmation referred to in ■LR 5.6.18CR has been provided to the FCA any of the conditions set out in ■LR 5.6.18AG(2) to (7) are no longer met to request a suspension of *listing*.

Cancellation of listing

- 5.6.19 G The FCA will generally seek to cancel the listing of an issuer's equity shares or certificates representing equity securities when the issuer completes a reverse takeover.
- 5.6.20 G ■ LR 5.6.23 G to ■ LR 5.6.29 G set out circumstances in which the FCA will generally be satisfied that a cancellation is not required.
- R 5.6.21 Where the issuer's listing is cancelled following completion of a reverse takeover, the issuer must re-apply for the listing of the shares or certificates representing equity securities and satisfy the relevant requirements for

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listing, except that for an issuer with a premium listing, ■ LR 6.2.1R(3) and ■ LR 6.2.4R(2) will not apply in relation to the issuer's accounts.

- 5.6.22 G
- Notwithstanding \blacksquare LR 5.6.21 R, financial information provided in relation to the *target* will need to satisfy \blacksquare LR 6.2.1R(3) and \blacksquare LR 6.2.4R(2).

Acquisitions of targets from different listing categories: issuer maintaining its listing category

5.6.23 G

Where an *issuer* acquires the *shares* or *certificates representing equity* securities of a *target* with a different *listing* category from its own and the *issuer* wishes to maintain its existing *listing* category, the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *issuer* will continue to be eligible for its existing *listing* category following completion of the transaction;
- (2) the *issuer* provides an eligibility letter setting out how the *issuer* as enlarged by the acquisition satisfies each *listing rule* requirement that is relevant to it being eligible for its existing *listing* category; and
- (3) the issuer makes an announcement or publishes a circular explaining:
 - (a) the background and reasons for the acquisition;
 - (b) any changes to the acquiring *issuer's* business that have been made or are proposed to be made in connection with the acquisition;
 - (c) the effect of the transaction on the acquiring *issuer*'s obligations under the *listing rules*;
 - (d) (where appropriate) how the acquiring issuer will continue to meet the eligibility requirements referred to in LR 5.6.21 R; and
 - (e) any other matter that the FCA may reasonably require.
- An announcement or circular published for the purpose of LR 5.6.23 G must be published by means of an *RIS*.
- An eligibility letter prepared for the purposes of ■LR 5.6.23 G must be provided to the *FCA* not less than 20 *business days* prior to the announcement of the transaction referred to in ■LR 5.6.24 R.
- Where an *issuer* has a *premium listing*, the eligibility letter provided for the purposes of ■LR 5.6.23 G must be provided by a *sponsor*.

Acquisitions of targets from different listing categories: issuer changing listing category

- 5.6.27 G
- The FCA will generally be satisfied that a cancellation is not required on completion of a reverse takeover if the target is listed with a different listing category from that of the issuer and the issuer wishes to transfer its listing to a different listing category in conjunction with the acquisition and the issuer

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as enlarged by the relevant acquisition complies with the relevant requirements of LR 5.4A to transfer to a different *listing* category.

- 5.6.28
- An issuer wishing to transfer a listing of its equity shares from a premium listing (closed-ended investment fund) to a standard listing (shares) should note ■LR 5.4A.2 G which sets out limitations resulting from the application of ■ LR 14.1.1R(1)(application of the *listing rules* to a *company* with or applying for a standard listing of shares).
- 5.6.28A
- An issuer wishing to transfer a listing of its equity shares from a standard listing (open-ended investment company) to a standard listing (shares) should note ■ LR 5.4A.2AG which sets out limitations resulting from the application of ■ LR 14.1.1R(1A) (application of the *listing rules* to a *company* with or applying for a standard listing of shares).
- 5.6.29
- Where an issuer is applying LR 5.4A in order to avoid a cancellation as contemplated by ■ LR 5.6.27 G, the FCA will normally waive the requirement for shareholder approval under ■ LR 5.4A.4R (2)(c) where the issuer is obtaining separate shareholder approval for the acquisition.

Chapter 6

Additional requirements for premium listing (commercial company)



6.1 **Application**

- 6.1.1 This chapter applies to an applicant for the admission of equity shares to premium listing (commercial company) except where:
 - (1) the applicant meets the following conditions:
 - (a) it has an existing premium listing (commercial company) of equity shares;
 - (b) it is applying for the admission of equity shares of the same class as the shares that have been admitted to premium listing; and
 - (c) it is not entering into a transaction classified as a reverse takeover; or
 - (2) the following conditions are met:
 - (a) a company has an existing premium listing (commercial company) of equity shares;
 - (b) the applicant is a new holding company of the company in (a);
 - (c) the company in (a) is not entering into a transaction classified as a reverse takeover.

Applicant must satisfy requirements in this chapter

6.1.2 G An applicant to whom this chapter applies must satisfy the requirements in this chapter (in addition to those in ■LR 2).



6.2 Historical financial information requirements

Content of historical financial information

6.2.1 R

An *applicant* must have published or filed historical financial information that:

(1) covers at least three years;

[Note: article 44 of the CARD]

- (2) represents at least 75% of the *applicant*'s business for the period in (1);
- (3) unless LR 5.6.21R applies, has a latest balance sheet date that is not more than:
 - (a) six months before the date of the *prospectus* or *listing particulars* for the relevant *shares*; and
 - (b) nine months before the date the *shares* are *admitted to listing*; and
- (4) includes the consolidated accounts for the *applicant* and all its *subsidiary undertakings*.

6.2.2 G

- (1) In determining what amounts to 75% of the applicant's business for the purpose of LR 6.2.1R(2), the FCA will consider the size, in aggregate, of all of the acquisitions that the applicant has entered into during the period required by LR 6.2.1R(1) and up to the date of the prospectus or listing particulars, relative to the size of the applicant as enlarged by the acquisitions.
- (2) In ascertaining the size of the acquisitions relative to the *applicant* for the purposes of ■LR 6.2.1R(2), the *FCA* will take into account factors such as the assets, profitability and market capitalisation of the businesses.
- (3) The figures used should be the latest available for the acquired entity and the *applicant* as enlarged by the acquisition or acquisitions.

6.2.3 R

Where an *applicant* has made an acquisition or series of acquisitions such that its own consolidated financial information is insufficient to meet the 75% requirement in LR 6.2.1R(2), there must be historical financial information relating to the acquired entity or entities which has been published or filed and that:

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- (1) covers the period from at least three years prior to the date under ■ LR 6.2.1R(3) up to the earlier of:
 - (a) the date in LR 6.2.1R(3); or
 - (b) the date of acquisition by the applicant;
- (2) is prepared and presented in a form that is consistent with the accounting policies adopted in the financial information required by ■ LR 6.2.1R; and
- (3) in aggregate with its own historical financial information represents at least 75% of the enlarged applicant's business for the period in ■ LR 6.2.1R(1).

Audit requirements for historical financial information

- 6.2.4 R The historical financial information in ■ LR 6.2.1R and ■ LR 6.2.3R must:
 - (1) have been audited or reported on in accordance with the standards acceptable under Section 18 of Annex 1 of the PR Regulation; and
 - (2) not be subject to a modified report, unless the circumstances set out in ■ LR 6.2.5G apply.
- G 6.2.5 The FCA may accept that ■ LR 6.2.4R(2) has been satisfied where a modified report is present only as a result of:
 - (1) the presence of an emphasis-of-matter paragraph which arises in any of the earlier periods required by LR 6.2.1R and the opinion on the final period is unmodified; or
 - (2) the opinion on the historical financial information for the final period under ■ LR 6.2.1R includes an emphasis-of-matter paragraph with regard to going concern and ■LR 6.7.1R (Working capital) is complied with.
- 6.2.6 R An applicant must:
 - (1) take all reasonable steps to ensure that the person providing the opinion in ■ LR 6.2.4R(1) is independent of it; and
 - (2) obtain written confirmation from the person providing the opinion in ■ LR 6.2.4R(1) that it complies with guidelines on independence issued or approved by its national accountancy or auditing bodies.

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6.3 Revenue earning track record requirement

6.3.1 R The historical financial information required under ■ LR 6.2.1R and ■ LR 6.2.3R must:

demonstrate that the *applicant* has a revenue earning track record; and

put prospective investors in a position to make an informed assessment of the business for which *admission* is sought.

6.3.2 G

- (1) The purpose of ■LR 6.2.1R(2), ■LR 6.2.3R, and ■LR 6.3.1R is to ensure that the *applicant* has representative financial information throughout the period required by ■LR 6.2.1R(1) and ■LR 6.2.3R and to assist prospective investors to make a reasonable assessment of what the future prospects of the *applicant's* business might be. Investors are then able to consider the *applicant's* historical financial information in light of its particular competitive advantages, the outlook for the sector in which it operates and the general macro economic climate.
- (2) The FCA may consider that an applicant does not have representative historical financial information and that its equity shares are not eligible for a premium listing if a significant part or all of the applicant's business has one or more of the following characteristics:
 - (a) a business strategy that places significant emphasis on the development or marketing of products or services which have not formed a significant part of the applicant's historical financial information;
 - (b) the value of the business on *admission* will be determined, to a significant degree, by reference to future developments rather than past performance;
 - the relationship between the value of the business and its revenue or profit-earning record is significantly different from those of similar companies in the same sector;
 - (d) there is no record of consistent revenue, cash flow or profit growth throughout the period of the historical financial information;
 - (e) the *applicant's* business has undergone a significant change in its scale of operations during the period of the historical financial information or is due to do so before or after *admission*;

(f) it has significant levels of research and development expenditure or significant levels of capital expenditure.

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6.4 Independent business

- An applicant must demonstrate that it carries on an independent business as its main activity.
- 6.4.2 G LR 6.4.1R is intended to ensure that the protections afforded to *holders* of equity shares by the premium listing requirements are meaningful.
- 6.4.3 G Factors that may indicate that an *applicant* does not satisfy LR 6.4.1R include situations where:
 - (1) a majority of the revenue generated by the *applicant's* business is attributable to business conducted directly or indirectly with one *person* or *group*;
 - (2) or the *applicant* cannot demonstrate that it has access to financing other than from one *person* or *group*; or
 - (3) the applicant does not have:
 - (a) strategic control over the commercialisation of its products; or
 - (b) strategic control over its ability to earn revenue; or
 - (c) freedom to implement its business strategy.

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6.5 **Controlling shareholders**

- 6.5.1 An applicant with a controlling shareholder must demonstrate that, despite having a controlling shareholder, the applicant is able to carry on an independent business as its main activity.
- 6.5.2 G ■ LR 6.5.1R is intended to ensure that the protections afforded to holders of equity shares by the premium listing requirements are meaningful.
- G 6.5.3 Factors that may indicate that an applicant does not satisfy the requirement in ■ LR 6.5.1R (even where the agreement in ■ LR 6.5.4R is in place) include:
 - (1) an applicant has granted or may be required to grant security over its business in connection with the funding of a controlling shareholder or a member of a controlling shareholder's group; or
 - (2) a controlling shareholder (or any associate thereof) appears to be able to influence the operations of the applicant outside its normal governance structures or via material shareholdings in one or more significant subsidiary undertakings; or
 - (3) a controlling shareholder appears to be able to exercise improper influence over the applicant; or
 - (4) an applicant cannot demonstrate that it has access to financing other than from a controlling shareholder (or an associate thereof).
- 6.5.4 An applicant with a controlling shareholder upon admission must have in place a written and legally binding agreement with its controlling shareholder which is intended to ensure that the controlling shareholder complies with undertakings that:
 - (1) transactions and arrangements with the controlling shareholder (and/ or any of its associates) will be conducted at arm's length and on normal commercial terms;
 - (2) neither the controlling shareholder nor any of its associates will take any action that would have the effect of preventing the applicant from complying with its obligations under the listing rules; and
 - (3) neither the controlling shareholder nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the listing rules.

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- An applicant with more than one controlling shareholder is not required to enter into a separate agreement with each controlling shareholder if:
 - (1) the applicant reasonably considers, in light of its understanding of the relationship between the relevant controlling shareholders, that a controlling shareholder can procure the compliance of another controlling shareholder and that controlling shareholder's associates with the undertakings in ■LR 6.5.4R; and
 - (2) the agreement, which contains the undertakings in LR 6.5.4R, entered into with the relevant *controlling shareholder* also contains:
 - (a) a provision in which the controlling shareholder agrees to procure the compliance of a non-signing controlling shareholder and its associates with the undertakings in ■LR 6.5.4R; and
 - (b) the name of such non-signing controlling shareholder.

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6.6 Control of the business

- 6.6.1 An applicant must demonstrate that it exercises operational control over the business it carries on as its main activity.
- G 6.6.2 ■ LR 6.6.1R is intended to ensure that the protections afforded to holders of holders of equity shares by the premium listing requirements are meaningful.
- 6.6.3 G Factors that may indicate that an applicant does not satisfy the requirement in LR 6.6.1R include where the applicant's business consists principally of holding shares in entities that it does not control, including entities where the applicant:
 - (1) owns a minority holding of shares; or
 - (2) is only able to exercise negative control; or
 - (3) exercises control subject to contractual arrangements which could be altered without the applicant's agreement or could result in a temporary or permanent loss of control.



6.7 Working capital

An applicant must satisfy the FCA that it and its subsidiary undertakings (if any) have sufficient working capital available for the group's requirements for at least the next 12 months from the date of publication of the prospectus or listing particulars for the shares that are being admitted.

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6.8 Warrants or options to subscribe

- 6.8.1 The total of all issued warrants to subscribe for equity shares or options to subscribe for equity shares must not exceed 20% of the issued equity share capital (excluding treasury shares) of the applicant as at the time of issue of the warrants or options.
- 6.8.2 R For the purpose of the 20% limit in ■ LR 6.8.1R, rights under *employees' share* schemes are not included.

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6.9 Constitutional arrangements

- An applicant must have in place a constitution that allows it to comply with the *listing rules*, in particular:
 - (1) LR 9.2.21R to vote on matters relevant to premium listing; and
 - (2) for an applicant with a controlling shareholder, ■LR 9.2.2ER and ■LR 9.2.2FR concerning the election and re-election of independent directors.
- 6.9.1A Where the applicant will have specified weighted voting rights shares in issue following admission, the applicant must have in a place a constitution that ensures that:
 - (1) the only shareholders other than *premium listed* shareholders who may participate in the shareholder votes referred to in ■LR 9.2.21R(1) are holders of *specified weighted voting rights shares* in accordance with ■LR 9.2.22AR; and
 - (2) the voting rights attached to *specified weighted voting rights shares* may only count towards the shareholder votes referred to in LR 9.2.21R(1) for the period stated in LR 9.2.22AR(3) or, where applicable, LR 9.2.22AR(4).

Pre-emption rights

6.9.2 R

If the law of the country of its incorporation does not confer on *shareholders* rights which are at least equivalent to ■LR 9.3.11R, an *overseas company* applying for a *premium listing* must:

- (1) ensure its constitution provides for rights which are at least equivalent to the rights provided in LR 9.3.11R (as qualified by LR 9.3.12R); and
- (2) be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.

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6.10 **Specialist companies: mineral** companies

- 6.10.1 Where a mineral company applies for the admission of its equity shares to a premium listing and cannot comply with the minimum three-year period required in ■ LR 6.2.1R(1) because it has been operating for a shorter period:
 - (1) the mineral company must have published or filed historical financial information since the inception of its business; and
 - (2) the following apply to the *mineral company* only with regard to the period for which it has published or filed historical financial information pursuant to (1):
 - (a) LR 6.2.1R(2), LR 6.2.1R(3) and LR 6.2.1R(4) (content of historical financial information); and
 - (b) LR 6.2.4R and LR 6.2.6R (audit requirements for historical financial information).
- 6.10.2 ■ LR 6.3.1R (revenue earning track record) does not apply to a mineral company that applies for the admission of its equity shares to a premium listing.
- 6.10.3 R (1) This rule applies if the mineral company applies for the admission of its equity shares to premium listing and cannot comply with ■ LR 6.6.1R (control of business) because the *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.
 - (2) The *mineral company* must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources.

LR 6 : Additional requirements for premium listing (commercial company)



6.11 Specialist companies: scientific research based companies

- Where a scientific research based company applies for the admission of its equity shares to a premium listing and cannot comply with the minimum three-year period required in LR 6.2.1R(1) because it has been operating for a shorter period:
 - (1) the *scientific research based company* must have published or filed historical financial information since the inception of its business; and
 - (2) the following apply to the *scientific research based company* only with regard to the period for which it has published or filed historical financial information under (1):
 - (a) LR 6.2.1R(2), LR 6.2.1R(3) and LR 6.2.1R(4) (content of historical financial information); and
 - (b) LR 6.2.4R and LR 6.2.6R (audit requirements for historical financial information).
- 6.11.2 R

If the *scientific research based company* does not comply with either ■ LR 6.2.1R(1) (minimum period for historical financial information) or ■ LR 6.3.1R (revenue earning track record), it must:

- (1) demonstrate its ability to attract funds from sophisticated investors prior to the marketing at the time of *listing*;
- (2) intend to raise at least £10 million pursuant to a marketing at the time of *listing*;
- (3) have a capitalisation, before the marketing at the time of *listing*, of at least £20 million (based on the issue price and excluding the value of any *equity shares* which have been issued in the six months before *listing*);
- (4) have as its primary reason for *listing* the raising of finance to bring identified products to a stage where they can generate significant revenues; and
- (5) demonstrate that it has a three year record in laboratory research and development including:
 - (a) details of patents granted or details of progress of patent applications; and
 - (b) the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.

LR 6 : Additional requirements for premium listing (commercial company)



6.12 **Specialist companies: property** companies

- 6.12.1 Where a property company applies for the admission of its equity shares to a premium listing and cannot comply with ■ LR 6.3.1R because it does not have a revenue earning track record:
 - (1) the property company must demonstrate that it has three years of development of its real estate assets represented by increases of the gross asset value of its real estate assets:
 - (a) evidenced by the historical financial information required by ■ LR 6.2.1R: and
 - (b) supported by a published property valuation report; or
 - (2) the property company must demonstrate that 75% of the gross asset value of an applicant's real estate assets, as supported by a published property valuation report, are revenue generating at the point in time when the application for admission of the equity shares to a premium listing is made.
- G 6.12.2 For the purposes of ■ LR 6.12.1R, the *property valuation report* should be published in the applicant's prospectus.
- 6.12.3 Where a *property company* is relying on ■LR 6.12.1R(2) and cannot comply with ■ LR 6.2.1R(1) because it has been operating for a shorter period:
 - (1) the property company must have published or filed historical financial information since the inception of its business; and
 - (2) the following apply to the *property company* only with regard to the period for which it has published or filed historical financial information under (1):
 - (a) LR 6.2.1R(2), LR 6.2.1R(3) and LR 6.2.1R(4) (content of historical financial information); and
 - (b) LR 6.2.4R and LR 6.2.6R (audit requirements for historical financial information).



6.13 Externally managed companies

- **6.13.1 R** An applicant must satisfy the FCA that:
 - (1) the discretion of its board to make strategic decisions on behalf of the *applicant* has not been limited or transferred to a *person* outside the *applicant's group*; and
 - (2) its board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *applicant's* group.
- G In considering whether an applicant has satisfied ■LR 6.13.1R, the FCA will consider, among other things, whether the board of the applicant consists solely of non-executive directors and whether significant elements of the strategic decision-making of or planning for the applicant take place outside the applicant's group, for example with an external management company.

■ Release 33 Feb 2024

LR 6 : Additional requirements for premium listing (commercial company)



6.14 **Shares in public hands**

6.14.1 Where an applicant is applying for the admission of a class of equity shares to premium listing, a sufficient number of shares of that class must, no later than the time of admission, be distributed to the public.

[Note: article 48 of the CARD]

6.14.2 For the purposes of ■ LR 6.14.1R:

- (1) [deleted]
- (2) a sufficient number of shares will be taken to have been distributed to the public when 10% of the shares for which application for admission has been made are in public hands; and
- (3) treasury shares are not to be taken into consideration when calculating the number of shares of the class.

[Note: article 48 of the CARD]

6.14.3 R For the purposes of ■ LR 6.14.1R and ■ LR 6.14.2R, *shares* are not held in public hands if they are:

- (1) held, directly or indirectly by:
 - (a) a director of the applicant or of any of its subsidiary undertakings; or
 - (b) a person connected with a director of the applicant or of any of its subsidiary undertakings; or
 - (c) the trustees of any employees' share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings; or
 - (d) any person who under any agreement has a right to nominate a person to the board of directors of the applicant; or
 - (e) any person or persons in the same group or persons acting in concert who have an interest in 5% or more of the shares of the relevant class:
- (2) subject to a lock-up period of more than 180 calendar days.

[Note: article 48 of the CARD]

LR 6 : Additional requirements for premium listing (commercial company)

- G When calculating the number of *shares* for the purposes of ■LR 6.14.3R(1)(e), holdings of *investment managers* in the same *group* where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the *group* to which the *investment manager* belongs will be disregarded.
- **6.14.5 G** [deleted]

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6.15 Shares of a third country company

6.15.1



The FCA will not admit shares of an applicant incorporated in a third country that are not listed either in its country of incorporation or in the country in which a majority of its shares are held, unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors.

[Note: article 51 of the CARD]

Chapter 7

Listing Principles and Premium Listing Principles



7.1 **Application and purpose**

Application

- 7.1.1 R
- (1) The Listing Principles in LR 7.2.1 R apply to every *listed company* in respect of all its obligations arising from the *listing rules*, *disclosure* requirements, transparency rules and corporate governance rules.
- (2) In addition to the Listing Principles referred to in (1), the Premium Listing Principles in ■ LR 7.2.1A R apply to every *listed company* with a premium listing in respect of all its obligations arising from the listing rules, disclosure requirements, transparency rules and corporate governance rules.

.....

Purpose

- 7.1.2
- The purpose of the Listing Principles and the Premium Listing Principles is to ensure that *listed companies* pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets.
- G 7.1.3
- The Listing Principles and, if applicable, the Premium Listing Principles are designed to assist listed companies in identifying their obligations and responsibilities under the listing rules, disclosure requirements, transparency rules and corporate governance rules. The Listing Principles and Premium Listing Principles should be interpreted together with relevant *rules* and guidance which underpin the Listing Principles and the Premium Listing Principles.
- G 7.1.4
- DEPP 6 (Penalties) and EG 7 set out *guidance* on the consequences of breaching a Listing Principle or, if applicable, a Premium Listing Principle.

LR 7/2



7.2 The Listing and Premium Listing Principles

7.2.1 R The Listing Principles are as follows:

Listing Principle 1	A <i>listed company</i> must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.
Listing Principle 2	A <i>listed company</i> must deal with the <i>FCA</i> in an open and co-operative manner.
Principle 3	[deleted]
Principle 4	[deleted]
Principle 5	[deleted]
Principle 6	[deleted]

7.2.1A R The Premium Listing Principles are as follows:

Premium Listing Principle 1	A <i>listed company</i> must take reasonable steps to enable its <i>directors</i> to understand their responsibilities and obligations as <i>directors</i> .
Premium Listing Principle 2	A <i>listed company</i> must act with integrity towards the holders and potential holders of its <i>premium listed securities</i> .
Premium Listing Principle 3	All equity shares in a class that has been admitted to premium listing must carry an equal number of votes on any shareholder vote. In respect of certificates representing shares that have been admitted to premium listing, all the equity shares of the class which the certificates represent must carry an equal number of votes on any shareholder vote.
Premium Listing Principle 4	Where a <i>listed company</i> has more than one class of <i>securities</i> admitted to <i>premium listing</i> , the aggregate voting rights of the <i>securities</i> in each class should be broadly proportionate to the relative interests of those classes in the equity of the <i>listed company</i> .
Premium Listing Principle 5	A listed company must ensure that it treats all holders of the same class of its premium listed securities and its listed equity shares that are in the same position equally in respect of the rights attaching to those premium listed securities and listed equity shares.
	ities and listed equity shares.

Premium Listing Principle A listed company must communicate information to holders and potential holders of its premium listed securities and its listed equity shares in such a way as to avoid the creation or continuation of a false market in those premium listed securities and listed equity shares.

Guidance on the Listing and Premium Listing Principles

- G 7.2.2 Listing Principle 1 is intended to ensure that *listed companies* have adequate procedures, systems and controls to enable them to comply with their obligations under the listing rules, disclosure requirements, transparency rules and corporate governance rules. In particular, the FCA considers that listed companies should place particular emphasis on ensuring that they have adequate procedures, systems and controls in relation to, where applicable:
 - (1) identifying whether any obligations arise under LR 10 (Significant transactions) and LR 11 (Related party transactions); and
 - (2) the timely and accurate disclosure of information to the market.
- G 7.2.3 Timely and accurate disclosure of information to the market is a key obligation of listed companies. For the purposes of Listing Principle 1, a listed company should have adequate systems and controls to be able to:
 - (1) ensure that it can properly identify information which requires disclosure under the listing rules, disclosure requirements, transparency rules or corporate governance rules in a timely manner; and
 - (2) ensure that any information identified under (1) is properly considered by the directors and that such a consideration encompasses whether the information should be disclosed.
- 7.2.4 In assessing whether the voting rights attaching to different classes of premium listed securities are proportionate for the purposes of Premium Listing Principle 4, the FCA will have regard to the following non-exhaustive list of factors:
 - (1) the extent to which the rights of the classes differ other than their voting rights, for example with regard to dividend rights or entitlement to any surplus capital on winding up;
 - (2) the extent of dispersion and relative liquidity of the classes; and/or
 - (3) the commercial rationale for the difference in the rights.

LR 7/4

Chapter 8

Sponsors: Premium listing



8.1 **Application**

Sponsors and applicants

- 8.1.1 A sponsor must comply with:
 - (1) LR 8.3 (Role of a sponsor: general);
 - (2) LR 8.4 (Role of a sponsor: transactions);
 - (3) LR 8.6 (Criteria for approval as a sponsor); and
 - (4) LR 8.7 (Supervision of sponsors).
- 8.1.1A R A person applying for approval as a sponsor must comply with ■ LR 8.6 (Criteria for approval as a sponsor).

Listed companies and applicants

8.1.2 A company with, or applying for, a premium listing must comply with ■ LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■LR 8.5 (Responsibilities of listed companies).

LR 8/2



8.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

8.2.1 R

A company with, or applying for, a premium listing of its securities must appoint a sponsor on each occasion that it:

- (1) is required to submit any of the following documents to the FCA in connection with an application for admission of securities to premium listing:
 - (a) a prospectus or supplementary prospectus; or
 - (b) [deleted]
 - (c) a summary document as required by article 1(5)(j) of the *Prospectus Regulation*; or
 - (d) listing particulars referred to in LR 15.3.3 R, LR 21.3.3R or LR 21.7.4R or supplementary listing particulars; or
- (1A) is required to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the *Prospectus Regulation*; or
 - (2) is required to submit to the FCA a class 1 circular for approval; or
 - (3) is required to submit to the FCA a circular that proposes a reconstruction or a refinancing which is required by ■LR 9.5.12 R to include a working capital statement; or
 - (4) is required to submit to the FCAa circular for the proposed purchase of own shares: which is required by ■LR 13.7.1R (2) to include a working capital statement; or

[Note: This does not include a *circular* issued by a *closed-ended* investment company.]

- (5) is required to do so by the FCA because it appears to the FCA that there is, or there may be, a breach of the listing rules, the disclosure requirements or the transparency rules by the listed company; or
- (6) is required by ■LR 11.1.10R (2)(b) to provide a *listed company* with a confirmation that the terms of the proposed *related party transaction* are fair and reasonable; or
- (7) is required to submit to the FCA a related party circular which is required by LR 13.6.1R (5) to include a statement by the board that the transaction or arrangement is fair and reasonable; or

- (8) is required by LR 8.4.3R (4) to submit to the FCA a letter from a sponsor in relation to the applicant's eligibility; or
- (9) is required to make an announcement or request a suspension in connection with a reverse takeover under ■ LR 5.6.6 R; or
- (10) provides to the FCA a disclosure regime confirmation in connection with a reverse takeover under ■ LR 5.6.12 G (1); or
- (11) makes a disclosure announcement in connection with a reverse takeover under ■ LR 5.6.15 G that contains a declaration described in ■ LR 5.6.15 G (3) or ■ LR 5.6.15 G (4); or
- (12) submits to the FCA a letter in relation to the issuer's eligibility in connection with a reverse takeover under ■LR 5.6.23 G (2); or
- (13) provides confirmation to the FCA of its severe financial difficulty for the purposes of ■LR 10.8.3G (2); or
- (14) is required to provide an assessment of the appropriateness of an investment exchange or multilateral trading facility under ■ LR 13.5.27B R; or
- (15) is required to provide a written opinion to the FCA under ■ LR 11 Annex 1 (8) (Joint investment arrangements).

8.2.1A

A company must appoint a sponsor where it applies to transfer its category of *listing* from:

- (1) a standard listing (shares) to a premium listing (commercial company);
- (2) a standard listing (shares) to a premium listing (closed-ended investment fund); or
- (3) a premium listing (closed-ended investment fund) to a premium listing (commercial company); or
- (4) a premium listing (commercial company) to a premium listing (closedended investment fund); or
 - a standard listing (shares) to a premium listing (sovereign controlled commercial company); or
 - a standard listing (certificates representing certain securities) to a premium listing (sovereign controlled commercial company); or
 - a premium listing (commercial company) to a premium listing (sovereign controlled commercial company); or
 - a premium listing (sovereign controlled commercial company) to a premium listing (commercial company); or
 - a premium listing (closed-ended investment fund) to a premium listing (sovereign controlled commercial company); or

- a premium listing (sovereign controlled commercial company) to a premium listing (closed-ended investment fund); or
- (11) a standard listing (open-ended investment company) to a premium listing (commercial company); or
- (12) a standard listing (open-ended investment company) to a premium listing (sovereign controlled commercial company).

Other transactions where a company with a premium listing must obtain a sponsor's guidance

- 8.2.2 If a company with a premium listing is proposing to enter into a transaction which due to its size or nature could amount to a class 1 transaction or a reverse takeover it must obtain the guidance of a sponsor to assess the application of the listing rules, the disclosure requirements and the transparency rules.
- 8.2.3 If a company with a *premium listing* is proposing to enter into a transaction which is, or may be, a *related party transaction* it must obtain the guidance of a *sponsor* in order to assess the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.



8.3 Role of a sponsor: general

Responsibilities of a sponsor

8.3.1 A sponsor must in relation to a sponsor service:

- (1) referred to in LR 8.2.1R (1) to (4), LR 8.2.1R (11), LR 8.2.1A R and, where relevant ■ LR 8.2.1R (5), provide assurance to the FCA when required that the responsibilities of the company with or applying for a premium listing of its securities under the listing rules have been met;
- (1A) provide to the FCA any explanation or confirmation in such form and within such time limit as the FCA reasonably requires for the purposes of ensuring that the listing rules are being complied with by a company with or applying for a premium listing of its securities; and
 - (2) guide the company with or applying for a premium listing of its securities in understanding and meeting its responsibilities under the listing rules, the disclosure requirements and the transparency rules.
- 8.3.1A A *sponsor* must, for so long as it provides a *sponsor service*:
 - (1) take such reasonable steps as are sufficient to ensure that any communication or information it provides to the FCA in carrying out the sponsor service is, to the best of its knowledge and belief, accurate and complete in all material respects; and
 - (2) as soon as possible provide to the FCA any information of which it becomes aware that materially affects the accuracy or completeness of information it has previously provided.
- 8.3.1B Where a sponsor provides information to the FCA which is or is based on information it has received from a third party, in assessing whether a sponsor has complied with its obligations in LR 8.3.1AR (1) the FCA will have regard, amongst other things, to whether a sponsor has appropriately used its own knowledge, judgment and expertise to review and challenge the information provided by the third party.
- G 8.3.2 The sponsor will be the main point of contact with the FCA for any matter referred to in ■ LR 8.2. The FCA expects to discuss all issues relating to a transaction and any draft or final document directly with the sponsor. However, in appropriate circumstances, the FCA will communicate directly

with the *company* with or applying for a *premium listing* of its *securities*, or its advisers.

8.3.2A G

A *sponsor* remains responsible for complying with LR 8.3 even where a *sponsor* relies on the *company* with or applying for a *premium listing* of its *securities* or a third party when providing an assurance or confirmation to the *FCA*.

Principles for sponsors: due care and skill

8.3.3 R A sponsor must in relation to a sponsor service act with due care and skill.

Principles for sponsors: duty regarding directors of listed companies

Where, in relation to a sponsor service, a sponsor gives any guidance or advice to a listed company or applicant on the application or interpretation of the listing rules or disclosure requirements and transparency rules, the sponsor must take reasonable steps to satisfy itself that the director or directors of the listed company understand their responsibilities and obligations under the listing rules and disclosure requirements and transparency rules.

Principles for sponsors: relations with the FCA

8.3.5 R

A *sponsor* must at all times (whether in relation to a *sponsor service* or otherwise):

- (1) deal with the FCA in an open and co-operative way; and
- (2) deal with all enquiries raised by the FCA promptly.
- (3) [deleted]
- 8.3.5A R

If, in connection with the provision of a *sponsor service*, a *sponsor* becomes aware that it, or a *company* with or applying for a *premium listing* of its *securities* is failing or has failed to comply with its obligations under the *listing rules*, the *disclosure requirements* or the *transparency rules*, the *sponsor* must promptly notify the *FCA*.

- **8.3.5B** A *sponsor* must, in relation to a *sponsor service*, act with honesty and integrity.
- 8.3.6 R
- (1) [deleted]
- (2) [deleted]
- (3) [deleted]

- 8.3.7 G (1) [deleted]
 - (2) [deleted]

Principles for sponsors: identifying and managing conflicts

- G 8.3.7A The purpose of ■ LR 8.3.7B R to ■ LR 8.3.12A G is to ensure that conflicts of interest do not adversely affect:
 - (1) the ability of a *sponsor* to perform its functions properly under this chapter; or
 - (2) market confidence in sponsors.
- 8.3.7B A sponsor must take all reasonable steps to identify conflicts of interest that could adversely affect its ability to perform its functions properly under this chapter.
- 8.3.8 G In identifying conflicts of interest, sponsors should also take into account circumstances that could:
 - (1) create a perception in the market that a sponsor may not be able to perform its functions properly; or
 - (2) compromise the ability of a sponsor to fulfil its obligations to the FCA in relation to the provision of a sponsor service.
- 8.3.9 A sponsor must take all reasonable steps to put in place and maintain effective organisational and administrative arrangements that ensure conflicts of interest do not adversely affect its ability to perform its functions properly under this chapter.
- 8.3.10 G Disclosure of a conflict of interest will not usually be considered to be an effective organisational or administrative arrangement for the purpose of ■ LR 8.3.9 R.
- 8.3.11 If, in relation to a sponsor service, a sponsor is not reasonably satisfied that its organisational and administrative arrangements will ensure that a conflict of interest will not adversely affect its ability to perform its functions properly under this chapter, it must decline or cease to provide the sponsor services.
- G 8.3.12 ■ LR 8.3.11 R recognises that there will be some conflicts of interest that cannot be effectively managed. Providing sponsor services in those cases could adversely affect both a sponsor's ability to perform its functions and market confidence in the *sponsor* regime. If in doubt about whether a conflict can be effectively managed a sponsor should discuss the issue with the FCA before it decides if it can provide a sponsor service.

- - Principles for sponsors: acting for another sponsor
- **8.3.13 G** [deleted]
 - Principles for sponsors: joint sponsors
- 8.3.14 If a *listed company* or *applicant* appoints more than one *sponsor* to provide a *sponsor service* then:
 - (1) the appointment does not relieve either of the appointed *sponsors* of their obligations under LR 8; and
 - (2) the *sponsors* are each responsible for complying with the obligations under \blacksquare LR 8 .
- 8.3.15 G If a *listed company* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*, the *FCA* expects the *sponsors* to co-operate with each other in relation to the *sponsor service*, including by establishing arrangements for the sharing of information as appropriate having regard to the *sponsor service*.



8.4 Role of a sponsor: transactions

Application for admission

- 8.4.1
- LR 8.4.2 R to LR 8.4.4 G apply in relation to an application for admission of securities to premium listing if an applicant does not have securities already admitted to premium listing, the conditions in ■ LR 6.1.1R(1), ■ LR 6.1.1R(2), ■ LR 21.2.5R(1), ■ LR 21.2.5R(2), ■ LR 21.6.13R(1) or ■ LR 21.6.13R(2) do not apply and, in connection with the application, the applicant is required to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the Prospectus Regulation or is required to submit to the FCA:
 - (1) a prospectus or supplementary prospectus; or
 - (2) [deleted]
 - (3) a summary document under article 1(5)(j) of the *Prospectus* Regulation; or
 - (4) listing particulars or supplementary listing particulars under■ LR 15.3.3 R.
- 8.4.2

A sponsor must not submit to the FCA an application on behalf of an applicant, in accordance with ■ LR 3, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the applicant has satisfied all requirements of the listing rules relevant to an application for admission to listing;
- (2) the applicant has satisfied all applicable requirements set out in the prospectus rules;
- (3) the *directors* of the *applicant* have established procedures which enable the applicant to comply with the listing rules and the disclosure requirements and transparency rules on an ongoing basis;
- (4) the *directors* of the *applicant* have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the applicant and its group; and
- (5) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement which demonstrates that ■ LR 6.7.1R is satisfied.

New applicants: procedure

8.4.3 R

A sponsor must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the FCA either:
 - (a) on the day the FCA is to consider the application for approval of the prospectus and prior to the time the prospectus is approved; or
 - (b) at a time agreed with the FCA, if the FCA is not approving the prospectus;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the FCA by 9 a.m. on the day the FCA is to consider the application;
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering:
 - (a) the application for listing; and
 - (b) whether the *admission* of the *securities* would be detrimental to investors' interests;

have been disclosed with sufficient prominence in the *prospectus* or a document published under article 1(4)(f) or (g) or (5)(e) or (f) of the *Prospectus Regulation* or otherwise in writing to the *FCA*; and

(4) submit a letter to the FCA setting out how the applicant satisfies the criteria in ■LR 2 (Requirements for listing - all securities), ■LR 6 (Additional requirements for premium listing (commercial company)) and, if applicable, ■LR 15 or ■LR 21, no later than when the first draft of the prospectus or listing particulars is submitted (or, if the FCA is not approving a prospectus, at a time to be agreed with the FCA).

[Note: the Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the FCA's website.]

8.4.4 G

Depending on the circumstances of the case, a *sponsor* providing services to an *applicant* on an application for *admission to listing* may have to confirm in writing to the *FCA* that the board of the *applicant* has allotted the *securities*.

[Note: see ■ LR 3.3.4 R]

8.4.5 R

- (1) [deleted]
- (2) [deleted]
- (3) [deleted]

8.4.6 R

- (1) [deleted]
 - (a) [deleted]

- (b) [deleted]
- (2) [deleted]

Application for admission: further issues

8.4.7 ■ LR 8.4.8 R to ■ LR 8.4.10 G apply in relation to an application for admission of premium listed securities of an applicant that has securities already premium listed or in circumstances in which ■ LR 6.1.1R(1), ■ LR 6.1.1R(2),

■ LR 21.2.5R(1), ■ LR 21.2.5R(2), ■ LR 21.6.13R(1) or ■ LR 21.6.13R(2) applies.

8.4.8 A sponsor appointed in accordance with ■ LR 8.2.1R must not submit to the FCA an application on behalf of an applicant, in accordance with ■ LR 3 (Listing applications), unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the applicant has satisfied all requirements of the listing rules relevant to an application for admission to listing;
- (2) the applicant has satisfied all applicable requirements set out in the prospectus rules; and
- (3) the directors of the applicant have a reasonable basis on which to make the working capital statement:
 - (a) that is, in the case of equity shares, required to be included in the applicant's prospectus or listing particulars and submitted to the FCA in accordance with ■ LR 3.3.2R(2); or
 - (b) that is, in the case of certificates representing shares,
 - (i) included in the applicant's prospectus or listing particulars for the certificates representing shares that are being admitted,
 - (ii) required to be published by the applicant in accordance with ■ LR 21.8.27R(2).

Further issues: procedure

8.4.9 R A sponsor must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the FCA either:
 - (a) on the day the FCA is to consider the application for approval of the prospectus and prior to the time the prospectus is approved; or
 - (b) at a time agreed with the FCA if the FCA did not approve the prospectus or or if it is determining whether a document is an equivalent document;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the FCA by 9 a.m. on the day the FCA is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering the

application for *listing* have been disclosed with sufficient prominence in the *prospectus* or a document published under article 1(4)(f) or (g) or (5)(e) or (f) of the Prospectus Regulation or otherwise in writing to the FCA.

[Note: The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the FCA's website.]

8.4.10 G Depending on the circumstances of the case, a sponsor providing services to an applicant on an application for admission to listing may have to confirm in writing to the FCA the number of securities to be allotted or admitted. [**Note:** see ■ LR 3.3.4 R]

Class 1 circulars, refinancing and purchase of own equity shares

8.4.11 R ■ LR 8.4.12 R to ■ LR 8.4.13 R apply in relation to transactions involving an issuer with a premium listing that is required to submit to the FCA for approval:

- (1) a class 1 circular; or
- (2) a circular that proposes a reconstruction or a re-financing which does not constitute a class 1 transaction; or
- (3) a circular for the proposed purchase of own shares:
 - (a) which does not constitute a class 1 circular; and
 - (b) is required by LR 13.7.1R (2) to include a working capital statement.

8.4.12

A sponsor must not submit to the FCA, on behalf of a listed company, a circular regarding a transaction set out in ■ LR 8.4.11 R for approval, unless the sponsor has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *listed company* has satisfied all requirements of the *listing rules* relevant to the production of a class 1 circular or other circular;
- (2) the transaction will not have an adverse impact on the listed company's ability to comply with the listing rules or the disclosure requirements and transparency rules; and
- (3) the directors of the listed company have a reasonable basis on which to make the working capital statement required by ■ LR 9.5.12 R, ■ LR 13.4.1 R or ■ LR 13.7.1 R.

Circulars: procedure

8.4.13 R A *sponsor* acting on a transaction falling within ■ LR 8.4.11 R must:

(1) submit a completed Sponsor's Declaration for the Production of a Circular to the FCA on the day the circular is to be approved by the FCA and prior to the time the circular is approved;

- (2) submit a completed Pricing Statement, if applicable, to the FCA by 9 a.m on the day the FCA is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering the transaction have been disclosed with sufficient prominence in the documentation or otherwise in writing to the FCA.

[Note: The Sponsor's Declaration for the Production of a Circular and the Pricing Statement forms can be found on the Primary Markets section of the FCA's website.]

Applying for transfer between listing categories

8.4.14 In relation to a proposed transfer under ■ LR 5.4A, if a sponsor is appointed in accordance with ■ LR 8.2.1A R, it must:

- (1) submit a letter to the FCA setting out how the issuer satisfies each listing rule requirement relevant to the category of listing to which it wishes to transfer, by no later than when the first draft of the circular or announcement required under ■ LR 5.4A is submitted;
- (2) submit a completed Sponsor's Declaration for a Transfer of Listing to the FCA for the proposed transfer on the day the circular or announcement is to be approved by the FCA and before it is approved; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering the transfer between *listing* categories have been disclosed with sufficient prominence in the *circular* or announcement referred to in ■ LR 5.4A or otherwise in writing to the FCA.

[Note: The Sponsor's Declaration for a Transfer of Listing can be found on the Primary Markets section of the FCA website.]

8.4.15 R A sponsor must not submit to the FCA on behalf of an issuer a final circular or announcement for approval or a Sponsor's Declaration for a Transfer of Listing, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the issuer satisfies all eligibility requirements of the listing rules that are relevant to the new category to which it is seeking to transfer;
- (2) the issuer has satisfied all requirements relevant to the production of the *circular* required under ■ LR 5.4A.4 R or the announcement required under ■ LR 5.4A.5 R (whichever is relevant);
- (3) the *directors* of the *issuer* have established procedures which enable the issuer to comply with the listing rules, the disclosure requirements and the transparency rules on an ongoing basis;
- (4) the directors of the issuer have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the issuer and its group; and

- (5) the directors of the issuer have a reasonable basis on which to make the working capital statement (if any) required in connection with the transfer.
- 8.4.16 ■ LR 8.4.15R (3), ■ LR 8.4.15R (4) and ■ LR 8.4.15R (5) do not apply in relation to an issuer that was required to meet these requirements under its existing listing category.

Reverse takeovers

8.4.17 R A sponsor acting on a reverse takeover where the issuer decides to make a disclosure announcement under ■ LR 5.6.15 G must:

- (1) submit to the FCA under LR 5.6.17 R a completed Sponsor's Declaration for a Reverse Takeover Announcement;
- (2) not submit to the FCA the Sponsor's Declaration for a Reverse Takeover Announcement unless it has come to a reasonable opinion, after having made due and careful enquiry, that it is reasonable for the issuer to provide the declarations described in ■LR 5.6.15 G (3) and ■ LR 5.6.15 G (4); and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the FCA in considering a proposed disclosure announcement under ■ LR 5.6.15 G have been disclosed with sufficient prominence in the announcement or otherwise in writing to the FCA.

[Note: The Sponsor's Declaration for a Reverse Takeover Announcement can be found on the Primary Markets section of the FCA website.]

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8.5 Responsibilities of listed companies

Notifications to FCA

- 8.5.1 A listed company or applicant must ensure that the FCA is informed promptly of the name and contact details of any sponsor appointed in accordance with the *listing rules* (either by the *listed company* or applicant or by the sponsor itself).
- 8.5.2 R (1) A listed company or applicant must notify the FCA in writing immediately of the resignation or dismissal of any sponsor that it had appointed.
 - (2) In the case of a dismissal, the reasons for the dismissal must be included in the notification.
 - (3) The notification must be copied to the sponsor.

Listed company appoints more than one sponsor

- 8.5.3 R Where a listed company or applicant appoints more than one sponsor to provide a sponsor service, the company must:
 - (1) ensure that one *sponsor* takes responsibility for contact with the FCA in respect of administrative arrangements for the sponsor service; and
 - (2) inform the FCA promptly, in writing, of the name and contact details of the sponsor taking responsibility under (1).
- 8.5.4 R [deleted]
- G 8.5.5 [deleted]

Cooperation with sponsors

8.5.6 In relation to the provision of a sponsor service, a company with or applying for a premium listing of its securities must cooperate with its sponsor by providing the *sponsor* with all information reasonably requested by the sponsor for the purpose of carrying out the sponsor service in accordance with ■ LR 8.



8.6 Criteria for approval as a sponsor

.....

List of sponsors

8.6.1 G The *FCA* will maintain a *list of sponsors* on its website.

Application for approval as a sponsor

A person wanting to provide sponsor services, and to be included on the list of sponsors, must apply to the FCA for approval as a sponsor by submitting the following to the Primary Market Specialist Supervision Team at the FCA's address:

- (1) a completed Sponsor Firm Application Form; and
- (2) [deleted]
- (3) the application fee set out in FEES 3.

[Note: The Sponsor's Firm Application Form can be found on the Primary Markets section of the FCA's website.]

- 8.6.3 R A person wanting to provide sponsor services and be included on the list of sponsors must also submit:
 - (1) all additional documents, explanations and information as required by the FCA; and
 - (2) verification of any information in such a manner as the FCA may specify.
- **8.6.4 G** When considering an application for approval as a *sponsor* the *FCA* may:
 - (1) carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators;
 - (2) request that the applicant or its specified representative answer questions and explain any matter the FCA considers relevant to the application; and
 - (3) take into account any information which it considers appropriate in relation to the application.
 - (4) [deleted]

[Note: The decision-making procedures that the FCA will follow when itconsiders whether to refuse an application for approval as a sponsor are set out in DEPP.1

Criteria for approval as a sponsor

- 8.6.5 R The FCA will approve a person as a sponsor only if it is satisfied that the person:
 - (1) is an authorised person or a member of a designated professional body;
 - (2) is competent to provide *sponsor services* in accordance with LR 8;
 - (3) has appropriate systems and controls in place to carry out its role as a sponsor in accordance with ■ LR 8.
- 8.6.5A The FCA may impose restrictions or limitations on the services a sponsor can provide at the time of granting a sponsor's approval.
- G 8.6.5B Situations when the FCA may impose restrictions or limitations on the services a sponsor can provide include (but are not limited to) where it appears to the FCA that:
 - (1) the employees of the person applying to be a sponsor whom it is proposed will perform sponsor services have no or limited relevant experience and expertise of providing certain types of sponsor services or of providing sponsor services to certain types of company; or
 - (2) the person applying to be a sponsor does not have systems and controls in place which are appropriate for the nature of the sponsor services which the person applying to be a sponsor proposes to undertake.

[Note: A statutory notice may be required under section 88 of the Act. Where this is the case, the procedure for giving a statutory notice is set out in DEPP.]

8.6.5C G Where a person wishes to apply for approval as a sponsor to provide a limited range of sponsor services, it may do so on the basis that the FCA will impose a limitation or restriction on its approval (in accordance with section 88 of the Act). In such circumstances, the FCA will assess whether the person satisfies ■ LR 8.6.5R (2) and ■ LR 8.6.5R (3) taking into consideration the sponsor services to which the approval, as formally limited or restricted by the FCA, will relate.

Continuing obligations

8.6.6 A sponsor must comply, at all times, with the criteria set out in ■ LR 8.6.5 R. R

Competence of a sponsor

- 8.6.7 R A sponsor, or a person applying for approval as a sponsor, will not satisfy LR 8.6.5R (2) unless it has:
 - (1) submitted a sponsor declaration to the FCA:
 - (a) for a *person* applying for approval as a *sponsor*, within three years of the date of its application; and
 - (b) for a sponsor, within the previous three years; and
 - (2) a sufficient number of *employees* with the skills, knowledge and expertise necessary for it to:
 - (a) provide sponsor services in accordance with LR 8.3;
 - (b) understand:
 - (i) the *rules*, *guidance* and *ESMA* publications directly relevant to *sponsor services*;
 - (ii) the procedural requirements and processes of the FCA;
 - (iii) the due diligence process required in order to provide sponsor services in accordance with LR 8.3 and LR 8.4;
 - (iv) the responsibilities and obligations of a *sponsor* in ■LR 8; and
 - (v) specialist industry sectors, if relevant to the *sponsor services* it provides or intends to provide; and
 - (c) be able to comply with the key contact requirements in LR 8.6.19 R.
- 8.6.7A G To determine whether a *sponsor* or a *person* applying for approval as a *sponsor* is able to satisfy LR 8.6.7R (1)(a), the *FCA* may consider whether any of the *person*'s *employees* have had material involvement in the provision of *sponsor services* that have required the submission of a *sponsor declaration* within the previous three years.
- 8.6.7B G In exceptional circumstances, the FCA may consider dispensing with, or modifying, the requirement in LR 8.6.7R (1) in accordance with LR 1.2.1 R.
- 8.6.7C G In assessing whether a *sponsor* or a *person* applying for approval as a *sponsor* satisfies LR 8.6.7R (2), the *FCA* will consider a variety of factors including:
 - (1) the nature, scale and complexity of its business;
 - (2) the diversity of its operations;
 - (3) the volume and size of transactions it undertakes;
 - (4) the volume and size of transactions it anticipates undertaking in the following year; and
 - (5) the degree of risk associated with the transactions it undertakes or anticipates undertaking in the following year.

- 8.6.7D Notwithstanding ■ LR 8.6.7C G, when considering whether a *sponsor* satisfies LR 8.6.7R (2)(c) the FCA expects a sponsor to have no less than two employees who are able to satisfy the key contact requirements in ■ LR 8.6.19R (2).
- 8.6.8 G (1) [deleted]
 - (2) [deleted]
 - (3) [deleted]
- G 8.6.9 (1) [deleted]
 - (2) [deleted]
 - (a) [deleted]
 - (b) [deleted]
 - (3) [deleted]
- 8.6.9A G [deleted]
- G 8.6.9B In assessing whether a sponsor or a person applying for approval as a sponsor can demonstrate it is competent in the areas required under ■ LR 8.6.7R (2), the FCA may also take into account, where relevant, the guidance or advice on the listing rules or disclosure requirements and transparency rules the sponsor or person has given in circumstances other than in providing sponsor services.
- 8.6.10 [deleted]
- G 8.6.11 [deleted]

Systems and controls: general

- 8.6.12 A sponsor or a person applying for approval as a sponsor will not satisfy ■ LR 8.6.5R (3) unless it has in place:
 - (1) clear and effective reporting lines for the provision of sponsor services (including clear and effective management responsibilities);
 - (1A) effective systems and controls which require employees with management responsibilities for the provision of sponsor services to understand and apply the requirements of ■ LR 8;
 - (2) effective systems and controls for the appropriate supervision of employees engaged in the provision of sponsor services by the sponsor;
 - (3) effective systems and controls for compliance with all applicable listing rules at all times, including when performing sponsor services;

- (4) [deleted]
- (5) [deleted]
- (6) effective systems and controls which require appropriate staffing arrangements for providing each *sponsor service* in line with the principles for *sponsors* in ■LR 8.3;
- (7) effective systems and controls for *employees* engaged in the provision of *sponsor services* to receive appropriate guidance and training to provide each sponsor service in line with the principles for *sponsors* in ■LR 8.3;
- (8) effective systems and controls to identify and manage conflicts of interest;
- (9) effective systems and controls for compliance with each of the requirements in LR 8.6.7R (2)(b); and
- (10) systems and controls which comply with the requirements of LR 8.6.16A R (Record management).

8.6.13 G

When considering a *sponsor*'s ability to comply with ■LR 8.6.12 R, the *FCA* will consider a variety of factors, including:

- (1) the nature, scale and complexity of its business;
- (2) the diversity of its operations;
- (3) the volume and size of the transactions it undertakes;
- (4) the volume and size of the transactions it anticipates undertaking in the following year; and
- (5) the degree of risk associated with the transactions it undertakes or anticipates undertaking in the following year.

Systems and controls: conflicts of interest

8.6.13A G

A *sponsor* will generally be regarded as having appropriate systems and controls for identifying and managing conflicts if it has in place effective policies and procedures:

- (1) to ensure that decisions taken on managing conflicts of interest are taken by appropriately senior staff and on a timely basis;
- (2) to monitor whether arrangements put in place to manage conflicts are effective; and
- (3) to ensure that individuals within the *sponsor* are appropriately trained to enable them to identify, escalate and manage conflicts of interest.
- (4) [deleted]

- 8.6.13B The policies and procedures referred to in ■ LR 8.6.13A G are distinct from the actual organisational and administrative arrangements that a sponsor is required to put in place and maintain under ■LR 8.3.9 R to manage specific conflicts.
- 8.6.14 G [deleted]
- 8.6.15 [deleted]
- G 8.6.16 [deleted]
 - (1) [deleted]
 - (2) [deleted]
 - (3) [deleted]
 - (a) [deleted]
 - (b) [deleted]
 - (c) [deleted]
 - (4) [deleted]

Systems and controls: record management

8.6.16A

A sponsor must have effective arrangements to create and retain for six years accessible records which are sufficient to be capable of demonstrating that it has provided sponsor services and otherwise complied with its obligations under ■ LR 8 including:

- (1) where a declaration is to be submitted to the FCA:
 - (a) under LR 8.4.3R (1), LR 8.4.9R (1), LR 8.4.13R (1), LR 8.4.14R (2) or ■ LR 8.4.17 R; or
 - (b) pursuant to an appointment under LR 8.2.1R (5); the basis of each declaration given;
- (2) where any opinion, assurance or confirmation is provided by a sponsor to the FCA or a company with or applying for a premium listing in relation to a sponsor service, the basis of that opinion, assurance or confirmation;
- (3) where a sponsor provides guidance to a company with or applying for a premium listing pursuant to ■ LR 8.2.2 R, ■ LR 8.2.3 R or LR 8.3.1R (2), the basis upon which the guidance is given and upon which any judgments or opinions underlying the guidance have been made or given; and
- (4) the steps taken to comply with its obligations under LR 8.3.7B R, ■ LR 8.3.9 R , ■ LR 8.3.11 R and ■ LR 8.6.6 R.

8.6.16B G Records should:

- (1) be capable of timely retrieval; and
- (2) include material communications which relate to the provision of sponsor services, including any advice or guidance given to a company with or applying for a premium listing in relation to their responsibilities under the listing rules, the disclosure requirements and the transparency rules.
- 8.6.16C G In considering whether a *sponsor* has satisfied the requirements regarding sufficiency of records in ■LR 8.6.16A R, the *FCA* will consider whether the records would enable a person with general knowledge of the sponsor regime but no specific knowledge of the actual *sponsor service* undertaken to understand and verify the basis upon which material judgments have been made throughout the provision of the *sponsor service*.
- **8.6.17** R [deleted]
- 8.6.18 R [deleted]

Key contact

- 8.6.19 R For each *sponsor service* requiring the submission of a *document* to the *FCA* or contact with the *FCA*, a *sponsor* must:
 - (1) at the time of submission or on first making contact with the *FCA*notify the *FCA*of the name and contact details of a key contact within the *sponsor* for that matter; and
 - (2) ensure that its keycontact:
 - (a) has sufficient knowledge about the *listed company* or *applicant* and the proposed matterto be able to answer queries from the *FCA* about it;
 - (b) is available to answer queries from the FCA on any business day between 7am and 6pm;
 - (c) is authorised to make representations to the FCA for and on behalf of the sponsor;
 - (d) possesses technical knowledge of *rules*, *guidance* and *ESMA* publications directly relevant to the *sponsor service*; and
 - (e) understands the responsibilities and obligations of the *sponsor* under ■LR 8 in relation to the *sponsor service*.
- 8.6.20 G The FCA expects an employee carrying out the role of key contact to have provided a sponsor service in the previous three years.



8.7 **Supervision of sponsors**

8.7.1 The FCA expects to have an open, co-operative and constructive relationship with a sponsor to enable it to have a broad picture of the sponsor's activities and its ability to satisfy the criteria for approval as a sponsor as set out in ■ LR 8.6.5 R.

Requirement to provide information

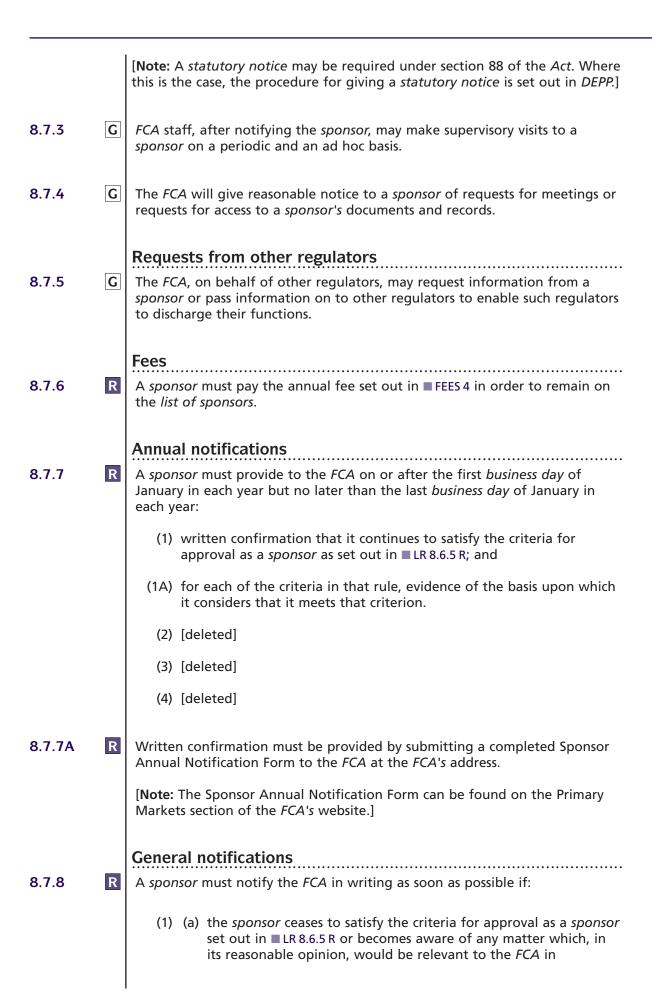
8.7.1A R

- (1) The FCA may by notice in writing given to a sponsor require it to provide specified documents or specified information to the FCA.
- (2) The sponsor must as soon as practicable provide to the FCA any documents or information that it has been required to provide under (1).
- (3) This rule applies only to documents or information reasonably required by the FCA in connection with the performance of its functions in relation to a sponsor or a company that has appointed a sponsor.

Supervisory tools

8.7.2 G The FCA uses a variety of tools to monitor whether a sponsor:

- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R; and
- (2) remains in compliance with all applicable *listing rules*.
- 8.7.2A R The FCA may impose restrictions or limitations on the services a sponsor can provide at any time following the grant of a sponsor's approval.
- 8.7.2B G Situations when the FCA may impose restrictions or limitations on the services a sponsor can provide include (but are not limited to) where it appears to the FCA that:
 - (1) the sponsor has no or limited relevant experience and expertise of providing certain types of sponsor services or of providing sponsor services to certain types of company; or
 - (2) the sponsor does not have systems and controls in place which are appropriate for the nature of the sponsor services which the sponsor is undertaking or proposing to undertake.



- considering whether the *sponsor* continues to comply with ■ LR 8.6.6 R; or
- (b) the *sponsor* becomes aware of any fact or circumstance relating to the sponsor or any of its employees engaged in the provision of sponsor services by the sponsor which, in its reasonable opinion, would be likely to adversely affect market confidence in sponsors; or
- (2) the sponsor, or any of its employees engaged in the provision of sponsor services by the sponsor, are:
 - (a) convicted of any offence involving fraud, theft or other dishonesty; or
 - (b) the subject of a bankruptcy proceeding, a receiving order or an administration order; or
- (3) any of its employees engaged in the provision of sponsor services by the sponsor are disqualified by a court from acting as a director of a company or from acting in a management capacity or conducting the affairs of any company; or
- (4) the sponsor, or any of its employees engaged in the provision of sponsor services by the sponsor, are subject to any public criticism, regulatory intervention or disciplinary action:
 - (a) by the FCA; or
 - (b) by any designated professional body; or
 - (c) by any body that is comparable to the FCA or a designated professional body; or
 - (d) under any comparable legislation in any jurisdiction outside the United Kingdom; or
- (5) the sponsor resigns or is dismissed by a listed company or applicant, giving details of any relevant facts or circumstances;
- (6) the sponsor changes its name; or
- (7) [deleted]
- (8) a listed company or applicant denies the sponsor access to documents or information that have been the subject of a reasonable request by the sponsor; or
- (9) it identifies or otherwise becomes aware of any material deficiency in the sponsor's systems and controls; or
- (10) there is intended to be a change of control of the *sponsor*, any restructuring of the sponsor's group, or a re-organisation of or a substantial change to the directors, partners or employees engaged in the provision of sponsor services by the sponsor, or
- (11) there is expected to be a change in the financial position of the sponsor or any of its group companies that would be likely to adversely affect the sponsor's ability to perform sponsor services or otherwise comply with ■ LR 8.

8.7.8A Where a *sponsor* is of the opinion that notwithstanding the circumstances giving rise to a notification obligation under ■ LR 8.7.8 R, it continues to satisfy the ongoing criteria for approval as a sponsor in accordance with ■ LR 8.6.6 R, it must include in its notification to the FCA a statement to that effect and the basis for its opinion. 8.7.9 G General notifications may be made in the first instance by telephone, but must be confirmed promptly in writing. 8.7.10 G Written notifications should be sent to the Primary Market Specialist Supervision Team at the FCA's address. 8.7.11 R [deleted] 8.7.12 R [deleted] R 8.7.13 [deleted] 8.7.14 R [deleted] G 8.7.15 [deleted] Non-delegation of sponsor functions 8.7.16 R A sponsor must not delegate any of its functions as such, or permit another person to perform those functions, R 8.7.17 (1) [deleted] (2) [deleted] 8.7.18 R [deleted] 8.7.19 R [deleted] Discipline of sponsors G 8.7.20 EG sets out the FCA's policy on when and how it will use its disciplinary powers, including in relation to a sponsor. A statutory notice may be required under section 88B of the Act. Where this is the case, the procedure for giving a statutory notice is set out in DEPP. Cancellation of a sponsor's approval at the sponsor's request 8.7.21 G A sponsor that intends to request the FCA to cancel its approval as a sponsor should comply with ■ LR 8.7.22 R.

- 8.7.21A Examples of when a sponsor should submit a cancellation request pursuant to ■ LR 8.7.22 R include, but are not limited to:
 - (1) situations where the sponsor ceases to satisfy the ongoing criteria for approval as a sponsor in accordance with ■ LR 8.6.6 R and, following a notification made under ■ LR 8.7.8 R, there are no ongoing discussions with the FCA which could lead to the conclusion that the sponsor remains eligible; or
 - (2) where there is a change of control of the *sponsor* or any restructuring of the sponsor's group that will result in sponsor services being provided by a different person, in which case the person that is intended to provide the sponsor services should apply for approval as a sponsor under ■ LR 8.6 before it provides any sponsor services.
- 8.7.22 A request by a sponsor for its approval as a sponsor to be cancelled must be in writing and must include:
 - (1) the sponsor's name;
 - (2) a clear explanation of the background and reasons for the request;
 - (3) the date on which the *sponsor* requests the cancellation to take effect:
 - (4) a signed confirmation that the sponsor will not provide any sponsor services as of the date the request is submitted to the FCA; and
 - (5) the name and contact details of the *person* at the *sponsor* with whom the FCA should liaise with in relation to the request.
- 8.7.23 G A sponsor may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.
- 8.7.24 G (1) [deleted]
 - (2) [deleted]
 - Suspension of a sponsor's approval at the sponsor's request
- 8.7.25 A request by a sponsor for its approval as a sponsor to be suspended must be in writing and must include:
 - (1) the sponsor's name;
 - (2) a clear explanation of the background and reasons for the request;
 - (3) the date on which the sponsor requests the suspension to take effect;
 - (4) a signed confirmation that the sponsor will not provide any sponsor services as of the date the request is submitted to the FCA; and

- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.
- 8.7.26 G A *sponsor* may withdraw its request at any time before the suspension takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.
- 8.7.26A G A sponsor may wish to consider submitting a suspension request under LR 8.7.25 R where the sponsor:
 - (1) ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with LR 8.6.6 R;
 - (2) has notified the FCA in accordance with LR 8.7.8 R;
 - (3) is having ongoing discussions with the FCA regarding remedial action; and
 - (4) is undertaking remedial action which may result in the *sponsor* being able to satisfy the ongoing criteria for approval in accordance with LR 8.6.6 R.

Sponsors: advancing the FCA's operational objectives

8.7.27 G The FCA may impose restrictions or limitations on the services a sponsor can provide or suspend a sponsor's approval under section 88E of the Act if the FCA considers it desirable to do so in order to advance one or more of its operational objectives.

[Note: A statutory notice may be required under section 88F of the Act. Where this is the case, the procedure for giving a statutory notice is set out in DEPP.]

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Chapter 9

Continuing obligations



Preliminary 9.1

Application

- 9.1.1 This chapter applies to a company that has a premium listing.
- [deleted] 9.1.2 R
- [deleted] G 9.1.2A
- [deleted] 9.1.3
- [deleted] 9.1.4 R

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9.2 Requirements with continuing application

Admission to trading

- 9.2.1 R | A listed company must comply with LR 2.2.3 R at all times.
- 9.2.2 R | A listed company must inform the FCA in writing as soon as possible if it has:
 - (1) requested a *RIE* to admit or re-admit any of its *listed equity shares* to trading; or
 - (2) requested a *RIE* to cancel or suspend trading of any of its *listed equity* shares; or
 - (3) been informed by a *RIE* that trading of any of its *listed equity shares* will be cancelled or suspended.

Independent business

- 9.2.2A (1) A *listed company* must carry on an independent business as its main activity at all times.
 - (2) [deleted]
- 9.2.2AA G LR 6.4.3G provides *guidance* on factors that may indicate that a *listed* company is not carrying on an independent business.

Controlling shareholders

- 9.2.2AB A *listed company* with a *controlling shareholder* must demonstrate that, despite having a *controlling shareholder*, the *listed company* is still able to carry on an independent business as its main activity at all times.
- 9.2.2AC G LR 6.5.3G provides *guidance* on factors that may indicate that a *listed* company with a controlling shareholder is not carrying on an independent business.
- 9.2.2AD R Where a *listed company* has a *controlling shareholder*, it must have in place at all times:

- (1) a written and legally binding agreement which is intended to ensure that the controlling shareholder complies with the undertakings in ■ LR 6.5.4R: and
- (2) a constitution that allows the election and re-election of *independent* directors to be conducted in accordance with ■ LR 9.2.2ER and ■ LR 9.2.2FR (election provisions).
- 9.2.2B In order to comply with ■ LR 9.2.2ADR(1), where a *listed company* will have more than one controlling shareholder, the listed company will not be required to enter into a separate agreement with each controlling shareholder if:
 - (1) the listed company reasonably considers, in light of its understanding of the relationship between the relevant controlling shareholders, that a controlling shareholder can procure the compliance of another controlling shareholder and that controlling shareholder's associates with the undertakings in ■ LR 6.5.4R; and
 - (2) the agreement, which contains the undertakings in LR 6.5.4R, entered into with the relevant controlling shareholder also contains:
 - (a) a provision in which the controlling shareholder agrees to procure the compliance of a non-signing controlling shareholder and its associates with the undertakings in ■ LR 6.5.4R; and
 - (b) the names of any such non-signing controlling shareholder.
- 9.2.2C Where as a result of changes in ownership or control of a listed company, a person becomes a controlling shareholder of the listed company, the listed company will be allowed:
 - (1) a period of not more than 6 months from the event that resulted in that person becoming a controlling shareholder to comply with ■ LR 9.2.2ADR(1); and
 - (2) in the case of a *listed company* which did not previously have a controlling shareholder, until the date of the next annual general meeting of the listed company, other than an annual general meeting for which notice:
 - (a) has already been given; or
 - (b) is given within a period of 3 months from the event that resulted in that person becoming a controlling shareholder;

to comply with ■ LR 9.2.2ADR(2).

- 9.2.2D In complying with ■ LR 9.2.2ADR(2), a *listed company* may allow an existing independent director who is being proposed for re-election (including any such director who was appointed by the board of the listed company until the next annual general meeting) to remain in office until any resolution required by ■ LR 9.2.2F R has been voted on.
- 9.2.2E Where ■LR 9.2.2ADR applies, the election or re-election of any independent director by shareholders must be approved by:

- (1) the shareholders of the listed company; and
- (2) the independent shareholders of the listed company.
- 9.2.2F R

Where LR 9.2.2E R applies, if the election or re-election of an *independent* director is not approved by both the shareholders and the *independent* shareholders of the listed company, but the listed company wishes to propose that person for election or re-election as an *independent* director, the listed company must propose a further resolution to elect or re-elect the proposed *independent* director which:

- (1) must not be voted on within a period of 90 days from the date of the original vote;
- (2) must be voted on within a period of 30 days from the end of the period set out in (1); and
- (3) must be approved by the shareholders of the *listed company*.
- 9.2.2G R | A *listed company* must comply with the undertakings in LR 6.5.4R or LR 9.2.2ADR(1) at all times.

Control of business

- 9.2.21 R A *listed company* must exercise operational control over the business it carries on as its main activity at all times.
- 9.2.2K (1) This *rule* applies where a *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.
 - (2) The *mineral company* is not required to comply with LR 9.2.2IR where it can demonstrate the factors set out in LR 6.10.3R(2).
- 9.2.3 R [deleted]
- **9.2.4** R [deleted]

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Compliance with the disclosure requirements, transparency rules and corporate governance rules

- 9.2.5 G A listed company, whose equity shares are admitted to trading on a regulated market, should consider the obligations under the disclosure requirements.
- 9.2.6 R A *listed company* that is not already required to comply with the obligations referred to under article 17 of the Market Abuse Regulation must comply with those obligations as if it were an issuer for the purposes of the disclosure requirements and transparency rules subject to article 22 of the Market Abuse Regulation.
- 9.2.6A G A listed company, whose equity shares are admitted to trading on a regulated market, should consider its obligations under ■ DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).
- 9.2.6B A listed company that is not already required to comply with the transparency rules must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer for the purposes of the transparency rules.
- R 9.2.6C A listed company that is not already required to comply with ■ DTR 7.3 (Related party transactions) must comply with ■ DTR 7.3 as if it were an issuer to which ■ DTR 7.3 applies, subject to the modifications set out in ■ LR 9.2.6DR.
- 9.2.6D For the purposes of ■ LR 9.2.6CR, ■ DTR 7.3 is modified as follows:
 - (1) DTR 7.3.2R must be read as if the words "has the meaning in UKadopted IFRS" are replaced by:

"has the meaning:

- (a) in UK-adopted IFRS; or
- (b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to UK-adopted IFRS and which are set out in the TD Equivalence Decision.
 - (i) in UK-adopted IFRS, or

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(ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the listed company."

- (2) DTR 7.3.8R(2) and (3) do not apply;
- (3) DTR 7.3.9R must be read as follows:
 - (a) as if the words "after obtaining board approval" are replaced by "after publishing an announcement in accordance with DTR 7.3.8R(1)"; and
 - (b) the reference to DTR 7.3.8R must be read as a reference to DTR 7.3.8R as modified by LR 9.2.6DR(2); and
- (4) in DTR 7.3.13R the references to DTR 7.3.8R must be read as references to DTR 7.3.8R as modified by LR 9.2.6DR(2).

Disclosure of rights attached to equity shares

9.2.6E R Unless exempted in ■LR 9.2.6HR, a *listed company* must:

- (1) forward to the FCA for publication a copy of one or more of the following:
 - (a) the approved *prospectus* or *listing particulars* for its *listed equity shares*;
 - (b) the relevant agreement or document setting out the terms and conditions on which its *listed equity shares* were issued; or
 - (c) a document describing:
 - (i) the rights attached to its listed equity shares;
 - (ii) limitations on such rights; and
 - (iii) the procedure for the exercise of such rights,

produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *listed company* been required to produce a *prospectus* for those *listed equity shares*; and

- (2) if the information in relation to the rights attached to its *listed equity* shares set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the FCA for publication a copy of either of the following:
 - (a) a new document in accordance with (1); or
 - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *listed company's listed equity shares*.

- 9.2.6G G The purpose of ■ LR 9.2.6ER is to require *listed companies* to maintain publicly available information in relation to the rights attached to their listed equity shares so that investors can access such information.
- 9.2.6H A *listed company* is exempt from ■ LR 9.2.6ER where:
 - (1) it has previously forwarded to the FCA for publication, or otherwise filed with the FCA, a document specified in ■LR 9.2.6ER(1);
 - (2) if the information in relation to the rights attached to its listed equity shares set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the FCA for publication, or otherwise filed with the FCA, a copy of either of the following:
 - (a) one of the documents specified in LR 9.2.6ER(1); or
 - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the listed company's listed equity shares, and
 - (3) the documents in (1) and (2) have been forwarded to the FCA for publication, or otherwise filed with the FCA, by:
 - (a) forwarding them for publication on a location previously identified on the FCA website where the public can inspect documents referred to in the listing rules as being documents to be made available at the document viewing facility; or
 - (b) uploading them to the national storage mechanism.
- 9.2.7 R
 - (1) (2) [deleted]
- 9.2.8
- [deleted] R
- 9.2.8A
- G [deleted]
- 9.2.9
- G [deleted]
- 9.2.10
- R [deleted]

Contact details

9.2.11

A listed company must ensure that the FCA is provided with up to date contact details of at least one appropriate person nominated by it to act as the first point of contact with the FCA in relation to the company's

		compliance with the <i>listing rules</i> and the <i>disclosure requirements</i> and <i>transparency rules</i> .			
9.2.12	G	The contact person referred to in ■LR 9.2.11 R will be expected to be:			
		(1) knowledgeable about the <i>listed company</i> and the <i>listing rules</i> applicable to it;			
		(2) capable of ensuring that appropriate action is taken on a timely basis; and			
		(3) contactable on business days between the hours of 7 a.m. to 7 p.m.			
		Sponsors			
9.2.13	G	A <i>listed company</i> should consider its notification obligations under ■LR 8.5.			
9.2.13A	R	In relation to the provision of a <i>sponsor service</i> , a <i>company</i> with a <i>premium listing</i> must cooperate with its <i>sponsor</i> by providing the <i>sponsor</i> with all information reasonably requested by the <i>sponsor</i> for the purpose of carrying out the <i>sponsor service</i> in accordance with LR 8.			
9.2.14	R	[deleted]			
		Shares in public hands			
9.2.15	R	A <i>listed company</i> must comply with ■ LR 6.14.1R to ■ LR 6.14.3R at all times.			
9.2.15A	G	[deleted]			
0		[acietea]			
9.2.16	R	[acietes]			
9.2.16	R	Publication of unaudited financial information			
9.2.16	R				
9.2.16 9.2.17	R	Publication of unaudited financial information			
9.2.16 9.2.17	R	Publication of unaudited financial information (1) This rule applies to a listed company that has published: (a) any unaudited financial information in a class 1 circular or a			
9.2.16 9.2.17	R	Publication of unaudited financial information (1) This rule applies to a listed company that has published: (a) any unaudited financial information in a class 1 circular or a prospectus; or			

9.2.21

- (b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (2)(a); and
- (c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (2)(b) and those reproduced under paragraph (2)(a).
- G ■ LR 9.2.18 R does not apply to: 9.2.19
 - (1) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the PR Regulation; or
 - (2) any preliminary statements of annual results or half-yearly or quarterly reports that are reproduced with the unaudited financial information.

Externally managed companies

9.2.20 An issuer must at all times ensure that the discretion of its board to make strategic decisions on behalf of the company has not been limited or transferred to a person outside the issuer's group, and that the board has the capability to act on key strategic matters in the absence of a recommendation from a person outside the issuer's group.

Voting on matters relevant to premium listing

- R (1) Subject to ■ LR 9.2.22AR, where the provisions of ■ LR 5.2, ■ LR 5.4A, ■ LR 9.4, ■ LR 9.5, ■ LR 10, ■ LR 11, ■ LR 12 or ■ LR 15 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *listed company's shares* that have been admitted to premium listing.
 - (2) Where the provisions of LR 5.2.5R(2), LR 5.4A.4R(3)(b)(ii), ■ LR 5.4A.4R(3)(c)(ii) or ■ LR 9.2.2ER require that the resolution must in addition be approved by independent shareholders, only independent shareholders who hold the listed company's shares that have been admitted to premium listing can vote.
- 9.2.22 The FCA may modify the operation of ■ LR 9.2.21 R in exceptional circumstances, for example to accommodate the operation of:
 - (1) special share arrangements designed to protect the national interest;
 - (2) dual listed company voting arrangements; and
 - (3) voting rights attaching to preference shares or similar securities that are in arrears.

Voting on matters relevant to premium listing by holders of specified weighted voting rights shares

(1) Holders of specified weighted voting rights shares may participate in a vote on matters falling within the provisions referred to in

9.2.22A

■ LR 9.2.21R in accordance with the voting rights attached to those shares.

- (2) LR 9.2.22AR(1) only applies with respect to issuers:
 - (a) to which the condition in ■LR 6.9.1AR applied on the first occasion they made an application for *shares* to be *admitted* to *premium listing*; and
 - (b) which have had no class of weighted voting rights shares in issue other than specified weighted voting rights shares since the issuer first had a class of shares admitted to premium listing.
- (3) Subject to paragraph (4), the exception to ■LR 9.2.21R in paragraph (1) applies for a period of 5 years beginning with the date on which the issuer first had a class of shares admitted to premium listing.
- (4) Where an admission of shares to premium listing is connected with a transaction or arrangement of the kind listed below in relation to a listed company (A), the exception to ■LR 9.2.21R in paragraph (1) applies for a period of 5 years beginning with the date on which A first had a class of shares admitted to premium listing:
 - (a) an acquisition of A;
 - (b) a reorganisation or restructuring of A's group;
 - (c) the listing of a new holding company of A;
 - (d) a reverse takeover in connection with A;
 - (e) a merger involving A's business;
 - (f) any transaction or arrangement having similar effect to those set out in (a) to (e).
- 9.2.22B G

The purpose of ■LR 9.2.22AR(4) is to ensure that holders of *specified* weighted voting rights shares only participate in the shareholder votes referred to for 5 years from the date of *company* A's initial *listing*, and not, for example, 5 years from the date of any new holding company's *admission* to *listing*. A group restructuring or a reverse takeover or another similar transaction should not have the effect of artificially extending the period within which holders of A's *specified weighted voting rights shares* may exercise voting rights on the matters relevant to *premium listing* referred to in ■LR 9.2.21R(1).

9.2.22C R

Specified weighted voting rights shares are weighted voting rights shares of a class which meet the following conditions:

- (1) subject to paragraph (2), each *share* carries the same number of votes on matters at a general meeting of the *company* as a *share* in the *class admitted* to *premium listing*;
- (2) in relation to the following matters only, each *share* may carry up to 20 times the votes carried by a *share* in the *class admitted* to *premium listing*:
 - (a) the removal of the holder as a *director* whether under section 168 of the Companies Act 2006 or otherwise; and
 - (b) following a change of control in the issuer, any matter; and

- (3) the shares may only be held by a director of the issuer or, following the death of a director, a beneficiary of the director's estate.
- 9.2.22D
- R
- (1) For the purposes of LR 9.2.22CR(1)(b), (subject to paragraph (2)) a change of control is the acquisition by any person of an interest in shares in a listed company that, taken together with shares in which that person and any persons acting in concert with them are interested, results in that person being entitled to exercise or control the exercise of more than 50 per cent of the votes able to be cast on all or substantially all matters at general meetings of the company.
- (2) There is no change of control for the purposes of LR 9.2.22CR(1)(b) where the person acquiring an interest in shares is a holder of specified weighted voting rights shares or any person acting in concert with that person.
- (3) Without prejudice to the generality of paragraph (1), if such an acquisition is effected by means of:
 - (a) a scheme of arrangement under Part 26 of the Companies Act 2006, a change of control occurs when the scheme of arrangement becomes effective;
 - (b) a takeover offer under Part 28 of the Companies Act 2006, a change of control occurs when the takeover offer becomes unconditional in all respects.
- 9.2.22E

The effect of ■ LR 9.2.22AR(1) and ■ LR 9.2.22CR is that:

- (1) the holder of specified weighting voting rights shares may vote on matters otherwise reserved to holders of premium listed shares under ■ LR 9.2.21R(1) on the same basis as those shareholders, subject to ■ LR 9.2.22AR(2) to ■ (4); and
- (2) if there is a change of control, the holder of a specified weighted voting rights share may then vote on such matters on the basis of weighted voting rights of up to 20 times the votes attaching to a premium listed share, subject to ■ LR 9.2.22AR(2) to ■ (4) and ■ LR 9.2.22CR.
- 9.2.22F
- The FCA may modify the operation of LR 9.2.21AR to LR 9.2.21DR in exceptional circumstances, for example to accommodate the operation of:
 - (1) special share arrangements designed to protect the national interest;
 - (2) dual listed company voting arrangements; and
 - (3) voting rights attaching to preference shares or similar securities that are in arrears.

Notifications to the FCA: notifications regarding continuing obligations

9.2.23 R

A *listed company* must notify the *FCA* without delay if it does not comply with any continuing obligation set out in ■ LR 9.2.2A R, ■ LR 9.2.2ABR, ■ LR 9.2.2E R, ■ LR 9.2.2F R, ■ LR 9.2.15 R, ■ LR 9.2.21 R or ■ LR 9.2.22AR.

Notifications to the FCA: notifications regarding compliance with independence provisions

- 9.2.24 R
- A listed company must notify the FCA without delay if:
 - (1) it no longer complies with LR 9.2.2G R;
 - (2) it becomes aware that an undertaking in LR 6.5.4R or LR 9.2.2ADR(1) has not been complied with by the *controlling shareholder* or any of its *associates*; or
 - (3) it becomes aware that a procurement obligation (as set out in LR 6.5.5R(2)(a) or LR 9.2.2BR (2)(a)) contained in an agreement entered into under LR 6.5.4R or LR 9.2.2ADR(1) has not been complied with by a *controlling shareholder*.

Notifications to the FCA: notifications regarding LR 9.8.4AR

9.2.25 R

A *listed company* must notify the *FCA* without delay if its annual financial report contains a statement of the kind specified under LR 9.8.4A R.

Inability to comply with continuing obligations

9.2.26 G

Where a *listed company* is unable to comply with a continuing obligation set out in ■LR 9.2, it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■LR 5.2.2 G (2) and ■LR 5.4A.16 G.

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9.3 **Continuing obligations: holders**

- 9.3.1 [deleted]
- G 9.3.2 [deleted]
- R 9.3.3 [deleted]
- 9.3.4 R [deleted]
- R 9.3.5 [deleted]

Proxy forms

- 9.3.6 A listed company must ensure that, in addition to its obligations under the Companies Act 2006, a proxy form:
 - (1) [deleted]
 - (2) provides for at least three-way voting on all resolutions intended to be proposed (except that it is not necessary to provide proxy forms with three-way voting on procedural resolutions); and
 - (3) [deleted]
 - (4) states that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

Proxy forms for re-election of retiring directors

- 9.3.7 R If the resolutions to be proposed include the re-election of retiring *directors* and the number of retiring directors standing for re-election exceeds five, the proxy form may give shareholders the opportunity to vote for or against (or abstain from voting on) the re-election of the retiring directors as a whole but must also allow votes to be cast for or against (or for shareholders to abstain from voting on) the re-election of the retiring directors individually.
- 9.3.8 [deleted]

Sanctions

9.3.9 R

Where a *listed company* has taken a power in its *constitution* to impose sanctions on a shareholder who is in default in complying with a notice served under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares):

- (1) sanctions may not take effect earlier than 14 days after service of the notice;
- (2) for a shareholding of less than 0.25% of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the only sanction the *constitution* may provide for is a prohibition against attending meetings and voting;
- (3) for a shareholding of 0.25% or more of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the *constitution* may provide:
 - (a) for a prohibition against attending meetings and voting;
 - (b) for the withholding of the payment of dividends (including *shares* issued in lieu of dividend) on the *shares* concerned; and
 - (c) for the placing of restrictions on the transfer of *shares*, provided that restrictions on transfer do not apply to a sale to a genuine unconnected third party (such as through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer); and
- (4) any sanctions imposed in accordance with paragraph (2) or (3) above must cease to apply after a specified period of not more than seven days after the earlier of:
 - (a) receipt by the *issuer* of notice that the shareholding has been sold to an unconnected third party through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer; and
 - (b) due compliance, to the satisfaction of the *issuer*, with the notice under section 793.

•••••

9.3.10 G

An *overseas company* with a *premium listing* is not required to comply with LR 9.3.9 R.

Pre-emption rights

9.3.11 R

A *listed company* proposing to issue *equity securities* for cash or to sell *treasury shares* that are *equity shares* for cash must first offer those *equity securities* in proportion to their existing holdings to:

- (1) existing holders of that class of *equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and
- (2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.

9.3.12 R

- LR 9.3.11 R does not apply to:
 - (1) a *listed company* incorporated in the *United Kingdom* if a disapplication of statutory pre-emption rights has been authorised by

shareholders in accordance with section 570(Disapplication of preemption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of equity securities or sale of treasury shares that are equity shares by the listed company is within the terms of the authority; or

- (2) a listed company undertaking a rights issue or open offer provided the disapplication of pre-emption rights is with respect to:
 - (a) equity securities representing fractional entitlements; or
 - (b) equity securities which the company considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of a territory other than its country of incorporation unless that territory is the United Kingdom; or
- (3) a listed company selling treasury shares for cash to an employee share scheme; or
- (4) an overseas company with a premium listing if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC or article 33 of Directive 2012/30/EU and the issue of equity securities or sale of treasury shares that are equity shares by the listed company is within the terms of the authority;
- (5) [deleted]



9.4 Documents requiring prior approval

Employees share schemes and long-term incentive plans

- 9.4.1 R
- (1) This rule applies to the following schemes of a listed company incorporated in the United Kingdom and of any of its major subsidiary undertaking (even if that major subsidiary undertaking is incorporated or operates overseas):
 - (a) an *employees' share scheme* if the scheme involves or may involve the issue of new *shares* or the transfer of *treasury shares*; and
 - (b) a *long-term incentive scheme* in which one or more *directors* of the *listed company* is eligible to participate.
- (2) The *listed company* must ensure that the *employees' share scheme* or *long-term incentive scheme* is approved by an ordinary resolution of the shareholders of the *listed company* in general meeting before it is adopted.
- 9.4.2 R
- LR 9.4.1 R does not apply to the following *long-term incentive schemes*:
 - (1) an arrangement where participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are eligible to participate in the arrangement (provided that all or substantially all *employees* are not *directors* of the *listed company*); and
 - (2) an arrangement where the only participant is a *director* of the *listed* company (or an individual whose appointment as a *director* of the *listed* company is being contemplated) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual.
- 9.4.3 R

For a scheme referred to in LR 9.4.2R (2), the following information must be disclosed in the first annual report published by the *listed company* after the date on which the relevant individual becomes eligible to participate in the arrangement:

- (1) all of the information prescribed in LR 13.8.11 R;
- (2) the name of the sole participant;
- (3) the date on which the participant first became eligible to participate in the arrangement;

- (4) an explanation of why the circumstances in which the arrangement was established were unusual:
- (5) the conditions to be satisfied under the terms of the arrangement; and
- (6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

Discounted option arrangements

9.4.4 R

- (1) This rule applies to the grant to a director or employee of a listed company or of any subsidiary undertaking of a listed company of an option to subscribe, warrant to subscribe or other similar right to subscribe for shares in the capital of the listed company or any of its subsidiary undertakings.
- (2) A listed company must not, without the prior approval by an ordinary resolution of the shareholders of the listed company in a general meeting, grant the option, warrant or other right if the price per share payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
 - (a) the market value of the share on the date when the exercise price is determined; or
 - (b) the market value of the share on the business day before that date; or
 - (c) the average of the market values for a number of dealing days within a period not exceeding 30 days immediately before that date.

9.4.5 R

LR 9.4.4 R does not apply to the grant of an option to subscribe, warrant to subscribe or other similar right to subscribe for shares in the capital of a listed company or any of its subsidiary undertakings:

- (1) under an employees' share scheme if participation is offered on similar terms to all or substantially all employees of the listed company or any of its subsidiary undertakings whose employees are entitled to participate in the scheme; or
- (2) following a take-over or reconstruction, in replacement for and on comparable terms with options to subscribe, warrants to subscribe or other similar rights to subscribe held immediately before the takeover or reconstruction for shares in either a company of which the listed company thereby obtains control or in any of that company's subsidiary undertakings.



9.5 Transactions

Rights issue

9.5.1 R

For a placing of rights arising from a *rights issue* before the official start of dealings, a *listed company* must ensure that:

- (1) the placing relates to at least 25% of the maximum number of equity securities offered;
- (2) the placees are committed to take up whatever is placed with them;
- (3) the price paid by the placees does not exceed the price at which the equity securities which are the subject of the rights issue are offered by more than one half of the calculated premium over that offer price (that premium being the difference between the offer price and the theoretical ex-rights price); and
- (4) the equity securities which are the subject of the rights issue are of the same class as the equity securities already listed.
- 9.5.2 G The FCA may modify LR 9.5.1R (1) to allow the placing to relate to less than 25% if it is satisfied that requiring at least 25% would be detrimental to the success of the issue.
- 9.5.3 G In a *rights issue*, the *FCA* may list the *equity securities* at the same time as they are admitted to trading in nil paid form. On the *equity securities* being paid up and the allotment becoming unconditional, the *listing* will continue without any need for a further application to list fully paid *securities*.
- 9.5.4 If existing *shareholders* do not take up their rights to subscribe in a *rights issue*:
 - (1) the *listed company* must ensure that the *equity securities*to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed 5.00, the proceeds may be retained for the *company*'s benefit; and
 - (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

- 9.5.5 A listed company must ensure that for a rights issue the following are notified to a RIS as soon as possible:
 - (1) the issue price and principal terms of the issue; and
 - (2) the results of the issue and, if any rights not taken up are sold, details of the sale, including the date and price per share.

.....

9.5.6 A listed company must ensure that the offer relating to a rights issue remains open for acceptance for at least 10 business days. For the purposes of calculating the period of 10 business days, the first business day is the date on which the offer is first open for acceptance.

Open offers

- 9.5.7 R A listed company must ensure that the timetable for an open offer is approved by the RIE on which its equity securities are traded.
- 9.5.7A A listed company must ensure that the open offer remains open for acceptance for at least 10 business days. For the purposes of calculating the period of 10 business days, the first business day is the date on which the offer is first open for acceptance.
- 9.5.8 R A listed company must ensure that in relation to communicating information on an open offer:
 - (1) if the offer is subject to shareholder approval in general meeting the announcement must state that this is the case; and
 - (2) the circular dealing with the offer must not contain any statement that might be taken to imply that the offer gives the same entitlements as a rights issue unless it is an offer with a compensatory element.
- 9.5.8A If existing shareholders do not take up their rights to subscribe in an open offer with a compensatory element:
 - (1) the listed company must ensure that the equity securities to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed £5, the proceeds may be retained for the company's benefit; and
 - (2) the equity securities may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.
- 9.5.8B R A listed company must ensure that for a subscription in an open offer with a compensatory element the following are notified to a RIS as soon as possible:
 - (1) the offer price and principal terms of the offer; and

(2) the results of the offer and, if any securities not taken up are sold, details of the sale, including the date and price per share.

Vendor consideration placing

9.5.9 R

A *listed company* must ensure that in a *vendor consideration placing* all vendors have an equal opportunity to participate in the placing.

Discounts not to exceed 10%

9.5.10 R

- (1) If a listed company makes an open offer, placing, vendor consideration placing, offer for subscription of equity shares or an issue out of treasury (other than in respect of an employees' share scheme) of a class already listed, the price must not be at a discount of more than 10% to the middle market price of those shares at the time of announcing the terms of the offer for an open offer or offer for subscription of equity shares or at the time of agreeing the placing for a placing or vendor consideration placing.
- (2) In paragraph (1), the middle market price of equity shares means the middle market quotation for those equity shares as derived from the daily official list of the London Stock Exchange or any other publication of an RIE showing quotations for listed securities for the relevant date.
- (2A) If a listed company makes an open offer, placing, vendor consideration placing or offer for subscription of equity shares during the trading day it may use an appropriate on-screen intra-day price derived from another market.
 - (3) Paragraph (1) does not apply to an offer or placing at a discount of more than 10% if:
 - (a) the terms of the offer or placing at that discount have been specifically approved by the issuer's shareholders; or
 - (b) it is an issue of shares for cash or the sale of treasury shares for cash under a pre-existing general authority to disapply section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption).
 - (4) The *listed company* must notify a *RIS* as soon as possible after it has agreed the terms of the offer or placing.

9.5.10A G

On each occasion that the *listed company* plans to use an on-screen intra-day price it should discuss the source of the price in advance with the *FCA*. The *FCA* may be satisfied that there is sufficient justification for its use if the alternative market has an appropriate level of liquidity and the source is one that is widely accepted by the market.

Offer for sale or subscription

9.5.11 R

A listed company must ensure that for an offer for sale or an offer for subscription of equity securities:

- (1) letters of allotment or acceptance are all issued simultaneously and numbered serially (and, where appropriate, split and certified by the listed company's registrars);
- (2) if the equity securities may be held in uncertificated form, there is equal treatment of those who elect to hold the equity securities in certificated form and those who elect to hold them in uncertificated form;
- (3) letters of regret are posted at the same time or not later than three business days after the letters of allotment or acceptance; and
- (4) if a letter of regret is not posted at the same time as letters of allotment or acceptance, a notice to that effect is inserted in a national newspaper, to appear on the morning after the letters of allotment or acceptance are posted.

Reconstruction or refinancing

- R 9.5.12
- (1) If a listed company produces a circular containing proposals to be put to shareholders in a general meeting relating to a reconstruction or a re-financing, the circular must be produced in accordance with ■ LR 13.3 and must include a working capital statement.
- (2) The requirement for a working capital statement set out in paragraph (1) does not apply to a closed-ended investment fund.
- (3) The working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 11 of the PR Regulation and on the basis that the reconstruction or the refinancing has taken place.

Fractional entitlements

- 9.5.13
- If, for an issue of equity securities (other than an issue in lieu of dividend), a shareholders entitlement includes a fraction of a security, a listed company must ensure that the fraction is sold for the benefit of the holder except that if its value (net of expenses) does not exceed 5.00 it may be sold for the company's benefit. Sales of fractions may be made before listing is granted.

Further issues

- 9.5.14
 - When shares of the same class as shares that are listed are allotted, an application for admission to listing of such shares must be made as soon as possible and in any event within one month of the allotment. [Note: Article 64 CARD1

Temporary documents of title (including renounceable documents)

- 9.5.15
- A listed company must ensure that any temporary document of title (other than one issued in global form) for an equity security:
 - (1) is serially numbered;
 - (2) states where applicable:

- (a) the name and address of the first holder and names of joint holders (if any);
- (b) for a fixed income *security*, the amount of the next payment of interest or dividend;
- (c) the pro rata entitlement;
- (d) the last date on which transfers were or will be accepted for registration for participation in the issue;
- (e) how the securities rank for dividend or interest;
- (f) the nature of the document of title and proposed date of issue;
- (g) how fractions (if any) are to be treated; and
- (h) for a *rights issue*, the time, being not less than 10 *business* dayscalculated in accordance with ■LR 9.5.6 R, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and

(3) if renounceable:

- (a) states in a heading that the document is of value and negotiable;
- (b) advises holders of equity securities who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
- (c) states that where all of the securities have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;
- (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
- (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
- (f) provides for the last day for renunciation to be the second business day after the last day for splitting; and
- (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

9.5.16 R

A *listed company* must ensure that any definitive document of title for an *equity share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraphs (5) and (7)):

- (1) the authority under which the *listed company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of securities the certificate represents and, if applicable, the number and denomination of units (in the top righthand corner);

- (3) a footnote stating that no transfer of the security or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the security is transferable;
- (5) the date of the certificate;
- (6) [deleted]
- (7) for equity shares with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.



9.6 **Notifications**

Copies of documents

- 9.6.1 A listed company must forward to the FCA for publication a copy of all circulars, notices, reports or other documents to which the listing rules apply at the same time as they are issued, by uploading it to the national storage mechanism
- 9.6.2 A listed company must forward to the FCA for publication a copy of all resolutions passed by the *listed company* other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting, by uploading it to the national storage mechanism.
- 9.6.3 R (1) A listed company must notify a RIS as soon as possible when a document has been forwarded to the FCA under ■ LR 9.6.1 R or ■ LR 9.6.2 R unless the full text of the document is provided to the RIS.
 - (2) A notification made under paragraph (1) must set out where copies of the relevant document can be obtained.

Notifications relating to capital

- 9.6.4 A listed company must notify a RIS as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:
 - (1) any proposed change in its capital structure including the structure of its listed debt securities, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
 - (2) [deleted]
 - (3) any redemption of listed shares including details of the number of shares redeemed and the number of shares of that class outstanding following the redemption;
 - (4) any extension of time granted for the currency of temporary documents of title; and
 - (5) [deleted]
 - (6) (except in relation to a block listing of securities) the results of any new issue of equity securities or a public offering of existing equity securities.

- 9.6.5 [deleted]
- R 9.6.6 Where the securities are subject to an underwriting agreement a listed company may, at its discretion and subject to the obligations in article 17 of the Market Abuse Regulation, delay notifying a RIS as required by ■ LR 9.6.4R (6) for up to two business days until the obligation by the underwriter to take or procure others to take securities is finally determined or lapses. In the case of an issue or offer of securities which is not underwritten, notification of the result must be made as soon as it is known.
- 9.6.7 R [deleted]
- 9.6.8 R [deleted]
- 9.6.9 G [deleted]
- 9.6.10 G [deleted]

Notification of board changes and directors' details

9.6.11 R A listed company must notify a RIS of any change to the board including:

- (1) the appointment of a new director stating the appointees name and whether the position is executive, non-executive or chair and the nature of any specific function or responsibility of the position;
- (2) the resignation, removal or retirement of a director (unless the director retires by rotation and is re-appointed at a general meeting of the listed company's shareholders);
- (3) important changes to the role, functions or responsibilities of a director: and
- (4) the effective date of the change if it is not with immediate effect;

as soon as possible and in any event by the end of the business day following the decision or receipt of notice about the change by the company.

- 9.6.12 If the effective date of the board change is not yet known, the notification required by LR 9.6.11 R should state this fact and the *listed company* should notify a RIS as soon as the effective date has been decided.
- 9.6.13 A listed company must notify a RIS of the following information in respect of any new director appointed to the board as soon as possible following the decision to appoint the *director* and in any event within five *business days* of the decision:

- (1) details of all directorships held by the *director* in any other publicly quoted *company* at any time in the previous five years, indicating whether or not he is still a *director*;
- (2) any unspent convictions in relation to indictable offences;
- (3) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where the *director* was an executive *director* at the time of, or within the 12 months preceding, such events;
- (4) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the *director* was a partner at the time of, or within the 12 months preceding, such events;
- (5) details of receiverships of any asset of such *person* or of a partnership of which the *director* was a partner at the time of, or within the 12 months preceding, such event; and
- (6) details of any public criticisms of the *director* by statutory or regulatory authorities (including *designated professional bodies*) and whether the *director* has ever been disqualified by a court from acting as a *director* of a *company* or from acting in the management or conduct of the affairs of any *company*.
- 9.6.14 R | A listed company must, in respect of any current director, notify a RIS as soon as possible of:
 - (1) any changes in the information set out in ■LR 9.6.13R (2) to ■LR 9.6.13R (6); and
 - (2) any new directorships held by the *director* in any other publicly guoted *company*.

Notification of lock-up arrangements

- 9.6.16 R A *listed company* must notify a *RIS* as soon as possible of information relating to the disposal of *equity shares* under an exemption allowed in the lock-up arrangements disclosed in accordance with the *PR Regulation*.
- 9.6.17 R A *listed company* must notify a *RIS* as soon as possible of the details of any variation in the lock-up arrangements disclosed in accordance with the *PR Regulation* or any subsequent announcement.

Notification of shareholder resolutions

A listed company must notify a RIS as soon as possible after a general 9.6.18 meeting of all resolutions passed by the company other than resolutions concerning ordinary business passed at an annual general meeting.

Change of name

- 9.6.19 A listed company which changes its name must, as soon as possible:
 - (1) notify a RIS of the change, stating the date on which it has taken effect;
 - (2) inform the FCA in writing of the change; and
 - (3) where the *listed company* is incorporated in the *United Kingdom*, send the FCA a copy of the revised certificate of incorporation issued by the Registrar of Companies.

Change of accounting date

- A listed company must notify a RIS as soon as possible of: 9.6.20 R
 - (1) any change in its accounting reference date; and
 - (2) the new accounting reference date.
- 9.6.21 R A listed company must prepare and publish a second interim report in accordance with ■ DTR 4.2 if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.
- G 9.6.22 The second interim report must be prepared and published in respect of either:
 - (1) the period up to the old accounting reference date; or
 - (2) the period up to a date not more than six months prior to the new accounting reference date.



9.7A Preliminary statement of annual results, and statement of dividends

Preliminary statement of annual results

9.7A.1 R

If a listed company prepares a preliminary statement of annual results:

- (1) the statement must be published as soon as possible after it has been approved by the board;
- (2) the statement must be agreed with the *company*'s auditors prior to publication;
- (3) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;
- (4) the statement must give details of the nature of any likely modification or emphasis-of-matter paragraph that may be contained in the auditors' report required to be included with the annual financial report; and
- (5) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

.....

Statement of dividends

9.7A.2

A *listed company* must notify a *RIS* as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on *listed equity* or to withhold any dividend or interest payment on *listed securities* giving details of:

- (1) the exact net amount payable per share;
- (2) the payment date;
- (3) the record date (where applicable); and
- (4) any foreign income dividend election, together with any income tax treated as paid at the lower rate and not repayable.

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Omission of information

9.7A.3



The FCA may authorise the omission of information required by ■ LR 9.7A.1 R or ■ LR 9.7A.2 R if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the listed company, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the shares.

LR 9/30



9.8 Annual financial report

- 9.8.1 R [deleted]
- 9.8.2 R [deleted]
- 9.8.3 R [deleted]

Information to be included in annual report and accounts

9.8.4 R In addition to the requirements set out in ■ DTR 4.1 a *listed company* must include in its annual financial report, where applicable, the following:

- (1) a statement of the amount of interest capitalised by the *group* during the period under review with an indication of the amount and treatment of any related tax relief;
- (2) any information required by LR 9.2.18 R (Publication of unaudited financial information);
- (3) [deleted]
- (4) details of any long-term incentive schemes as required by LR 9.4.3 R;
- (5) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;
- (6) where a *director* has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review;
- (7) in the case of any allotment for cash of *equity securities* made during the period under review otherwise than to the holders of the *company's equity shares* in proportion to their holdings of such *equity shares* and which has not been specifically authorised by the *company's* shareholders:
 - (a) the classes of shares allotted and for each class of shares, the number allotted, their aggregate nominal value and the consideration received by the company for the allotment;
 - (b) the names of the allottees, if less than six in number, and in the case of six or more allottees a brief generic description of each new class of equity holder (e.g. holder of loan stock);

- (c) the market price of the allotted securities on the date on which the terms of the issue were fixed; and
- (d) the date on which the terms of the issue were fixed;
- (8) the information required by paragraph (7) must be given for any unlisted major subsidiary undertaking of the company;
- (9) where a listed company has listed shares in issue and is a subsidiary undertaking of another company, details of the participation by the parent undertaking in any placing made during the period under review;
- (10) details of any contract of significance subsisting during the period under review:
 - (a) to which the *listed company*, or one of its *subsidiary* undertakings, is a party and in which a director of the listed company is or was materially interested; and
 - (b) between the *listed company*, or one of its *subsidiary* undertakings, and a controlling shareholder;
- (11) details of any contract for the provision of services to the *listed* company or any of its subsidiary undertakings by a controlling shareholder, subsisting during the period under review, unless:
 - (a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and
 - (b) it is not a contract of significance;
- (12) details of any arrangement under which a shareholder has waived or agreed to waive any dividends;
- (13) where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review; and
- (14) a statement made by the board:
 - (a) that the *listed company* has entered into any agreement required under ■ LR 9.2.2ADR(1); or
 - (b) where the *listed company* has not entered into an agreement required under ■ LR 9.2.2ADR(1):
 - (i) a statement that the FCA has been notified of that noncompliance in accordance with ■ LR 9.2.23 R; and
 - (ii) a brief description of the background to and reasons for failing to enter into the agreement that enables shareholders to evaluate the impact of non-compliance on the listed company; and
 - (c) that:
 - (i) the *listed company* has complied with the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) during the period under review;
 - (ii) so far as the *listed company* is aware, the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) have been complied with during the period under review by the controlling shareholder or any of its associates; and

- (iii) so far as the *listed company* is aware, the procurement obligation (as set out in ■LR 6.5.5R(2)(a) or ■LR 9.2.2BR (2)(a)) included in any agreement entered into under ■LR 6.5.4R or ■LR 9.2.2ADR(1) has been complied with during the period under review by a *controlling shareholder*; or
- (d) where an undertaking in LR 6.5.4R or LR 9.2.2ADR(1) or a procurement obligation (as set out in LR 6.5.5R(2)(a) or
 LR 9.2.2BR (2)(a)) included in any agreement entered into under
 LR 6.5.4R or LR 9.2.2ADR(1) has not been complied with during the period under review:
 - (i) a statement that the FCA has been notified of that non-compliance in accordance with ■LR 9.2.24 R; and
 - (ii) a brief description of the background to and reasons for failing to comply with the relevant undertaking or procurement obligation that enables shareholders to evaluate the impact of non-compliance on the *listed company*.
- 9.8.4B G Where a *listed company*'s annual financial report contains a statement of the type referred to in LR 9.8.4R (14)(b) or (d), the *FCA* may still take any action it considers necessary in relation to the underlying breach by the *listed company* of LR 9.2.2ADR(1) or LR 9.2.2G R.
- 9.8.4C R The *listed company*'s annual financial report must include the information required under LR 9.8.4 R in a single identifiable section, unless the annual financial report includes a cross reference table indicating where that information is set out.
- 9.8.5 G A *listed company* need not include with the annual report and accounts details of waivers of dividends of less than 1% of the total value of any dividend provided that some payment has been made on each *share* of the relevant *class* during the relevant calendar year.

Additional information

- 9.8.6 In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report:
 - (1) a statement setting out all the interests (in respect of which transactions are notifiable to the company under article 19 of the *Market Abuse Regulation*) of each *person* who is a *director* of the *listed company* as at the end of the period under review including:
 - (a) all changes in the interests of each *director* that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or

(b) if there have been no changes in the period described in paragraph (a), a statement that there have been no changes in the interests of each director.

Interests of each director includes the interests of connected persons of which the listed company is, or ought upon reasonable enquiry to become, aware.

- (2) a statement showing the interests disclosed to the *listed company* in accordance with ■ DTR 5 as at the end of the period under review and:
 - (a) all interests disclosed to the *listed company* in accordance with ■ DTR 5 that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
 - (b) if no interests have been disclosed to the *listed company* in accordance with DTR 5 in the period described in (a), a statement that no changes have been disclosed to the *listed* company.
- (3) statements by the directors on:
 - (a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 30 of the UK Corporate Governance Code); and
 - (b) their assessment of the prospects of the company (containing the information set out in Provision 31 of the UK Corporate Governance Code);

prepared in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Reporting Council in September 2014;

- (4) a statement setting out:
 - (a) details of any shareholders' authority for the purchase, by the listed company, of its own shares that is still valid at the end of the period under review;
 - (b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such shares purchased, or proposed to be purchased, by the listed company during the period under review;
 - (c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc); and
 - (d) in the case of sales of treasury shares for cash made otherwise than through the market, or in connection with an employees' share scheme, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the listed company's securities (or to all holders of a relevant class of its securities) on the same terms, particulars of

- the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;
- (5) a statement of how the *listed company* has applied the Principles set out in the *UK Corporate Governance Code*, in a manner that would enable shareholders to evaluate how the principles have been applied;
- (6) a statement as to whether the listed company has:
 - (a) complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code*; or
 - (b) not complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code* and if so, setting out:
 - (i) those provisions, if any it has not complied with;
 - (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and
 - (iii) the company's reasons for non-compliance;
- (7) a report to the shareholders by the Board which contains the information set out in ■LR 9.8.8 R;
- (8) a statement setting out:
 - (a) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;
 - (b) in cases where the listed company has:
 - (i) made climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures, but has included some or all of these disclosures in a document other than the annual financial report:
 - (A) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
 - (B) a description of that document and where it can be found: and
 - (C) the reasons for including the relevant disclosures in that document and not in the annual financial report;
 - (ii) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (i):
 - (A) the recommendations and/or recommended disclosures for which it has not included such disclosures;
 - (B) the reasons for not including such disclosures; and
 - (C) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and

- (c) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (a) can be found:
- (9) a statement setting out:
 - (a) whether the listed company has met the following targets on board diversity as at a chosen reference date within its accounting period:
 - (i) at least 40% of the individuals on its board of directors are women;
 - (ii) at least one of the following senior positions on its board of directors is held by a woman:
 - (A) the chair;
 - (B) the chief executive;
 - (C) the senior independent director; or
 - (D) the chief financial officer; and
 - (iii) at least one individual on its board of directors is from a minority ethnic background;
 - (b) in cases where the *listed company* has not met all of the targets in (a):
 - (i) the targets it has not met; and
 - (ii) the reasons for not meeting those targets;
 - (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
 - (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected the *listed company's* ability to meet one or more of the targets in (a);
- (10) subject to ■LR 9.8.6GR, numerical data on the ethnic background and the gender identity or sex of the individuals on the listed company's board and in its executive management as at the reference date used for the purposes of ■ LR 9.8.6R(9)(a), which should be set out in the format of the tables contained in ■ LR 9 Annex 2 and contain the information prescribed by those tables; and
- (11) an explanation of the listed company's approach to collecting the data used for the purposes of making the disclosures in ■LR 9.8.6 R(9) and ■ (10).
- 9.8.6A G
- (1) The effect of ■LR 9.8.6R (1) is that a *listed company* is required to set out a 'snapshot' of the total interests of a *director* and his or her connected persons, as at the end of the period under review (including certain information to update it as at a date not more than a month before the date of the notice of the annual general meeting). The interests that need to be set out are limited to those in respect of which transactions fall to be notified under the notification

requirement for PDMRs in article 19 of the *Market Abuse Regulation*. *Persons* who are *directors* during, but not at the end of, the period under review need not be included.

(2) A *listed company* unable to compile the statement in ■LR 9.8.6R (1) from information already available to it may need to seek the relevant information, or confirmation, from the *director* himself, including that in relation to *connected persons*, but would not be expected to obtain information directly from *connected persons*.

9.8.6B G

For the purposes of LR 9.8.6R(8), in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the TCFD Annex entitled "Guidance for All Sectors";
- (2) (where appropriate) Section D of the *TCFD Annex* entitled "Supplemental Guidance for the Financial Sector"; and
- (3) (where appropriate) Section E of the *TCFD Annex* entitled "Supplemental Guidance for Non-Financial Groups".

9.8.6C G

For the purposes of LR 9.8.6R(8), in determining whether a *listed company's* climate-related financial disclosures are consistent with the *TCFD* Recommendations and Recommended Disclosures, the FCA considers that the following documents are relevant:

- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in LR 9.8.6R(8) and LR 9.8.6BG;
- (2) the TCFD Technical Supplement on the Use of Scenario Analysis;
- (3) the TCFD Guidance on Risk Management Integration and Disclosure;
- (4) (where appropriate) the TCFD Guidance on Scenario Analysis for Non-Financial Companies; and
- (5) the TCFD Guidance on Metrics, Targets and Transition Plans.

9.8.6D G

For the purposes of LR 9.8.6R(8), in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should consider whether those disclosures provide sufficient detail to enable users to assess the *listed company*'s exposure to and approach to addressing climate-related issues.

A *listed company* should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

G

noting that these factors may relate to the nature, size and complexity of the listed company's business.

9.8.6E

- (2) For the purposes of ■LR 9.8.6R(8), the FCA would ordinarily expect a listed company to be able to make climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.
- (2) In particular, the FCA would expect that a listed company should ordinarily be able to make disclosures consistent with:
 - (a) the recommendation and recommended disclosures on governance in the TCFD Recommendations and Recommended Disclosures;
 - (b) the recommendation and recommended disclosures on risk management in the TCFD Recommendations and Recommended Disclosures; and
 - (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the TCFD Recommendations and Recommended Disclosures, to the extent that the listed company does not face the transitional challenges referred to in (1) in relation to such disclosures.

9.8.6F

Where making disclosures on transition plans as part of its disclosures on strategy under the TCFD Recommendations and Recommended Disclosures, a listed company that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the UK's commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered this commitment in developing and disclosing its transition plan, the FCA encourages a *listed company* to explain why it has not done so.

9.8.6G

In relation to ■LR 9.8.6R(10), where individuals on a *listed company's* board or in its executive management are situated overseas, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, then a listed company may instead explain the extent to which it is unable to make the relevant disclosures.

G 9.8.6H

Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of ■LR 9.8.6R(10), a *listed company* may add to the categories included in the first column of the table in ■ LR 9 Annex 2.1R (a) in order to reflect the basis on which it has collected data.

G 9.8.61

In relation to ■LR 9.8.6R(11), the FCA expects a listed company's approach to data collection to be:

- (a) consistent for the purposes of reporting under both LR 9.8.6R(9) and (10), and
- (b) consistent across all individuals in relation to whom data is being reported.

The FCA expects the explanation of a *listed company's* approach to data collection to include the method of collection and / or source of the data, and where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked.

9.8.6J G

In addition to the information required under ■ LR 9.8.6R (9) to ■ (11) (and without prejudice to the requirements of ■ DTR 7.2.8AR), a *listed company* may, if it wishes to do so, include the following in its annual financial report:

- (a) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and executive management;
- (b) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country where its main operations are located); and
- (c) any risks it foresees in being able to meet or continue to meet the board diversity targets in LR 9.8.6R(9)(a) in the next accounting period, or any plans to improve the diversity of its board.

9.8.7 R

An overseas company with a premium listing must include in its annual report and accounts the information in ■ LR 9.8.6R (5), ■ LR 9.8.6R(6), ■ LR 9.8.6R(8) to ■ (11) and ■ LR 9.8.8R.

9.8.7A R

- (1) An overseas company with a premium listing must comply with DTR 7.2 (Corporate governance statements) as if it were an issuer to which that section applies.
- (2) An overseas company with a premium listing which complies with LR 9.8.7 R will be taken to satisfy the requirements of DTR 7.2.2 R and DTR 7.2.3 R, but must comply with all of the other requirements of DTR 7.2 as if it were an issuer to which that section applies.

Report to shareholders

9.8.8 R

The report to the shareholders by the Board required by LR 9.8.6R (7) must contain details of the unexpired term of any *director*'s service contract of a *director* proposed for election or re-election at the forthcoming annual general meeting, and, if any *director* proposed for election or re-election does not have a *directors*' service contract, a statement to that effect.

Information required by law

9.8.9 G

The requirements of ■ LR 9.8.6R (6) relating to corporate governance are additional to the information required by law to be included in the *listed company*'s annual report and accounts.

Auditors report

- A listed company must ensure that the auditors review each of the following 9.8.10 before the annual report is published:
 - (1) LR 9.8.6R (3) (statements by the *directors* regarding going concern and longer-term viability); and

•••••

- (2) the parts of the statement required by ■LR 9.8.6R (6) (corporate governance) that relate to Provisions 6 and 24 to 29 of the UK Corporate Governance Code.
- 9.8.11 [deleted]
- 9.8.12 R [deleted]

Strategic report with supplementary information

- 9.8.13 Any strategic report with supplementary information provided to shareholders by a listed company as permitted under section 426 of the Companies Act 2006, must disclose:
 - (1) earnings per share; and
 - (2) the information required for a strategic report set out in or under the Companies Act 2006 and the supplementary material required under section 426A of the Companies Act 2006.

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THE MODEL CODE (R)

Table: The Model Code [deleted]



Annex 1

Data on the diversity of the individuals on a listed company's board and in its executive management

The following tables set out the information a *listed company* must include in its annual financial report under ■LR 9.8.6R(10), and the format in which it must be set out.

(a) Table for reporting on gender identity or sex

	bo	ber of pard Percentage nbers the boar	e of CFO, SID and	Number in ex- ecutive	Percentage of executive management
ľ	/len				

Women

[Other

categories]

Not specified/ prefer not to

say

[Note: the placeholder for 'Other categories' is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with LR 9.8.6HG.]

(b) Table for reporting on ethnic background

Number of board members	Percentage of the board	Number of senior posi- tions on the board (CEO, CFO, SID and Chair)	Number in ex- ecutive management	Percentage of executive management
n s				
n/				
:				
	board members	board Percentage of the board n n/	Number of board (CEO, board Percentage of the board Chair) n	Number of board (CEO, Number in exboard Percentage of CFO, SID and ecutive members the board Chair) management

	Number of board members	Percentage of the board	Number in ex- ecutive management	Percentage of executive management
Not specified/ prefer not to say				

Chapter 10

Significant transactions: Premium listing



10.1 **Preliminary**

Application

- 10.1.1 R This chapter applies to a *company* that has a *premium listing*. **Purpose**
- G 10.1.2 The purpose of this chapter is to ensure that shareholders of companies with securities listed:
 - (1) are notified of certain transactions entered into by the listed company; and

.....

(2) have the opportunity to vote on larger proposed transactions.

Meaning of "transaction"

10.1.3 R In this chapter (except where specifically provided to the contrary) a reference to a transaction by a listed company:

- (1) (subject to paragraphs (3),(4) and (5)) includes all agreements (including amendments to agreements) entered into by the listed company or its subsidiary undertakings;
- (2) includes the grant or acquisition of an option as if the option had been exercised except that, if exercise is solely at the listed company's or subsidiary undertaking's discretion, the transaction will be classified on exercise and only the consideration (if any) for the option will be classified on the grant or acquisition;
- (3) excludes a transaction in the ordinary course of business;
- (4) excludes an issue of securities, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the listed company or of its subsidiary undertakings;
- (5) excludes any transaction between the *listed company* and its whollyowned subsidiary undertaking or between its wholly-owned subsidiary undertakings; and
- (6) excludes a transaction where the listed company purchases its own equity shares.
- 10.1.4 This chapter is intended to cover transactions that are outside the ordinary course of the *listed company*'s business and may change a security holder's economic interest in the company's assets or liabilities (whether or not the change in the assets or liabilities is recognised on the company's balance sheet).

LR 10 : Significant transactions: Premium listing

In assessing whether a transaction is in the ordinary course of a *company*'s business under this chapter, the *FCA* will have regard to the size and incidence of similar transactions which the *company* has entered into. The *FCA* may determine that a transaction is not in the ordinary course of

business because of its size or incidence.

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10.2 **Classifying transactions**

Classifying transactions

- 10.2.1 G A transaction is classified by assessing its size relative to that of the *listed* company proposing to make it. The comparison of size is made by using the percentage ratios resulting from applying the class test calculations to a transaction. The class tests are set out in ■ LR 10 Annex 1 (and modified or added to for specialist companies under ■ LR 10.7).
- 10.2.2 R Except as otherwise provided in this chapter, transactions are classified as follows:
 - (1) [deleted]
 - (2) Class 2 transaction: a transaction where any percentage ratio is 5% or more but each is less than 25%; and
 - (3) Class 1 transaction: a transaction where any percentage ratio is 25% or more.
 - (4) [deleted]
- G 10.2.2A If an issuer is proposing to enter into a transaction classified as a reverse takeover it should consider ■ LR 5.6.
- 10.2.3 R [deleted]

Indemnities and similar arrangements

- 10.2.4 R (1) Any agreement or arrangement with a party (other than a wholly owned subsidiary undertaking of the listed company):
 - (a) under which a *listed company* agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by or on behalf of that party, whether or not on a contingent basis;
 - (b) which is exceptional; and
 - (c) under which the maximum liability is either unlimited, or is equal to or exceeds an amount equal to 25% of the average of the listed company's profits (as calculated for classification purposes) for the last three financial years (losses should be taken as nil profit and included in this average);

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LR 10 : Significant transactions: Premium listing

is to be treated as a class 1 transaction.

(2) Paragraph (1) does not apply to a *break fee arrangement* (see ■ LR 10.2.6A R, ■ LR 10.2.6B G and ■ LR 10.2.7 R which deal with *break fee arrangements*).

10.2.5 G

For the purposes of ■ LR 10.2.4R (1), the FCA considers the following indemnities not to be exceptional:

- (1) those customarily given in connection with sale and purchase agreements;
- (2) those customarily given to underwriters or placing agents in an underwriting or placing agreement;
- (3) those given to advisers against liabilities to third parties arising out of providing advisory services; and
- (4) any other indemnity that is specifically permitted to be given to a *director* or auditor under the Companies Act 2006.

10.2.6 G

If the calculation under ■LR 10.2.4R (1) produces an anomalous result, the FCA may disregard the calculation and modify that *rule* to substitute other relevant indicators of the size of the indemnity or other arrangement given, for example 1% of market capitalisation.

Break fee arrangements

10.2.6A R

An arrangement is a *break fee arrangement* if the purpose of the arrangement is that a compensatory sum will become payable by a *listed company* to another party (or parties) to a proposed transaction if the proposed transaction fails or is materially impeded and there is no independent substantive commercial rationale for the arrangement.

10.2.6B G

- (1) The following arrangements will meet the definition of *break fee arrangements* in ■LR 10.2.6A R (although this list is not intended to be exhaustive): 'no shop' and 'go shop' type provisions, which require payment of a sum to a party in the event the seller finds an alternative purchaser; a requirement to pay another party's wasted costs in the event a transaction fails; non refundable deposits.
- (2) In contrast, payments in the nature of damages (whether liquidated or unliquidated) for a breach of an obligation with an independent substantive commercial rationale, for example the typical business protection covenants that will apply between exchange and completion of a share or asset acquisition agreement or co-operation and information access obligations relating to obtaining merger or other clearances, are not break fee arrangements.

10.2.7 R

(1) Sums payable pursuant to *break fee arrangements* in respect of a transaction are to be treated as a *class 1 transaction* if the total value of those sums exceeds:

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- (a) if the *listed company* is being acquired, 1% of the value of the listed company calculated by reference to the offer price; and
- (b) in any other case, 1% of the market capitalisation of the *listed* company.
- (1A) The total value of sums payable pursuant to break fee arrangements for the purpose of paragraph (1) is the sum of:
 - (a) any amounts paid or payable pursuant to break fee arrangements in relation to the same transaction or in relation to the same target assets or business in the 12 months prior to the date the most recent arrangements were agreed unless those arrangements were approved by shareholders; and
 - (b) the aggregate of the maximum amounts payable pursuant to break fee arrangements in relation to the transaction;

save that if the arrangements are such that a particular sum will only become payable in circumstances in which another sum does not, the lower sum may be left out of the calculation of the total value.

- (2) For the purposes of paragraph (1)(a):
 - (a) the 1% limit is to be calculated on the basis of the fully diluted equity share capital of the listed company;
 - (b) any VAT payable is to be taken into account in determining whether the 1% limit would be exceeded (except to the extent that the VAT is recoverable by the listed company); and
 - (c) for a securities exchange offer, the value of the listed company is to be fixed by reference to the value of the offer at the time the transaction is announced (and is not to be taken as fluctuating as a result of subsequent movements in the price of the consideration securities after the announcement).

Issues by major subsidiary undertakings

10.2.8

If:

R

- (1) a major subsidiary undertaking of a listed company issues equity shares for cash or in exchange for other securities or to reduce indebtedness;
- (2) the issue would dilute the *listed company*'s percentage interest in the major subsidiary undertaking; and
- (3) the economic effect of the dilution is equivalent to a disposal of 25% or more of the aggregate of the gross assets or profits (after the deduction of all charges except taxation) of the group;

the issue is to be treated as a class 1 transaction.

10.2.9

LR 10.2.8 R does not apply if the major subsidiary undertaking is itself a listed company.

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Aggregating transactions

10.2.10 R

- (1) Transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification if:
 - (a) they are entered into by the company with the same person or with persons connected with one another;
 - (b) they involve the acquisition or disposal of securities or an interest in one particular company; or
 - (c) together they lead to substantial involvement in a business activity which did not previously form a significant part of the company's principal activities.
- (2) Paragraph (1) does not apply in relation to a break fee arrangement (see ■ LR 10.2.6A R, ■ LR 10.2.6B G and ■ LR 10.2.7 R which deal with break fee arrangements).
- (3) If under this *rule* aggregation of transactions results in a requirement for shareholder approval, then that approval is required only for the latest transaction.
- (4) Paragraph (1) does not apply to a transaction where:
 - (a) the listed company has obtained shareholder approval for it; and
 - (b) it has been completed.

10.2.10A G

One effect of ■LR 10.2.10R(1) is that if a transaction is aggregated with a class 2 transaction completed during the 12 months before the date of the latest transaction, the latest transaction must (depending on the aggregated percentage ratios) be classified as either:

> a class 2 transaction, in which case the listed company must comply with the requirements in LR 10.4 (Class 2 requirements); or

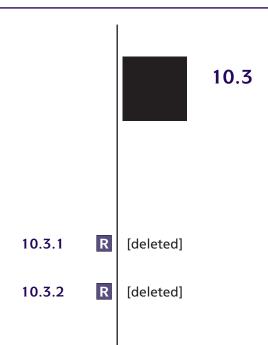
> a class 1 transaction, in which case the listed company must comply with the requirements in ■ LR 10.5 (Class 1 requirements).

10.2.11 G

The FCA may modify these rules to require the aggregation of transactions in circumstances other than those specified in ■ LR 10.2.10 R.

Note: If an *issuer* is proposing to enter into a transaction that could be a Class 1 transaction or reverse takeover it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of \blacksquare LR 10.

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10.4 Class 2 requirements

Notification of class 2 transactions

10.4.1 R

- (1) A *listed company* must notify a *RIS* as soon as possible after the terms of a *class 2 transaction* are agreed.
- (2) The notification must include:
 - (a) details of the transaction, including the name of the other party to the transaction;
 - (b) a description of the business carried on by, or using, the net assets the subject of the transaction;
 - (c) the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration);
 - (d) the value of the gross assets the subject of the transaction;
 - (e) the profits attributable to the assets the subject of the transaction;
 - (f) the effect of the transaction on the *listed company* including any benefits which are expected to accrue to the *company* as a result of the transaction;
 - (g) details of any service contracts of proposed *directors* of the *listed* company;
 - (h) for a disposal, the application of the sale proceeds;
 - (i) for a disposal, if securities are to form part of the consideration received, a statement whether the securities are to be sold or retained; and
 - (j) details of key individuals important to the business or *company* the subject of the transaction.

Supplementary notification

10.4.2 R

- (1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under LR 10.4.1 R, it becomes aware that:
 - (a) there has been a significant change affecting any matter contained in that earlier notification; or
 - (b) a significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (2) The supplementary notification must give details of the change or new matter and also contain a statement that, except as disclosed,

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there has been no significant change affecting any matter contained in the earlier notification and no other significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.

(3) In paragraphs (1) and (2), significant means significant for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the listed company and the rights attaching to any securities forming part of the consideration. It includes a change in the terms of the transaction that affects the percentage ratios and requires the transaction to be reclassified into a higher category.



10.5 Class 1 requirements

Notification and shareholder approval

10.5.1 R

A listed company must, in relation to a class 1 transaction:

- (1) comply with the requirements of ■LR 10.4 (Class 2 requirements) for the transaction;
- (2) send an explanatory *circular* to its shareholders and obtain their prior approval in a general meeting for the transaction; and
- (3) ensure that any agreement effecting the transaction is conditional on that approval being obtained.

Note: LR 13 sets out requirements for the content and approval of *class 1 circulars*.

Material change to terms of transaction

10.5.2 R

If, after obtaining shareholder approval but before the completion of a *class 1 transaction* or a *reverse takeover*, there is a material change to the terms of the transaction, the *listed company* must comply again separately with LR 10.5.1 R in relation to the transaction.

10.5.3 G

The FCA would (amongst other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

Supplementary circulars

10.5.4 R

- (1) If a *listed company* becomes aware of a matter described in (2) after the publication of a *circular* that seeks shareholder approval for a transaction expressly requiring a vote by the *listing rules*, but before the date of a general meeting, it must, as soon as practicable:
 - (a) advise the FCA of the matters of which it has become aware; and
 - (b) send a supplementary *circular* to holders of its *listed equity shares* providing an explanation of the matters referred to in (2).
- (2) The matters referred to in (1) are
 - (a) a material change affecting any matter the *listed company* is required to have disclosed in a *circular*; or

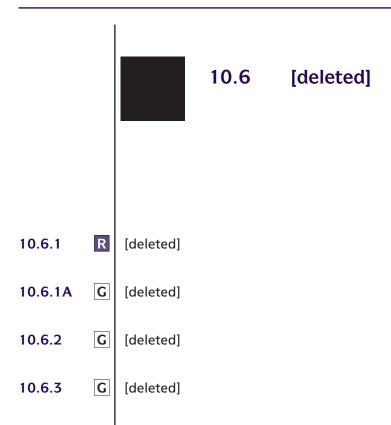
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- (b) a material new matter which the listed company would have been required to disclose in the circular if it had arisen at the time of its publication.
- (3) The *listed company* must have regard to LR 13.3.1R (3) when considering the materiality of any change or new matter under ■ LR 10.5.4R (2).
- 10.5.5

■ LR 13 applies in relation to a supplementary circular. It may be necessary to adjourn a convened shareholder meeting if a supplementary circular cannot be sent to holders of listed equity shares at least 7 days prior to the convened shareholder meeting as required by ■ LR 13.1.9 R.

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10.7 Transactions by specialist companies

Classification of transactions by listed property companies

10.7.1

- LR 10 Annex 1 is modified as follows in relation to acquisitions or disposals of property by a listed property company:
 - (1) for the purposes of paragraph 2R(1) (the gross assets test), the assets test is calculated by dividing the transaction consideration by the gross assets of the listed property company and paragraphs 2R(5) and 2R(6) do not apply;
 - (2) for the purposes of paragraph 2R(1) (the gross assets test), if the transaction is an acquisition of land to be developed, the assets test is calculated by dividing the transaction consideration and any financial commitments relating to the development by the gross assets of the listed property company and paragraphs 2R(5) and 2R(6) do not apply;
 - (3) for the purposes of paragraph 2R(2), the gross assets of a listed property company are, at the option of the company:
 - (a) the aggregate of the company's share capital and reserves (excluding minority interests);
 - (b) the book value of the company's properties (excluding those properties classified as current assets in the latest published annual report and accounts); or
 - (c) the published valuation of the company's properties (excluding those properties classified as current assets in the latest published annual report and accounts);
 - (4) for the purposes of paragraph 4R(1) (the profits test), profits means the net annual rent:
 - (5) paragraph 5R (the consideration test) does not apply but instead the test in ■ LR 10.7.2 R applies; and
 - (6) paragraph 7R (the gross capital test) applies to disposals as well as acquisitions of property.

10.7.2 R (1) In addition to the tests in ■LR 10 Annex 1, if the transaction is an acquisition of property by a listed property company and any of the consideration is in the equity shares of that company, the listed company must determine the percentage ratios that result from the calculations under the test in (2).

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- (2) The share capital test is calculated by dividing the number of consideration *shares* to be issued by the number of *equity shares* in issue (excluding *treasury shares*).
- 10.7.3 R LR 10 does not apply to the acquisition or disposal by a *listed property* company of a property in the ordinary course of business which:
 - (1) for an acquisition, will be classified as a current asset in the company's published accounts; or
 - (2) for a disposal, was so classified in the company's published accounts.
- **10.7.4** LR 10 may apply to subsequent transfers of *property* assets from current to fixed assets or from fixed to current assets in the accounts of a *property* company.

Classification of transactions by listed mineral companies

- (1) In addition to the tests in ■LR 10 Annex 1, a listed mineral company undertaking a transaction involving significant mineral resources or rights to significant mineral resources must determine the percentage ratios that result from the calculations under the test in paragraph (2).
 - (2) The reserves test is calculated by dividing the volume or amount of the *proven reserves* and *probable reserves* to be acquired or disposed of by the volume or amount of the aggregate *proven reserves* and *probable reserves* of the *mineral company* making the acquisition or disposal.
- 10.7.6 G If the *mineral resources* are not directly comparable, the *FCA* may modify LR 10.7.5R (2) to permit valuations to be used instead of amounts or volumes.
- When calculating the size of a transaction under ■LR 10 Annex 1 and ■LR 10.7.5 R, account must be taken of any associated transactions or loans effected or intended to be effected, and any contingent liabilities or commitments.

Classification of transactions by listed scientific research based companies

A listed scientific research based company undertaking a transaction should consult the FCA at an early stage to determine whether industry specific tests are required instead of or in addition to the class tests in ■LR 10 Annex 1.



10.8 **Miscellaneous**

Class 1 disposals by companies in severe financial difficulty

10.8.1 G

- (1) A listed company in severe financial difficulty may find itself with no alternative but to dispose of a substantial part of its business within a short time frame to meet its ongoing working capital requirements or to reduce its liabilities. Due to time constraints it may not be able to prepare a circular and convene an extraordinary general meeting to obtain prior shareholder approval.
- (2) The FCA may modify the requirements in LR 10.5 to prepare a circular and to obtain shareholder approval for such a disposal, if the company:
 - (a) can demonstrate that it is in severe financial difficulty; and
 - (b) satisfies the conditions in LR 10.8.2 G to LR 10.8.6 G.
- (3) An application to modify LR 10.5 should be brought to the FCA's attention at the earliest available opportunity and at least five clear business days before the terms of the disposal are agreed.
- G 10.8.2 The *listed company* should demonstrate to the *FCA* that it could not reasonably have entered into negotiations earlier to enable shareholder approval to be sought.
- 10.8.3 G The following documents should be provided in writing to the FCA:
 - (1) confirmation from the *listed company* that:
 - (a) negotiation does not allow time for shareholder approval;
 - (b) all alternative methods of financing have been exhausted and the only option remaining is to dispose of a substantial part of their business;
 - (c) by taking the decision to dispose of part of the business to raise cash, the directors are acting in the best interests of the company and shareholders as a whole and that unless the disposal is completed receivers, administrators or liquidators are likely to be appointed: and
 - (d) if the disposal is to a related party, that the disposal by the company to the *related party* is the only available option in the current circumstances.

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- (2) confirmation from the *company's sponsor* that, in its opinion and on the basis of information available to it, the *company* is in severe financial difficulty and that it will not be in a position to meet its obligations as they fall due unless the disposal takes place according to the proposed timetable;
- (3) confirmation from the *persons* providing finance stating that further finance or facilities will not be made available and that unless the disposal is effected immediately, current facilities will be withdrawn; and
- (4) an announcement that complies with LR 10.8.4 G and LR 10.8.5 G.

10.8.4 G

An announcement should be notified to a *RIS* no later than the date the terms of the disposal are agreed and should contain:

- (1) all relevant information required to be notified under LR 10.4.1 R;
- (2) the name of the acquirer and the expected date of completion of the disposal;
- (3) full disclosure about the continuing groups prospects for at least the current financial year;
- (4) a statement that the *directors* believe that the disposal is in the best interests of the *company* and shareholders as a whole. The *directors* should also state that if the disposal is not completed the *company* will be unable to meet its financial commitments as they fall due and consequently will be unable to continue to trade resulting in the appointment of receivers, liquidators or administrators;
- (5) a statement incorporating the details of all the confirmations provided to the *FCA* in LR 10.8.3 G;
- (6) details of any financing arrangements (either current or future) if they are contingent upon the disposal being effected;
- (7) if the disposal is to a *related party*, then a statement as set out in LR 13.6.1R(5) must be given;
- (8) a statement by the *listed company* that in its opinion the working capital available to the continuing group is sufficient for the groups present requirements, that is, for at least 12 months from the date of the announcement, or, if not, how it is proposed to provide the additional working capital thought by the *company* to be necessary.
- 10.8.5 G
- The announcement should contain any further information that the *company* and its *sponsors* consider necessary. This should incorporate historical price sensitive information, which has already been published in relation to the disposal along with any further information required to be disclosed under articles 17 and 18 of the *Market Abuse Regulation*.
- 10.8.6 G
- (1) The FCA will wish to examine the documents referred to in LR 10.8.3 G (including the RIS announcement) before it grants the modification and before the announcement is released.

- (2) The documents should ordinarily be lodged with the FCA:
 - (a) in draft form at least five clear business days before the terms of the transaction are agreed; and
 - (b) in final form on the day on which approval is sought.
- In relation to the listed company's financial position, articles 17 and 18 of the 10.8.7 Market Abuse Regulation continue to apply while the company is seeking a modification.
- G 10.8.8 The directors should also consider whether the listed company's financial situation is such that they should request the suspension of its listing pending publication of an announcement and clarification of its financial position.

Joint ventures

- G (1) When a listed company enters into a joint venture it should consider 10.8.9 how this chapter applies.
 - (2) It is common, when entering into a joint venture, for the partners to include exit provisions in the terms of the agreement. These typically give each partner a combination of rights and obligations to either sell their own holding or to acquire their partner's holding should certain triggering events occur.
 - (3) If the *listed company* does not retain sole discretion over the event which requires them to either purchase the joint venture partner's stake or to sell their own, ■ LR 10.1.3R (2) requires this obligation to be classified at the time it is agreed as though it had been exercised at that time. Further, if the consideration to be paid is to be determined by reference to the future profitability of the joint venture or an independent valuation at the time of exercise, this consideration will be treated as being uncapped. If this is the case, the initial agreement will be classified in accordance with ■ LR 10 Annex 1 5R (3) and (3A) at the time it is entered into.
 - (4) If the *listed company* does retain sole discretion over the triggering event, or if the *listed company* is making a choice to purchase or sell following an event which has been triggered by the joint venture partner, the purchase or sale must be classified when this discretion is exercised or when the choice to purchase or sell is made.
 - (5) Where an *issuer* enters into a joint venture exit arrangement which takes the form of a put or call option and exercise of the option is solely at the discretion of the other party to the arrangement, the transaction should be classified at the time it is agreed as though the option had been exercised at that time.

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The Class Tests

Class tests

1G

This Annex sets out the following class tests:

- (1) the gross assets test;
- (2) the profits test;
- (3) the consideration test; and
- (4) the gross capital test.

The Gross Assets test

2R

- The assets test is calculated by dividing the gross assets the subject of the transaction by the gross assets of the *listed company*.
- (2) The gross assets of the *listed company* means the total non-current assets, plus the total current assets, of the *listed company*.
- (3) For:
 - (a) an acquisition of an interest in an undertaking which will result in consolidation of the assets of that undertaking in the accounts of the listed company; or
 - (b) a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the *listed company*;

the gross assets the subject of the transaction means the value of 100% of that undertakings assets irrespective of what interest is acquired or disposed of.

- (4) For an acquisition or disposal of an interest in an undertaking which does not fall within paragraph (3), the gross assets the subject of the transaction means:
 - (a) for an acquisition, the consideration together with liabilities assumed (if any); and
 - (b) for a disposal, the assets attributed to that interest in the listed company's accounts.
- (5) If there is an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the consideration or, if greater, the book value of those assets as they will be included in the *listed company*'s balance sheet.
- (6) If there is a disposal of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets in the *listed company*'s balance sheet.
- The FCA may modify paragraph 2R to require, when calculating the assets the subject of the transaction, the inclusion of further amounts if contingent assets or arrangements referred to in LR 10.2.4 R (indemnities and similar arrangements) are involved.

The Profits test

4R

- The profits test is calculated by dividing the profits attributable to the assets the subject of the transaction by the profits of the *listed company*.
- (2) For the purposes of paragraph (1), profits means:

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- (a) profits after deducting all charges except taxation; and
- for an acquisition or disposal of an interest in an undertaking referred to in (b) paragraph 2R (3)(a) or (b) of this Annex, 100% of the profits of the undertaking (irrespective of what interest is acquired or disposed of).
- (3)If the acquisition or disposal of the interest will not result in consolidation or deconsolidation of the target then the profits test is not applicable.
- 4AG The amount of loss is relevant in calculating the impact of a proposed transaction under the profits test. A listed company should include the amount of the losses of the listed company or target i.e. disregard the negative when calculating the test.

The Consideration test

5R

- (1) The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company.
- For the purposes of paragraph (1): (2)
 - (a) the consideration is the amount paid to the contracting party;
 - (b) if all or part of the consideration is in the form of securities to be traded on a market, the consideration attributable to those securities is the aggregate market value of those securities; and
 - (c) if deferred consideration is or may be payable or receivable by the *listed* company in the future, the consideration is the maximum total consideration payable or receivable under the agreement.
- (3)If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a class 2 transaction) the transaction is to be treated as a class 1 transaction.
- (3A)If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a transaction where all percentage ratios are less than 5%) the transaction is to be treated as a class 2 transaction.
- (4)For the purposes of sub-paragraph (2)(b), the figures used to determine consideration consisting of:
 - securities of a class already listed, must be the aggregate market value of (a) all those securities on the last business day before the announcement; and
 - (b) a new class of securities for which an application for listing will be made, must be the expected aggregate market value of all those securities.
- (5) For the purposes of paragraph (1), the figure used to determine market capitalisation is the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company at the close of business on the last business day before the announcement.
- 6G The FCA may modify paragraph 5R to require the inclusion of further amounts in the calculation of the consideration. For example, if the purchaser agrees to discharge any liabilities, including the repayment of inter-company or third party debt, whether actual or contingent, as part of the terms of the transaction.

The Gross Capital test

7R

- (1) The gross capital test is calculated by dividing the gross capital of the company or business being acquired by the gross capital of the listed company.
- The test in paragraph (1) is only to be applied for an acquisition of a company or (2)business.
- (3)For the purposes of paragraph (1), the gross capital of the company or business being acquired means the aggregate of:

Premium listing

- (a) the consideration (as calculated under paragraph 5R of this Annex);
- if a company, any of its shares and debt securities which are not being (b) acquired;
- all other liabilities (other than current liabilities) including for this purpose (c) minority interests and deferred taxation; and
- any excess of current liabilities over current assets. (d)
- (4)For the purposes of paragraph (1), the gross capital of the listed company means the aggregate of:
 - the market value of its shares (excluding treasury shares) and the issue (a) amount of the debt security;
 - all other liabilities (other than current liabilities) including for this purpose (b) minority interests and deferred taxation; and
 - any excess of current liabilities over current assets. (c)
- (5) For the purposes of paragraph (1):
 - (a) figures used must be, for shares and debt security aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those shares (or if not available before the announcement, their nominal value) and the issue amount of the debt security; and
 - (b) for shares and debt security aggregated for the purposes of paragraph (3)(b), any treasury shares held by the company are not to be taken into account.

Figures used to classify assets and profits

- 8R (1) For the purposes of calculating the tests in this Annex, except as otherwise stated in paragraphs (2) to (6), figures used to classify assets and profits, must be the figures shown in the latest published audited consolidated accounts or, if a listed company has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.
 - (2) If a balance sheet has been published in a subsequently published interim statement then gross assets and gross capital should be taken from the balance sheet published in the interim statement.
 - (3)(a) The figures of the *listed company* must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completed transactions which have been notified under LR 10.4 or LR 10.5.
 - (b) The figures of the target company or business must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completed transactions which would have been a class 2 transaction or greater when classified against the target as a whole.
 - (4)Figures on which the auditors are unable to report without modification must be disregarded.
 - (5) When applying the percentage ratios to an acquisition by a company whose assets consist wholly or predominantly of cash or short-dated securities, the cash and short-dated securities must be excluded in calculating its assets and market capitalisation.
 - (6) The principles in this paragraph also apply (to the extent relevant) to calculating the assets and profits of the target company or business.
- 9G The FCA may modify paragraph 8R(4) in appropriate cases to permit figures to be taken into account.

Anomalous results

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10G If a calculation under any of the class tests produces an anomalous result or if a calculation is inappropriate to the activities of the listed company, the FCA may modify the relevant rule to substitute other relevant indicators of size, including industry specific tests.

Adjustments to figures

Where a listed company wishes to make adjustments to the figures used in calculating the 11G class tests pursuant to 10G they should discuss this with the FCA before the class tests crystallise.

The Profits Test: Anomalous Results

- 12R Paragraph 13R applies to a company that has a premium listing where:
 - the calculation under the profits test produces a percentage ratio of 25% or more (1)and this result is anomalous; and
 - (2)the transaction is not a related party transaction.
- 13R A company that has a premium listing may:
 - where each of the other applicable percentage ratios are less than 5%, disregard the profits test for the purposes of classifying the transaction; or
 - (2)make the following adjustments to the calculation under the profits test:
 - where any of the following costs are genuinely one-off costs, the figures used to classify profits of the listed company, or the target company or business, may be adjusted for:
 - costs incurred by the *listed company*, or target company or busi-(i) ness, in connection with the *listed company*, or target company or business' initial public offering; or
 - (ii) closure costs incurred by the *listed company*, or target company or business, that are not part of an on-going restructuring that will occur over more than one financial period;
 - where a listed company, or target company or business, has completed an (b) initial public offering, the figures used to classify profits of the listed company, or target company or business, may be adjusted for interest charges incurred under private ownership prior to completion of the initial public offering provided that these interest charges:
 - have been incurred under facilities that were repaid as part of the initial public offering capital restructuring; and
 - are substituted in the calculation of the profits test with the inter-(ii) est charges that would have been incurred under the new facilities for the relevant period.
- 14G Any adjustments made in accordance with paragraph 13R(2) should be applied equally to both the *listed company*, and target company or business, where applicable, to ensure a like-for-like comparison is being undertaken.
- A company that has a premium listing does not have to consult the FCA in accordance with 15G paragraph 10G or 11G before relying on paragraph 13R.

Chapter 11

Related party transactions: Premium listing



11.1 Related party transactions

.....

Application

- 11.1.1 This chapter applies to a company that has a premium listing.
- 11.1.1A R Where a company has a premium listing and:
 - (1) it is not in compliance with:
 - (a) the provisions in LR 9.2.2AR (2)(a); or
 - (b) LR 9.2.2G R; or
 - (2) it becomes aware that a controlling shareholder or any of its associates is not in compliance with an undertaking in ■LR 6.5.4R or ■ LR 9.2.2AR (2)(a):
 - (3) it becomes aware that a procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a) contained in an agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2AR (2)(a) has not been complied with by a controlling shareholder; or
 - (4) an independent director declines to support a statement made under ■ LR 9.8.4R (14)(a) or ■ LR 9.8.4R (14)(c);
 - LR 11.1.1C R applies.
- 11.1.1B G In exceptional circumstances, the FCA may consider dispensing with or modifying the application of ■ LR 11.1.1A R, in accordance with ■ LR 1.2.1 R.
- 11.1.1C The company cannot rely on any of the following provisions in relation to a transaction or arrangement with or for the benefit of the relevant controlling shareholder or any associate of that controlling shareholder:
 - (1) the concessions specified in LR 11.1.5R (1), LR 11.1.5R (2) and LR 11.1.5R (3) in relation to transactions or arrangements in the ordinary course of business;
 - (2) LR 11.1.6 R; and
 - (3) LR 11.1.10 R.

11.1.1D

If the FCA considers that it would be appropriate to do so, the FCA may dispense with or modify the application of ■ LR 11.1.1CR (1), in accordance with ■ LR 1.2.1 R.

R 11.1.1E

Where a company that has a premium listing has been subject to the provisions of ■ LR 11.1.1A R, ■ LR 11.1.1C R will continue to apply to the company until the publication of an annual financial report which:

- (1) contains the statements required under LR 9.8.4R (14)(a) and ■ LR 9.8.4R (14)(c); and
- (2) does not contain a statement made under LR 9.8.4A R.

G 11.1.2

- Purpose (1) This chapter sets out safeguards that apply to:
 - (a) transactions and arrangements between a listed company and a related party; and
 - (b) transactions and arrangements between a listed company and any other person that may benefit a related party.
 - (2) The safeguards are intended to prevent a related party from taking advantage of its position and also to prevent any perception that it may have done so.

.....

Transaction

11.1.3 R

A reference in this chapter:

- (1) to a transaction or arrangement by a listed company includes a transaction or arrangement by its subsidiary undertaking; and
- (2) to a transaction or arrangement is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction or the entering into of the arrangement.

Definition of "related party"

11.1.4

In LR, a "related party" means:

- (1) a person who is (or was within the 12 months before the date of the transaction or arrangement) a substantial shareholder; or
- (2) a person who is (or was within the 12 months before the date of the transaction or arrangement) a director or shadow director of the listed company or of any other company which is (and, if he has ceased to be such, was while he was a director or shadow director of such other company) its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking of its parent undertaking; or
- (3) [deleted]

- (4) a person exercising significant influence; or
- (5) an associate of a related party referred to in paragraph (1), (2) or (4).

Definition of "substantial shareholder"

11.1.4A

In LR, a "substantial shareholder" means any person who is entitled to exercise, or to control the exercise of, 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the company (or of any company which is its subsidiary undertaking or parent undertaking or of a fellow subsidiary undertaking of its parent undertaking). For the purposes of calculating voting rights, the following voting rights are to be disregarded:

- (1) any voting rights which such a person exercises (or controls the exercise of) independently in its capacity as bare trustee, investment manager, collective investment undertaking or a long-term insurer in respect of its linked long-term business if no associate of that person interferes by giving direct or indirect instructions, or in any other way, in the exercise of such voting rights (except to the extent any such person confers or collaborates with such an associate which also acts in its capacity as investment manager, collective investment undertaking or long-term insurer); or
- (2) any voting rights which a person may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:
 - (a) underwriting the issue or sale of securities; or
 - (b) placing securities, where the person provides a firm commitment to acquire any securities which it does not place; or
 - (c) acquiring securities from existing shareholders or the issuer pursuant to an agreement to procure third-party purchases of securities:

and where the conditions in (i) to (iv) are satisfied:

- (i) the activities set out in (2)(a) to (c) are performed in the ordinary course of business;
- (ii) the securities to which the voting rights attach are held for a consecutive period of 5 trading days or less, beginning with the first trading day on which the securities are held;
- (iii) the voting rights are not exercised within the period the securities are held; and
- (iv) no attempt is made directly or indirectly by the firm to intervene in (or attempt to intervene in) or exert (or attempt to exert) influence on the management of the issuer within the period the securities are held.

Definition of "related party transaction"

11.1.5

In LR, a "related party transaction" means:

(1) a transaction (other than a transaction in the ordinary course of business) between a listed company and a related party; or

- (2) an arrangement (other than an arrangement in the ordinary course of business) pursuant to which a *listed company* and a *related party* each invests in, or provides finance to, another undertaking or asset; or
- (3) any other similar transaction or arrangement (other than a transaction in the ordinary course of business) between a *listed* company and any other person the purpose and effect of which is to benefit a related party.

11.1.5A G

In assessing whether a transaction is in the ordinary course of business under this chapter, the *FCA* will have regard to the size and incidence of the transaction and also whether the terms and conditions of the transaction are unusual.

Transactions to which this chapter does not apply

11.1.6 R

■ LR 11.1.7 R to ■ LR 11.1.10 R do not apply to a *related party transaction* if it is a transaction or arrangement:

- (1) of a kind referred to in paragraph 1 or 1A of LR 11 Annex 1 (a small transaction or a transaction the terms of which were agreed before a person became a related party); or
- (2) of a kind referred to in paragraphs 2 to 9 of ■LR 11 Annex 1 and does not have any unusual features.

Note: If an *issuer* is proposing to enter into a transaction that could be a *related party transaction* it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of ■ LR 11.

Requirements for related party transactions

11.1.7 R

If a *listed company* enters into a *related party transaction*, the *listed company* must:

- (1) make a notification in accordance with LR 10.4.1 R (Notification of class 2 transactions) that contains the details required by that *rule* and also:
 - (a) the name of the related party; and
 - (b) details of the nature and extent of the *related party*'s interest in the transaction or arrangement;
- (2) send a *circular* to its shareholders containing the information required by LR 13.3 and LR 13.6;
- (3) obtain the approval of its shareholders for the transaction or arrangement either:
 - (a) before it is entered into; or
 - (b) if the transaction or arrangement is expressed to be conditional on that approval, before it is completed; and
- (4) ensure that the related party:

- (a) does not vote on the relevant resolution; and
- (b) takes all reasonable steps to ensure that the related party's associates do not vote on the relevant resolution.
- 11.1.7A If, after obtaining shareholder approval but before the completion of a related party transaction, there is a material change to the terms of the transaction, the listed company must comply again separately with ■ LR 11.1.7 R in relation to the transaction.
- 11.1.7B G The FCA would (amongst other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.
- 11.1.7C A listed company must comply with ■ LR 10.5.4 R in relation to a related party transaction.
- 11.1.8 If a meeting of the *listed company* has been called to approve a transaction or arrangement and, after the date of the notice of meeting but before the meeting itself, a party to that transaction or arrangement has become a related party, then to comply with ■LR 11.1.7 R the listed company should:
 - (1) ensure that the related party concerned does not vote on the relevant resolution and that the related party takes all reasonable steps to ensure that its associates do not vote on the relevant resolution; and
 - (2) send a further *circular*, for receipt by shareholders at least one clear business day before the last time for lodging proxies for the meeting, containing any information required by ■LR 13.3 (Contents of all circulars) and ■ LR 13.6 (Related party circulars) that was not contained in the original circular with the notice of meeting.
- 11.1.9 ■ LR 11.1.7 R and ■ LR 11.1.8 G will apply to the variation or novation of an existing agreement between the listed company and a related party whether or not, at the time the original agreement was entered into, that party was a related party.

Modified requirements for smaller related party transactions

- R (1) This rule applies to a related party transaction if each of the percentage ratios is less than 5%, but one or more of the percentage ratios exceeds 0.25%.
 - (2) Where this rule applies, LR 11.1.7 R does not apply but instead the listed company must:
 - (a) [deleted]
 - (b) before entering into the transaction or arrangement, obtain written confirmation from a sponsor that the terms of the proposed transaction or arrangement with the related party are fair and reasonable as far as the shareholders of the listed company are concerned; and

LR 11/6

11.1.10

- (c) as soon as possible upon entering into the transaction or arrangement, make an *RIS* announcement which sets out:
 - (i) the identity of the related party;
 - (ii) the value of the consideration for the transaction or arrangement;
 - (iii) a brief description of the transaction or arrangement;
 - (iv) the fact that the transaction or arrangement fell within LR 11.1.10 R; and
 - (v) any other relevant circumstances.

Aggregation of transactions in any 12 month period

- 11.1.11 R
- (1) If a *listed company* enters into transactions or arrangements with the same *related party* (and any of its *associates*) in any 12 month period and the transactions or arrangements have not been approved by shareholders the transactions or arrangements, including transactions or arrangements falling under LR 11.1.10 R, or small *related party transactions* under LR 11 Annex 1.1R (1), must be aggregated.
- (2) If any percentage ratio is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with LR 11.1.7 R in respect of the latest transaction or arrangement.

Note: ■ LR 13.6.1R (8) requires details of each of the transactions or arrangements being aggregated to be included in the circular.

- (3) If transactions or arrangements that are small transactions under ■LR 11 Annex 1 paragraph 1 are aggregated under paragraph (1) of this *rule* and for the aggregated small transactions each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%, the *listed company* must comply with:
 - (a) LR 11.1.10R (2)(b) in respect of the latest small transaction; and
 - (b) LR 11.1.10R (2)(c) in respect of the aggregated small transactions.

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Transactions to which related party transaction rules do not apply

Small transaction

A transaction or arrangement where each of the applicable *percentage ratios* is equal to or less than 0.25%.

Transaction agreed before person became a related party

- 1A A transaction the terms of which:
 - (1) were agreed at a time when no party to the transaction or person who was to receive the benefit of the transaction was a *related party*; and
 - (2) have not been amended, or required the exercise of discretion by the *listed* company under those terms, since the party or person become a related party.

Issue of new securities and sale of treasury shares

- 2 A transaction that consists of:
 - (1) the take up by a *related party* of new *securities* or *treasury shares* under its entitlement in a pre-emptive offering;
 - (2) an issue of new *securities* made under the exercise of conversion or subscription rights attaching to a listed class of *securities*.

Employees' share schemes and long-term incentive schemes

The:

- (1) receipt of any asset (including cash or securities of the listed company or any of its subsidiary undertakings) by a director of the listed company, its parent undertaking or any of its subsidiary undertakings; or
- (2) grant of an option or other right to a director of the listed company, its parent undertaking, or any of its subsidiary undertakings to acquire (whether or not for consideration) any asset (including cash or new or existing securities of the listed company or any of its subsidiary undertakings); or
- (3) provision of a gift or loan to the trustees of an employee benefit trust to finance the provision of assets as referred to in (1) or (2);

in accordance with the terms of an *employees'* share scheme or a long-term incentive scheme.

Credit

A grant of credit (including the lending of money or the guaranteeing of a loan):

- (1) to the *related party* on normal commercial terms;
- (2) to a *director* for an amount and on terms no more favourable than those offered to employees of the group generally; or
- (3) by the *related party* on normal commercial terms and on an unsecured basis.

Directors' indemnities and loans

4

5 (1) A transaction that consists of:

- (a) granting an indemnity to a director of the listed company (or any of its subsidiary undertakings) if the terms of the indemnity are in accordance with those specifically permitted to be given to a *director* under the Companies Act 2006;
- (b) maintaining a contract of insurance if the insurance is in accordance with that specifically permitted to be maintained for a director under that the Companies Act 2006(whether for a director of the listed company or for a director of any of its subsidiary undertakings); or
- a loan or assistance to a director by a listed company or any of its sub-(c) sidiary undertakings if the terms of the loan or assistance are in accordance with those specifically permitted to be given to a director under section 204, 205 or 206 of the Companies Act 2006.
- (2)Paragraph (1) applies to a *listed company* that is not subject to the Companies Act 2006if the terms of the indemnity or contract of insurance are in accordance with those that would be specifically permitted under that Act (if it applied).

Underwriting

- 6 (1)The underwriting by a *related party* of all or part of an issue of *securities* by the listed company (or any of its subsidiary undertakings) if the consideration to be paid by the listed company (or any of its subsidiary undertakings) for the underwriting:
 - is no more than the usual commercial underwriting consideration; (a) and
 - is the same as that to be paid to the other underwriters (if any). (b)
 - (2)Paragraph (1) does not apply to the extent that a related party is underwriting securities which it is entitled to take up under an issue of securities.

7 [deleted]

Joint investment arrangements

- 8 (1)An arrangement where a listed company, or any of its subsidiary undertakings, and a related party each invests in, or provides finance to, another undertaking or asset if the following conditions are satisfied:
 - the amount invested, or provided, by the related party is not more (a) than 25% of the amount invested, or provided, by the listed company or its subsidiary undertaking (as the case may be) and the listed company has advised the FCA in writing that this condition has been met; and
 - (b) a sponsor has provided a written opinion to the FCA stating that the terms and circumstances of the investment or provision of finance by the listed company or its subsidiary undertakings (as the case may be) are no less favourable than those applying to the investment or provision of finance by the related party.
 - The advice in paragraph (1)(a) and the opinion in paragraph (1)(b) must be pro-(2)vided before the investment is made or the finance is provided.

Insignificant subsidiary undertaking

- 9 A transaction or arrangement where each of the conditions in paragraphs (2) (1) to (6) (as far as applicable) is satisfied.
 - (2)The party to the transaction or arrangement is only a related party because:
 - (a) it is (or was within the 12 months before the date of the transaction or arrangement) a substantial shareholder or its associate; or

(b) it is a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* or his *associate*;

of a subsidiary undertaking or subsidiary undertakings of the listed company that has, or if there is more than one subsidiary undertaking that have in aggregate, contributed less than 10% of the profits of, and represented less than 10% of the assets of, the listed company for the relevant period.

- (3) The subsidiary undertaking or each of the subsidiary undertakings (as the case may be) have been in the *listed company's group* for one full financial year or more.
- (4) In paragraph (2), "relevant period" means:
 - (a) if the subsidiary undertaking or each of the subsidiary undertakings (as the case may be) has been consolidated in the listed company's group for one full financial year or more but less than three full financial years, each of the full financial years before the date of the transaction or arrangement for which accounts have been published; and
 - (b) if the subsidiary undertaking or any of the subsidiary undertakings (as the case may be) has been consolidated in the listed company's group for three full financial year or more, each of the three full financial years before the date of the transaction or arrangement for which accounts have been published.
- (5) If the subsidiary undertaking or any of the subsidiary undertakings (as the case may be) are themselves party to the transaction or arrangement or if securities in the subsidiary undertaking or any of the subsidiary undertakings or their assets are the subject of the transaction or arrangement, then the ratio of consideration to market capitalisation of the listed company is less than 10%.
- (6) In this *rule*, the figures to be used to calculate profits, assets and consideration to market capitalisation are the same as those used to classify profits, assets and consideration to market capitalisation in LR 10 Annex 1 (as modified or added to by LR 10.7 where applicable).

Chapter 12

Dealing in own securities and treasury shares: Premium listing

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12.1 Application

Application

- 12.1.1 This chapter applies to a company that has a premium listing.
- 12.1.2 R This chapter contains *rules* applicable to a *listed company* that:
 - (1) purchases its own equity shares; or
 - (2) purchases its own securities other than equity shares; or
 - (3) sells or transfers treasury shares; or
 - (4) [deleted]
 - (5) purchases its own securities from a related party.

Exceptions

12.1.3 R ■ LR 12.2 to ■ LR 12.5 do not apply to a transaction entered into:

- (1) in the ordinary course of business by a securities dealing business; or
- (2) on behalf of third parties either by the company or any member of its group;

if the listed company has established and maintains effective Chinese walls between those responsible for any decision relating to the transaction and those in possession of *inside information* relating to the *listed company*.



12.2.1 R [deleted]

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12.3 Purchase from a related party

- 12.3.1 Where a purchase by a listed company of its own equity securities or preference shares is to be made from a related party, whether directly or through intermediaries, ■ LR 11 (Related party transactions) must be complied with unless:
 - (1) a tender offer is made to all holders of the class of securities; or
 - (2) in the case of a market purchase pursuant to a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the listed company and any related party.
- 12.3.2 Where a purchase by a listed company of its own equity securities or preference shares is to be made from a related party which is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder, the modifications to ■LR 11 (Related party transactions) in ■ LR 21.5 (Transactions with related parties: Equity shares) and ■ LR 21.10 (Transactions with related parties: Certificates representing shares) do not apply for the purposes of ■ LR 12.3.1R.

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12.4 Purchase of own equity shares

Purchases of less than 15%

12.4.1 R

Unless a *tender offer* is made to all holders of the *class*, purchases by a *listed* company of less than 15% of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority granted by shareholders, may only be made if the price to be paid is not more than the higher of:

- (1) 5% above the average market value of the *company's equity shares* for the 5 *business days* prior to the day the purchase is made; and
- (2) that stipulated by article 5(6) of the Market Abuse Regulation.

Purchases of 15% or more

12.4.2 R

Purchases by a *listed company* of 15% or more of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority by the shareholders must be by way of a *tender offer* to all shareholders of that *class*.

12.4.2A R

Purchases of 15% or more of any class of its own equity shares may be made by a *listed company*, other than by way of a *tender offer*, provided that the full terms of the *share* buyback have been specifically approved by shareholders.

12.4.3 G

Where a series of purchases are made pursuant to a general authority granted by shareholders, which in aggregate amount to 15% or more of the number of *equity shares* of the relevant *class* in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a *tender offer* need only be made in respect of any purchase that takes the aggregate to or above that level. Purchases that have been specifically approved by shareholders are not to be taken into account in determining whether the 15% level has been reached.

Notification prior to purchase

12.4.4 R

- (1) Any decision by the board to submit to shareholders a proposal for the *listed company* to be authorised to purchase its own *equity shares* must be notified to a *RIS* as soon as possible.
- (2) A notification required by paragraph (1) must set out whether the proposal relates to:

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- (a) specific purchases and if so, the names of the persons from whom the purchases are to be made; or
- (b) a general authorisation to make purchases.
- (3) The requirement set out in paragraph (1) does not apply to a decision by the board to submit to shareholders a proposal to renew an existing authority to purchase own equity shares.
- 12.4.5 A listed company must notify a RIS as soon as possible of the outcome of the shareholders' meeting to decide the proposal described in ■ LR 12.4.4 R.

Notification of purchases

12.4.6 Any purchase of a listed company's own equity shares by or on behalf of the company or any other member of its group must be notified to a RIS as soon as possible, and in any event by no later than 7:30 a.m. on the business day following the calendar day on which the purchase occurred. The notification must include:

- (1) the date of purchase;
- (2) the number of equity shares purchased;
- (3) the purchase price for each of the highest and lowest price paid, where relevant;
- (4) the number of equity shares purchased for cancellation and the number of equity shares purchased to be held as treasury shares; and
- (5) where equity shares were purchased to be held as treasury shares, a statement of:
 - (a) the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares; and
 - (b) the number of equity shares of each class that the company has in issue less the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares.

Consent of other classes

12.4.7 Unless ■ LR 12.4.8 R applies, a company with listed securities convertible into, or exchangeable for, or carrying a right to subscribe for equity shares of the class proposed to be purchased must (prior to entering into any agreement to purchase such shares):

- (1) convene a separate meeting of the holders of those securities; and
- (2) obtain their approval for the proposed purchase of equity shares by a special resolution.

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- 12.4.8 R LR 12.4.7 R does not apply if the trust deed or terms of issue of the relevant securities authorise the *listed company* to purchase its own *equity shares*.
- 12.4.9 R A circular convening a meeting required by ■LR 12.4.7 R must include (in addition to the information in ■LR 13 (Contents of circulars)):
 - (1) a statement of the effect on the conversion expectations of holders in terms of attributable assets and earnings, on the basis that the company exercises the authority to purchase its equity shares in full at the maximum price allowed (where the price is to be determined by reference to a future market price the calculation must be made on the basis of market prices prevailing immediately prior to the publication of the circular and that basis must be disclosed); and
 - (2) any adjustments to the rights of the holders which the *company* may propose (in such a case, the information required under paragraph (1) must be restated on the revised basis).

Other similar transactions

A *listed company* intending to enter into a transaction that would have an effect on the *company* similar to that of a purchase of own *equity shares* should consult with the *FCA* to discuss the application of LR 12.4.



Purchase of own securities other 12.5 than equity shares

- 12.5.1 Except where the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant securities, where a listed company intends to purchase any of its securities convertible into its equity shares with a premium listing it must:
 - (1) ensure that no dealings in the relevant securities are carried out by or on behalf of the company or any member of its group until the proposal has either been notified to a RIS or abandoned; and
 - (2) notify a RIS of its decision to purchase.

Notification of purchases, early redemptions and cancellations

- 12.5.2 R Any purchases, early redemptions or cancellations of a company's own securities convertible into equity shares with a premium listing, by or on behalf of the *company* or any other member of its *group* must be notified to a RIS when an aggregate of 10% of the initial amount of the relevant class of securities has been purchased, redeemed or cancelled, and for each 5% in aggregate of the initial amount of that class acquired thereafter.
- R 12.5.3 The notification required by ■ LR 12.5.2 R must be made as soon as possible and in any event no later than 7:30 a.m. on the business day following the calendar day on which the relevant threshold is reached or exceeded. The notification must state:
 - (1) the amount of securities acquired, redeemed or cancelled since the last notification; and
 - (2) whether or not the securities are to be cancelled and the number of that class of securities that remain outstanding.
- 12.5.4 [deleted]

Period between purchase and notification

12.5.5 In circumstances where the purchase is not being made pursuant to a tender offer and the purchase causes a relevant threshold in ■ LR 12.5.2 R to be reached or exceeded, no further purchases may be undertaken until after a notification has been made in accordance with ■ LR 12.5.2 R to ■ LR 12.5.4 R.

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Convertible securities

12.5.6 R [deleted]

Warrants and options

Where, within a period of 12 months, a *listed company* purchases *warrants* or *options* over its own *equity shares* which, on exercise, convey the entitlement to *equity shares* representing 15% or more of the *company*'s existing issued *shares* (excluding *treasury shares*), the *company* must send to its shareholders a *circular* containing the following information:

- (1) a statement of the *directors*' intentions regarding future purchases of the *company*'s *warrants* and *options*;
- (2) the number and terms of the *warrants* or *options* acquired and to be acquired and the method of acquisition;
- (3) where *warrants* or *options* have been, or are to be, acquired from specific parties, a statement of the names of those parties and all material terms of the acquisition; and
- (4) details of the prices to be paid.

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12.6 **Treasury shares**

12.6.1 [deleted]

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12.6.2 R [deleted]

Notification of capitalisation issues and of sales, transfers and cancellations of treasury shares

If by virtue of its holding treasury shares, a listed company is allotted shares 12.6.3 as part of a capitalisation issue, the company must notify a RIS as soon as possible and in any event by no later than 7:30 a.m. on the business day following the calendar day on which allotment occurred of the following information:

- (1) the date of the allotment;
- (2) the number of shares allotted;
- (3) a statement as to what number of shares allotted have been cancelled and what number is being held as treasury shares; and
- (4) where shares allotted are being held as treasury shares, a statement of:
 - (a) the total number of treasury shares of each class held by the company following the allotment; and

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(b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the allotment.

12.6.4

Any sale for cash, transfer for the purposes of or pursuant to an *employees'* share scheme or cancellation of treasury shares that represents over 0.5% of the *listed company's share* capital must be notified to a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the business day following the calendar day on which the sale, transfer or cancellation occurred. The notification must include:

- (1) the date of the sale, transfer or cancellation;
- (2) the number of shares sold, transferred or cancelled;
- (3) the sale or transfer price for each of the highest and lowest prices paid, where relevant; and
- (4) a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation; and
 - (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation.

Chapter 13

Contents of circulars: Premium listing



13.1 **Preliminary**

Application

13.1.1 R This chapter applies to a company that has a premium listing.

Listed company to ensure circulars comply with chapter

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A listed company must ensure that circulars it issues to holders of its listed 13.1.2 equity shares comply with the requirements of this chapter.

Incorporation by reference

- 13.1.3 R Information may be incorporated in a circular issued by a listed company by reference to relevant information contained in:
 - (1) an approved prospectus or listing particulars of that listed company;
 - (2) any other published document of that listed company that has been filed with the FCA.
- 13.1.4 Information incorporated by reference must be the latest available to the listed company.
- 13.1.5 Information required by ■LR 13.3.1R (1) ■ (2) must not be incorporated in the circular by reference to information contained in another document.
- 13.1.6 R When information is incorporated by reference, a cross reference list must be provided in the circular to enable security holders to identify easily specific items of information. The cross reference list must specify where the information can be accessed by security holders.

Omission of information

13.1.7 G The FCA may authorise the omission of information required by ■LR 13.3 to ■ LR 13.6, ■ LR 13.8 and ■ LR 13 Annex 1, if it considers that disclosure of that information would be contrary to the public interest or seriously detrimental to the *listed company*, provided that that omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the matter covered by the circular.

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- A request to the FCA to authorise the omission of specific information in a particular case must:
 - (1) be made in writing by the listed company;
 - (2) identify the specific information concerned and the specific reasons for the omission; and
 - (3) state why in the *listed company*'s opinion one or more grounds in LR 13.1.7 G apply.

Sending information to holders of listed equity shares

- A supplementary *circular* must be sent to holders of *listed equity shares* no later than 7 days prior to the date of a meeting at which a vote which is expressly required under the *listing rules* will be taken.



13.2 Approval of circulars

Circulars to be approved

- 13.2.1 A listed company must not circulate or publish any of the following types of circular unless it has been approved by the FCA:
 - (1) a class 1 circular; or
 - (2) a related party circular; or
 - (3) a circular that proposes the purchase by a listed company of its own shares which is required by ■ LR 13.7.1R (2) to include a working capital statement; or

[Note: ■ LR 12.4.10 G]

- (4) a circular that proposes a reconstruction or a refinancing of a listed company which is required by ■ LR 9.5.12 R to include a working capital statement; or
- (5) a circular that proposes a cancellation of listing which is required to be sent to shareholders under ■ LR 5.2.5 R (1); or
- (6) a circular that proposes a transfer of listing which is required to be sent to shareholders under ■ LR 5.4A.4 R (2).

Circulars not requiring approval

- 13.2.2 R [deleted]
- 13.2.2A G [deleted]
- 13.2.3 R [deleted]

Approval procedures

- The following documents (to the extent applicable) must be lodged with the 13.2.4 FCA in final form before it will approve a circular:
 - (1) a Sponsors Declaration for the Production of a Circular completed by the sponsor;

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- (2) for a class 1 circular or related party circular, a letter setting out any items of information required by this chapter that are not applicable in that particular case; and
- (3) [deleted]
- (4) any other document that the FCA has sought in advance from the *listed company* or its *sponsor*.
- A copy of the following documents in draft form must be submitted at least 10 clear *business days* before the date on which the *listed company* intends to publish the *circular*:
 - (1) the circular; and
 - (2) the letters and documents referred to in LR 13.2.4R (1) and (2).
- 13.2.6 R [deleted]
- 13.2.7 If a *circular* submitted for approval is amended, a copy of amended drafts must be resubmitted, marked to show changes made to conform with *FCA* comments and to indicate other changes.

Approval of circulars

- 13.2.8 G The FCA will approve a circular if it is satisfied that the requirements of this chapter are satisfied.
- 13.2.9 G The FCA will only approve a circular between 9a.m. and 5.30p.m. on a business day (unless alternative arrangements are made in advance).

Note: ■LR 9.6.1R requires a *company* to forward to the *FCA* a copy of all *circulars* issued (whether or not they require approval) for publication, by uploading it to the *national storage mechanism*.

.....

Sending approved circulars

A listed company must send a circular to holders of its listed equity shares as soon as practicable after it has been approved.



13.3 Contents of all circulars

Contents of all circulars

13.3.1

Every circular sent by a listed company to holders of its listed securities must:

- (1) provide a clear and adequate explanation of its subject matter giving due prominence to its essential characteristics, benefits and risks;
- (2) state why the security holder is being asked to vote or, if no vote is required, why the circular is being sent;
- (3) if voting or other action is required, contain all information necessary to allow the security holders to make a properly informed decision;
- (4) if voting or other action is required, contain a heading drawing attention to the document's importance and advising security holders who are in any doubt as to what action to take to consult appropriate independent advisers;
- (5) if voting is required, contain a recommendation from the Board as to the voting action security holders should take for all resolutions proposed, indicating whether or not the proposal described in the circular is, in the Board's opinion, in the best interests of security holders as a whole:
- (6) state that if all the securities have been sold or transferred by the addressee the circular and any other relevant documents should be passed to the *person* through whom the sale or transfer was effected for transmission to the purchaser or transferee;
- (7) if new securities are being issued in substitution for existing securities, explain what will happen to existing documents of title;
- (8) not include any reference to a specific date on which listed securities will be marked "ex" any benefit or entitlement which has not been agreed in advance with the RIE on which the company's securities are or are to be traded:
- (9) if it relates to a transaction in connection with which securities are proposed to be *listed*, include a statement that application has been or will be made for the securities to be admitted and, if known, a statement of the following matters:
 - (a) the dates on which the securities are expected to be admitted and on which dealings are expected to commence;
 - (b) how the new securities rank for dividend or interest:

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- (c) whether the new securities rank equally with any existing listed securities:
- (d) the nature of the document of title;
- (e) the proposed date of issue;
- (f) the treatment of any fractions;
- (g) whether or not the *security* may be held in uncertificated form;
- (h) the names of the RIEs on which securities are to be traded;
- (10) if a person is named in the circular as having advised the listed company or its directors, a statement that the adviser has given and has not withdrawn its written consent to the inclusion of the reference to the adviser's name in the form and context in which it is included; and
- (11) if the *circular* relates to cancelling *listing*, state whether it is the *company*'s intention to apply to cancel the *securities*' *listing*.
- If another *rule* provides that a *circular* of a particular type must include specified information, then that information is (unless the contrary intention appears) in addition to the information required under this section.

Pro forma financial information in certain circulars

If a listed company includes pro forma financial information in a class 1 circular, a related party circular or a circular relating to the purchase by the company of 25% or more its issued equity shares (excluding treasury shares), it must comply with the requirements for pro forma financial information set out in the PR Regulation.

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13.4 Class 1 circulars

Class 1 circulars

13.4.1

A class 1 circular must also include the following information:

- (1) the information given in the notification (see LR 10.4.1R);
- (2) the information required by ■LR 13 Annex 1;
- (3) the information required by ■LR 13.5 (if applicable); and
- (4) a declaration by the issuer and its directors in the following form (with appropriate modifications):

"The [issuer] and the directors of [the issuer], whose names appear on page [], accept responsibility for the information contained in this document. To the best of the knowledge and belief of the [issuer] and the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.";

- (5) a statement of the effect of the acquisition or disposal on the group's earnings and assets and liabilities; and
- (6) if a statement or report attributed to a person as an expert is included in a circular (other than a statement or report incorporated by reference from a prospectus or listing particulars), a statement to the effect that the statement or report is included, in the form and context in which it is included, with the person's consent.

13.4.1A G

The information necessary under ■ LR 13.3.1R (3) includes all the material terms of the class 1 transaction including the consideration.

\mathbf{R} 13.4.2

If a class 1 circular contains a modified report, as described in ■ LR 13.5.25 R, the class 1 circular must set out:

- (1) whether the modification or emphasis-of-matter paragraph is significant to shareholders;
- (2) if the modification or emphasis-of-matter paragraph is significant to shareholders, the reason for its significance; and

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(3) a statement from the *directors* explaining why they are able to recommend the proposal set out in the *class 1 circular* notwithstanding the *modified report*

Takeover offers

13.4.3 R

- (1) If a class 1 circular relates to a takeover offer which is recommended by the offeree's board and the listed company has had access to due diligence information on the offeree at the time the class 1 circular is published, the listed company must prepare and publish the working capital statement on the basis that the acquisition has taken place.
- (2) If a class 1 circular relates to a takeover offer which has not been recommended by the offeree's board or the listed company has not had access to due diligence information on the offeree at the time the class 1 circular is published, then the listed company must comply with paragraphs (3) to (6).
- (3) The *listed company* must prepare and publish the working capital statement on the *listed company* on the basis that the acquisition has not taken place.
- (4) Other information on the offeree required by ■LR 13 Annex 1 should be disclosed in the *class 1 circular* on the basis of information published or made available by the offeree and of which the *listed company* is aware and is free to disclose.
- (5) [deleted]
- (6) If the takeover offer has been recommended but the *listed company* does not have access to due diligence information on the offeree, the *listed company* must disclose in the *class 1 circular* why access has not been given to that information.

Acquisition or disposal of property

13.4.4 R

If a class 1 transaction relates to:

- (1) the acquisition or disposal of property; or
- (2) the acquisition of a property company that is not listed;

the class 1 circular must include a property valuation report.

13.4.5 R

If a *listed company* makes significant reference to the value of a *property* in a *class 1 circular*, the *class 1 circular* must include a *property valuation report*.

Acquisition or disposal of mineral resources

13.4.6 R

If a *class 1 transaction* relates to an acquisition or disposal of *mineral* resources or rights to *mineral* resources the *class 1 circular* must include:

- (1) a mineral expert's report; and
- (2) a glossary of the technical terms used in the mineral expert's report.

13.4.7

The FCA may modify the information requirements in ■ LR 13.4.6 R if it considers that the information set out would not provide significant additional information. In those circumstances the FCA would generally require only the following information, provided it is presented in accordance with reporting standards acceptable to the FCA:

- (1) details of mineral resources, and where applicable reserves (presented separately) and exploration results or prospects;
- (2) anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves;
- (3) an indication of the duration and main terms of any licences or concessions and the legal, economic and environmental conditions for exploring and developing those licences or concessions;
- (4) indications of the current and anticipated progress of mineral exploration and/or extraction and processing including a discussion of the accessibility of the deposit; and
- (5) an explanation of any exceptional factors that have influenced the matters in (1) to (4).

Acquisition of a scientific research based company or related assets

13.4.8



If a class 1 transaction relates to the acquisition of a scientific research based company or related assets, the class 1 circular must contain an explanation of the transaction's impact on the acquirer's business plan and the information set out in section III.3 (Scientific research based companies) of the technical note on PR disclosure and specialist issuers.



13.5 Financial information in Class 1 Circulars

When financial information must be included in a class 1 circular

- **13.5.-1** G For the purposes of ■LR 13.5, references to consolidation include both consolidation and proportionate consolidation.
- Financial information, as set out in this section, must be included by a *listed company* in a *class 1 circular* if:
 - (1) the *listed company* is seeking to acquire an interest in a *target* which will result in a consolidation of the *target*'s assets and liabilities with those of the *listed company*; or
 - (2) the *listed company* is seeking to dispose of an interest in a *target* which will result in the assets and liabilities which are the subject of the disposal no longer being consolidated; or
 - (3) the target ("A") has itself acquired a target ("B") and:
 - (a) A acquired B within the three year reporting period set out in LR 13.5.13R (1) or after the date of the last published accounts; and
 - (b) the acquisition of B, at the date of its acquisition by A, would have been classified as a *class 1 acquisition* in relation to the *listed company* at the date of acquisition of A by the *listed company*.
- **13.5.2 G** [deleted]
- **13.5.3 G** [deleted]
- When a *listed company* is acquiring an interest in a *target* that will be accounted for as an investment, or disposing of an interest in a *target* that has been accounted for as an investment, and the *target*'s *securities* that are the subject of the transaction are admitted to an investment exchange that enables intra-day price formation, the *class 1 circular* should include:
 - (1) the amounts of the dividends or other distributions paid in the last three years; and

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- (2) the price per security and the imputed value of the entire holding being acquired or disposed of at the close of business at the following times:
 - (a) on the last business day of each of the six months prior to the issue of the class 1 circular;
 - (b) on the day prior to the announcement of the transaction; and
 - (c) at the latest practicable date prior to the submission for approval of the class 1 circular.

13.5.3B R

When a *listed company* is acquiring or disposing of an interest in a target that was or will be accounted for using the equity method in the listed company's annual consolidated accounts, the class 1 circular should include:

- (1) for an acquisition,
 - (a) a narrative explanation of the proposed accounting treatment of the target in the issuer's next audited consolidated accounts;
 - (b) a financial information table for the target;
 - (c) a statement that the target financial information has been audited and reported on without modification or a statement addressing ■ LR 13.4.2 R and ■ LR 13.5.25 R with regard to any modifications; and
 - (d) a reconciliation of the financial information and opinion thereon in accordance with LR 13.5.27R (2)(a) or, where applicable, a statement from the directors in accordance with ■ LR 13.5.27R (2)(b):
- (2) for a disposal, the line entries relating to the target from its last audited consolidated balance sheet and those from its audited consolidated income statement for the last three years together with the equivalent line entries from its interim consolidated balance sheet and interim consolidated income statement, where the issuer has published subsequent interim financial information.

13.5.3C

A listed company that is entering into a class 1 transaction which falls within ■ LR 13.5.1 R, ■ LR 13.5.3A R or ■ LR 13.5.3B R but cannot comply with ■ LR 13.5.12 R (inclusion of financial information table) or, for an investment, ■ LR 13.5.3AR (2) (inclusion of price per security and the imputed value of the entire holding), must include an appropriate independent valuation of the target in the class 1 circular.

G 13.5.3D

The FCA may dispense with the requirement for an independent valuation under ■ LR 13.5.3CR if it considers that this would not provide useful information for shareholders, in which case the class 1 circular must include such information as the FCA specifies.

Accounting policies

13.5.4

R

(1) A listed company must present all financial information that is disclosed in a class 1 circular in a form that is consistent with the accounting policies adopted in its own latest annual consolidated accounts.

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- (2) The requirement set out in (1) does not apply when financial information is presented in accordance with:
 - (a) DTR 4.2.6 R, in relation only to financial information for the *listed company* presented for periods after the end of its last published annual accounts; or
 - (b) LR 13.3.3 R (in relation to pro forma financial information); or
 - (c) LR 13.5.27 R or LR 13.5.30 R (in relation to financial information presented for entities that are admitted to trading on a regulated market or admitted to an appropriate multilateral trading facility or overseas investment exchange); or
 - (d) ■LR 13.5.30B R (in relation to financial information on disposal entities extracted from financial records from previous years); or
 - (e) LR 13.5.3A R or LR 13.5.3B R (in relation to *targets* that are or will be treated as investments or accounted for using the equity method in the *listed company's* consolidated accounts); or
 - (f) the accounting policies to be used in the *issuer*'s next financial statements, provided the *issuer*'s last published annual consolidated accounts have been presented on a restated basis consistent with those to be used in its next accounts on or before the date of the *class 1 circular*; or
 - (g) LR 13.5.32 R (in relation to a profit forecast or a profit estimate).
- 13.5.5 G Accounting policies include accounting standards and accounting disclosures.

Source of information

- 13.5.6 R A *listed company* must cite the source of all financial information that it discloses in a *class 1 circular*.
- **13.5.7** G In complying with LR 13.5.6 R a *listed company* should:
 - (1) state whether the financial information was extracted from accounts, internal financial accounting records, internal management accounting records, an external or other source;
 - (2) state whether financial information that was extracted from audited accounts was extracted without material adjustment; and
 - (3) indicate which aspects of the financial information relate to:
 - (a) historical financial information;
 - (b) forecast or estimated financial information; or
 - (c) pro forma financial information prepared in accordance with Annex 1 and Annex 20 of the *PR Regulation*;

with reference made to where the basis of presentation can be found.

13.5.8 R If financial information has not been extracted directly from audited accounts, the *class 1 circular* must:

•••••

- (1) set out the basis and assumptions on which the financial information has been prepared; and
- (2) include a statement that the financial information is unaudited or not reported on by an accountant.
- 13.5.9 A listed company must provide investors with all necessary information to understand the context and relevance of non-statutory figures, including a reconciliation to statutory equivalents.

Synergy benefits

13.5.9A R Where a listed company includes details of estimated synergies or other quantified estimated financial benefits expected to arise from a transaction in a class 1 circular, it must also include in the class 1 circular:

- (1) the basis for the belief that those synergies or other quantified estimated financial benefits will arise;
- (2) an analysis and explanation of the constituent elements of the synergies or other quantified estimated financial benefits (including any costs) sufficient to enable the relative importance of those elements to be understood, including an indication of when they will be realised and whether they are expected to be recurring;
- (3) a base figure for any comparison drawn;
- (4) a statement that the synergies or other quantified estimated financial benefits are contingent on the class 1 transaction and could not be achieved independently; and
- (5) a statement that the estimated synergies or other quantified estimated financial benefits reflect both the beneficial elements and relevant costs.

Prominence of information

13.5.10 R A listed company must give audited historical financial information greater prominence in a class 1 circular than any forecast, estimated, pro forma or non-statutory financial information.

Summary of financial information

13.5.11 A listed company that provides a summary of financial information in a class 1 circular must include in the circular a statement that investors should read the whole document and not rely solely on the summarised financial information.

Financial information table

13.5.12 A *listed company* that is required by ■LR 13.5.1 R or ■LR 13.5.3BR (1) to produce financial information in a class 1 circular must include in the circular a financial information table.

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Class 1 acquisitions

13.5.12A R ■ LR 13.5.13 R to ■ LR 13.5.30 R apply only in relation to a *class 1 acquisition*.

Financial information table: reporting period

- A financial information table for a class 1 acquisition must cover one of the following reporting periods:
 - (1) a period of three years up to the end of the latest financial period for which the *target* or its parent has prepared audited accounts; or
 - (2) a lesser period than the period set out in (1) if the *target*'s business has been in existence for less than three years.

Financial information table: class 1 acquisitions

- 13.5.14 R A listed company must include, in a financial information table, financial information that covers:
 - (1) the target; and
 - (2) the target's subsidiary undertakings, if any.
- 13.5.15 R [deleted]
- 13.5.16 R [deleted]
- **13.5.17 G** [deleted]
- If the *target* has made an acquisition or a series of acquisitions that were made during, or subsequent to, the reporting periods set out in LR 13.5.13 R the *listed company* must include additional *financial information tables* so that the financial information presented by the *listed company* represents at least 75% of the enlarged *target* for the period from the commencement of the relevant three year reporting period set out in LR 13.5.13R (1) up to the date of the acquisition by the *listed company* or the last balance sheet date presented by it under LR LR 13.5.13R (1), whichever of the two is earlier.
- For the purposes of assessing whether the financial information presented in accordance with LR 13.5.17A R represents at least 75% of the enlarged target the FCA will take into account factors such as the assets, profitability and market capitalisation of the business.
- 13.5.18 R A *listed company* must ensure that a *financial information table* includes, for each of the periods covered by the table:
 - (1) a balance sheet and its explanatory notes;
 - (2) an income statement and its explanatory notes;

- (3) a cash flow statement and its explanatory notes;
- (4) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;
- (5) the accounting policies; and
- (6) any additional explanatory notes.
- 13.5.19 R [deleted]
- G 13.5.20 [deleted]

Financial information table: accountant's opinion

- 13.5.21 R Unless ■ LR 13.5.3A R, ■ LR 13.5.3B R or ■ LR 13.5.27 R applies, a financial information table must disclose how the accounting policies used conform with ■ LR 13.5.4 R and be accompanied by an accountant's opinion as set out in ■ LR 13.5.22 R.
- 13.5.22 R An accountant's opinion must set out whether, for the purposes of the class 1 circular, the financial information table gives a true and fair view of the financial matters set out in it.
- 13.5.23 R An accountant's opinion must be given by an independent accountant who is qualified to act as an auditor.
- G 13.5.24 An accountant will be independent if he or she complies with the standards and guidelines on independence issued by its national accountancy and auditing bodies.
- 13.5.25 If the accountant's opinion required by ■ LR 13.5.21 R is modified or contains an emphasis-of-matter paragraph, details of all material matters must be set out in the class 1 circular, including:
 - (1) all the reasons for the modification or emphasis-of-matter paragraph;
 - (2) a quantification of the effects, if both relevant and practicable.
- 13.5.26 If the historical financial information of a target that falls within ■ LR 13.5.14 R or ■ LR 13.5.17A R is subject to a modified report, details of the material matters giving rise to the modification or emphasis-of-matter paragraph must be set out in the class 1 circular.

Acquisitions of publicly traded companies

13.5.27 R

- (1) LR 13.5.27R (2) applies where the target is:
 - (a) admitted to trading on a regulated market; or
 - (b) a company whose securities are either listed on an investment exchange that is not a regulated market or admitted to a multilateral trading facility, where appropriate standards as regards the production, publication and auditing of financial information are in place;

and none of the financial information included in the *target's* financial information table is subject to a modified report, except where a dispensation has been granted under ■LR 13.5.27C R.

- (2) Where LR 13.5.27R (1) or LR 13.5.3BR (1) applies the *listed company* must include in the *class 1 circular* either:
 - (a) a reconciliation of financial information on the *target* for all periods covered by the *financial information table* on the basis of the *listed company*'s accounting policies, accompanied by an accountant's opinion that sets out:
 - (i) whether the reconciliation of financial information in the *financial information table* has been properly compiled on the basis stated; and
 - (ii) whether the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the *listed company*'s accounting policies; or
 - (b) a statement by the *directors* that no material adjustment needs to be made to the *target's* financial information to achieve consistency with the *listed company's* accounting policies.

13.5.27A G

The FCA will make its assessment of whether the accounting and other standards applicable to an investment exchange or multilateral trading facility as a result of securities being admitted to trading are appropriate for the purpose of ■LR 13.5.27R (1)(b) having regard to at least the following matters in relation to the legal and regulatory framework applying to the target by virtue of its admission to that market:

- (1) the quality of auditing standards compared with International Standards on Auditing;
- (2) requirements for independence of auditors;
- (3) the nature and extent of regulation of audit firms;
- (4) the quality of accounting standards compared with International Financial Reporting Standards;
- (5) the requirements for the timeliness of publication of financial information:
- (6) the presence and effectiveness of monitoring of the timely production and publication of the accounts; and

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- (7) the existence and level of external independent scrutiny of the quality of accounts and the disclosures therein.
- 13.5.27B R Where a *listed company* proposes to rely on ■LR 13.5.27R (1)(b), its *sponsor* must submit to the FCA an assessment of the appropriateness of the standards applicable to an investment exchange or multilateral trading facility against the factors set out in ■ LR 13.5.27AG (1) to ■ (7) and any other matters that it considers should be noted. The assessment must be submitted before or at the time the listed company submits the draft class 1 circular.
- 13.5.27C The FCA may grant a dispensation from ■ LR 13.5.27R (1) to allow the application of ■LR 13.5.27R (2) where a modified report on the target's financial information has been produced. In such circumstances the FCA will have regard to the factors set out in ■ LR 6.2.5G.
- 13.5.28 R [deleted]
- 13.5.29 G [deleted]

Half-yearly and quarterly financial information

- 13.5.30 R If a class 1 circular includes half-yearly or quarterly or other interim financial information for the target, the financial information should be presented in accordance with LR 13.5.4R (1) and be accompanied by a confirmation from the directors of the consistency of the accounting policies with those of the issuer, except:
 - (1) where LR 13.5.27R (1) applies, the financial information should be presented in accordance with ■LR 13.5.27R (2) except that no accountant's opinion is required; or
 - (2) where LR 13.5.3B R applies, the financial information should be presented in accordance with ■ LR 13.5.3BR (1)(b) and ■ LR 13.5.3BR (1)(d).

Class 1 disposals

- 13.5.30A R ■ LR 13.5.30B R to ■ LR 13.5.30D G apply only in relation to a class 1 disposal.
- 13.5.30B R (1) In the case of a class 1 disposal, a financial information table must include for the target:
 - (a) the last annual consolidated balance sheet:
 - (b) the consolidated income statements for the last three years drawn up to at least the level of profit or loss for the period; and
 - (c) the consolidated balance sheet and consolidated income statement (drawn up to at least the level of profit or loss for the period) at the issuer's interim balance sheet date if the issuer has published interim financial statements since the publication of its last annual audited consolidated financial statements.

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- (2) The information in (1) must be extracted without material adjustment from the consolidation schedules that underlie the *listed company*'s audited consolidated accounts or, in the case of (c), the interim financial information, and must be accompanied by a statement to this effect.
- (3) If the information in (1) is not extracted from the consolidation schedules it must be extracted from the *issuer*'s accounting records and where an allocation is made, the information must be accompanied by:
 - (a) an explanation of the basis for any financial information presented; and
 - (b) a statement by the *directors* of the *listed company* that such allocations provide a reasonable basis for the presentation of the financial information for the *target* to enable shareholders to make a fully informed voting decision.
- (4) If the *target* has not been owned by the *listed company* for the entire reporting period set out in (1)(b), the information required by (1) or (3) may be extracted from the *target*'s accounting records.
- 13.5.30C R

Where a change of accounting policies has occurred during the period covered by the *financial information table* required by LR 13.5.30B R the financial information must be presented on the basis of both the original and amended accounting policies for the year prior to that in which the new accounting policy is adopted unless the change did not require a restatement of the comparative. Therefore the *financial information table* should have four columns (or more where changes have occurred in more than one year).

13.5.30D G

The FCA may modify LR 13.5.30BR (1)(b) and (c) where it is not possible for the *listed company* to provide a meaningful allocation of its costs in the *target*'s audited consolidated income statements. The *class 1 circular* should contain a statement to this effect where this modification has been granted. The FCA would not normally expect to grant such modifications except in respect of non-operating costs such as finance costs and tax.

Pro forma financial information

13.5.31 G

■ LR 13.3.3 R sets out requirements for pro forma information in a *class 1 circular*.

Profit forecasts and profit estimates

13.5.32 R

If a *listed company* includes a *profit forecast* or a *profit estimate* in a *class 1 circular* it must:

- (1) comply with the requirements for a *profit forecast* or *profit estimate* set out in item 11.2 of Annex 1 of the *PR Regulation*; and
- (2) include a statement confirming that the *profit forecast* or *profit estimate* has been compiled and prepared on a basis which is both:
 - (a) comparable with the historical financial information; and
 - (b) consistent with the accounting policies of the *listed company*.

13.5.33



If, prior to the class 1 transaction, a profit forecast or profit estimate was published that:

- (1) relates to any of the listed company, a significant part of the listed company group, the target or a significant part of the target; and
- (2) relates to financial information including the period of the forecast which has yet to be published at the date of the class 1 circular;

the listed company must either:

- (3) include that profit forecast or profit estimate in the class 1 circular and comply with ■ LR 13.5.32 R; or
- (4) include the profit forecast or profit estimate in the class 1 circular together with an explanation of why the profit forecast or profit estimate is no longer valid and why reassessment of the profit forecast or profit estimate in the class 1 circular is not necessary for the *listed company* to comply fully with ■ LR 13.3.1R (3).
- 13.5.33A G

For the purposes of ■ LR 13.5.33 R, the fact that the *profit forecast* or *profit* estimate was prepared for a reason other than the class 1 circular does not itself indicate invalidity.

13.5.33B G For the purposes of LR 13.5.33R (1) a significant part of the *listed company* or target is any part that represents over 75% of the listed company's group or the target respectively. For these purposes the FCA will take into account factors such as the assets, profitability and market capitalisation of the business.

13.5.34 G A listed company should consider ■ LR 9.2.18 R regarding information that must be published after a class 1 transaction.

13.5.35

[deleted]

13.5.36

R [deleted]

G

13.6 Related party circulars

Related party circulars

13.6.1 R

A related party circular must also include:

(1) in all cases the following information referred to in the *PR Regulation* relating to the *company*:

Paragraph of Annex 1 of the PR Regulation

;

- (a) Annex 1 item 4.1 Issuer name;
- (b) Annex 1 item 4.4 Issuer address;
- (c) Annex 1 item 16.1 Major shareholders;
- (d) Annex 1 item 18.7.1 Significant changes in the issuer's financial position;
- (e) Annex 1 item 20.1 Material contracts (if it is information which shareholders of the *company* would reasonably require to make a properly informed assessment of how to vote);
- (f) Annex 1 item 21.1 Documents available;
- (2) for a transaction or arrangement where the *related party* is (or was within the 12 months before the transaction or arrangement), a director or shadow director, or an associate of a director or shadow director, of the company (or of any other company which is its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking) the following information referred to in the *PR Regulation* relating to that *director*:

Paragraph of Annex 1 of the PR Regulation:

- (a) Annex 1 item 14.2 Service contracts;
- (b) Annex 1 item 15.2 Shareholdings and stock options;
- (c) Annex 1 item 17.1 Related party transactions;
- (3) full particulars of the transaction or arrangement, including the name of the related party concerned and of the nature and extent of the interest of the party in the transaction or arrangement and also a statement that the reason the security holder is being asked to vote on the transaction or arrangement is because it is with a related party;

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- (4) for an acquisition or disposal of an asset where any percentage ratio is 25% or more and for which appropriate financial information is not available, an independent valuation;
- (5) a statement by the board that the transaction or arrangement is fair and reasonable as far as the security holders of the company are concerned and that the directors have been so advised by a sponsor;
- (6) if applicable, a statement that the related party will not vote on the relevant resolution, and that the related party has undertaken to take all reasonable steps to ensure that its associates will not vote on the relevant resolution, at the meeting;
- (7) [deleted]
- (8) if LR 11.1.11 R (Aggregation of transactions) applies, details of each of the transactions or arrangements being aggregated; and
- (9) if a statement or report attributed to a person as an expert is included in a circular (other than a statement or report incorporated by reference from a prospectus or listing particulars), a statement that it is included, in the form and context in which it is included, with the consent of that person.
- 13.6.2 For the purposes of the statement by the board referred to in ■ LR 13.6.1R (5):
 - (1) any director who is, or an associate of whom is, the related party, or who is a director of the related party should not have taken part in the board's consideration of the matter; and
 - (2) the statement should specify that such persons have not taken part in the board's consideration of the matter.
- 13.6.3 G For the purpose of advising the *directors* under ■LR 13.6.1R (5), a *sponsor* may take into account but not rely on commercial assessments of the directors.

Pro forma financial information

13.6.4 G ■ LR 13.3.3 R sets out requirements for pro forma information in related party circulars.



13.7 Circulars about purchase of own equity shares

Purchase of own equity shares

13.7.1 R

- (1) A *circular* relating to a resolution proposing to give the *company* authority to purchase its own *equity securities* must also include:
 - (a) if the authority sought is a general one, a statement of the *directors*' intentions about using the authority;
 - (b) if known, the method by which the *company* intends to acquire its *equity shares* and the number to be acquired in that way;
 - (c) a statement of whether the *company* intends to cancel the *equity* shares or hold them in treasury;
 - (d) if the authority sought related to a proposal to purchase from specific parties, a statement of the names of the persons from whom *equity shares* are to be acquired together with all material terms of the proposal;
 - (e) details about the price, or the maximum and minimum price, to be paid;
 - (f) the total number of warrants and options to subscribe for equity shares that are outstanding at the latest practicable date before the circular is published and both the proportion of issued share capital (excluding treasury shares) that they represent at that time and will represent if the full authority to buyback shares (existing and being sought) is used; and
 - (g) where ■LR 12.4.2A R applies, an explanation of the potential impact of the proposed *share* buyback, including whether control of the *listed company* may be concentrated following the proposed transaction.
- (2) If the exercise in full of the authority sought would result in the purchase of 25% or more of the *company*'s issued *equity shares* (excluding *treasury shares*) the *circular* must also include the following information referred to in the *PR Regulation*:
 - (a) Annex 1 item 3.1 Risk factors;
 - (b) Annex 1 Section 10 Trend information;
 - (c) Annex 1 item 15.2 Shareholdings and stock options;
 - (d) Annex 1 item 16.1 Major interests in shares;
 - (e) Annex 1 item 18.7.1 Significant changes in the issuer's financial position;

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- (f) Annex 11 item 3.1 Working capital statement (this must be based on the assumption that the authority sought will be used in full at the maximum price allowed and this assumption must be stated). This information is not required to be included in a circular issued by a closed-ended investment fund.
- 13.7.1A In considering whether an explanation given in a circular satisfies the requirement in ■ LR 13.7.1R (1)(g), the FCA would expect the following information to be included in the explanation:
 - (1) the shareholdings of substantial shareholders in the listed company before and after the proposed transaction; and
 - (2) the shareholdings of a holder of equity shares who may become a substantial shareholder in the listed company as a result of the proposed transaction.

Pro forma financial information

G 13.7.2 ■ LR 13.3.3 R sets out requirements for pro forma information in a circular relating to the purchase by the company of 25% or more of the company's issued equity shares (excluding treasury shares).



13.8 Other circulars

Authority to allot shares

13.8.1 R

A *circular* relating to a resolution proposing to grant the *directors*' authority to allot shares or other securities pursuant to section 551 (Power of directors to allot shares etc: authorisation by company) of the Companies Act 2006 must include:

- (1) a statement of the maximum amount of shares or other securities which the *directors* will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
- (2) a statement of the number of *treasury shares* held by the *company* as at the date of the *circular* and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
- (3) a statement by the *directors* as to whether they have any present intention of exercising the authority, and if so for what purpose; and
- (4) a statement as to when the authority will lapse.

Disapplying pre-emption rights

13.8.2 R

A *circular* relating to a resolution proposing to disapply pre-emption rights provided by LR 9.3.11 R must include:

- (1) a statement of the maximum amount of *equity securities* which the disapplication will cover; and
- (2) if there is a general disapplication for *equity securities* for cash made otherwise than to existing shareholders in proportion to their existing holdings, the percentage which the amount generally disapplied represents of the total *equity* share capital in issue as at the latest practicable date before publication of the *circular*.

13.8.3

R

[deleted]

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Reduction of capital

13.8.4

A circular relating to a resolution proposing to reduce the company's capital, other than a reduction of capital pursuant to section 626 of the Companies Act 2006 (Reduction of capital in connection with redenomination), must include a statement of the reasons for, and the effects of, the proposal.

Capitalisation or bonus issue

13.8.5 R

- (1) A circular relating to a resolution proposing a capitalisation or bonus issue must include:
 - (a) the reason for the issue;
 - (b) a statement of the last date on which transfers were or will be accepted for registration to participate in the issue;
 - (c) details of the proportional entitlement; and
 - (d) a description of the nature and amount of reserves which are to be capitalised.
- (2) Any timetable set out in the circular must have been approved by the RIE on which the company's equity securities are traded.

Scrip dividend alternative

13.8.6 R

- (1) A circular containing an offer to shareholders of the right to elect to receive shares instead of all or part of a cash dividend must include:
 - (a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to receive shares for their entire shareholdings, and the percentage which that number represents of the equity shares (excluding treasury shares) in issue at the date of the circular;
 - (b) in a prominent position, details of the equivalent cash dividend foregone to obtain each share or the basis of the calculation of the number of shares to be offered instead of cash:
 - (c) a statement of the total cash dividend payable and applicable tax credit on the basis that no elections for the scrip dividend alternative are received:
 - (d) a statement of the date for ascertaining the share price used as a basis for calculating the allocation of shares;
 - (e) details of the proportional entitlement;
 - (f) details of what is to happen to fractional entitlements;
 - (g) the record date; and
 - (h) a form of election relating to the scrip dividend alternative which:
 - (i) is worded so as to ensure that shareholders must elect positively in order to receive shares instead of cash; and
 - (ii) includes a statement that the right is non-transferable.
- (2) Any timetable set out in the *circular* must have been approved by the RIE on which the company's equity securities are traded.

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Scrip dividend mandate schemes/dividend reinvestment plans

13.8.7 R

- (1) A *circular* relating to any proposal where shareholders are entitled to complete a mandate in order to receive *shares* instead of future cash dividends must include:
 - (a) the information in LR 13.8.6R (1)(d) and (f);
 - (b) the basis of the calculation of the number of *shares* to be offered instead of cash;
 - (c) a statement of last date for lodging notice of participation or cancellation in order for that instruction to be valid for the next dividend;
 - (d) details of when adjustment to the number of *shares* subject to the mandate will take place;
 - (e) details of when cancellation of a mandate instruction will take place;
 - (f) a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;
 - (g) the procedure for notifying shareholders of the details of each scrip dividend; and
 - (h) a statement of the circumstances, if known, under which the *directors* may decide not to offer a scrip alternative in respect of any dividend.
- (2) The timetable in the *circular* for each scrip alternative covered by a scrip dividend mandate plan must have been approved by the *RIE* on which the *company's equity shares* are traded.

Notices of meetings

13.8.8 R

(1) When holders of *listed equity shares* are sent a notice of meeting which includes any business, other than ordinary business at an annual general meeting, an explanatory *circular* must accompany the notice. If the other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the *directors*' report.

- (2) [deleted]
- (3) A *circular* or other document convening an annual general meeting where only ordinary business is proposed does not need to comply with LR 13.3.1R (4), (5) and (6).
- 13.8.9 G
- A *circular* or other document convening an annual general meeting where special business is proposed will need to comply with all of ■LR 13.3.1 R (including paragraphs (4), (5) and (6) in respect of special business).

Amendments to constitution

13.8.10 R

- A *circular* to shareholders about proposed amendments to the *constitution* must include:
 - (1) an explanation of the effect of the proposed amendments; and

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- (2) either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:
 - (a) [deleted]
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting; and
 - (c) on the national storage mechanism from the date of sending the circular.

Employees' share scheme etc

13.8.11 R

A circular to shareholders about the approval of an employee's share scheme or long-term incentive scheme must:

- (1) include either the full text of the scheme or a description of its principal terms;
- (2) include, if *directors* of the *listed company* are trustees of the scheme, or have a direct or indirect interest in the trustees, details of the trusteeship or interest;
- (3) state that the provisions (if any) relating to:
 - (a) the persons to whom, or for whom, securities, cash or other benefits are provided under the scheme (the "participants");
 - (b) limitations on the number or amount of the securities, cash or other benefits subject to the scheme;
 - (c) the maximum entitlement for any one participant; and
 - (d) the basis for determining a participant's entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital;

cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the company operating the scheme or for members of its group);

- (4) state whether benefits under the scheme will be pensionable and, if so, the reasons for this; and
- (5) if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:
 - (a) [deleted]
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting; and
 - (c) on the national storage mechanism from the date of sending the circular.

13.8.12

The resolution contained in the notice of meeting accompanying the circular must refer either to:

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- (1) the scheme itself (if circulated to shareholders); or
- (2) the summary of its principal terms included in the circular.

13.8.13 R

The resolution approving the adoption of an *employees' share scheme* or *long-term incentive scheme* may authorise the *directors* to establish further schemes based on any scheme which has previously been approved by shareholders but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any *shares* made available under such further schemes are treated as counting against any limits on individual or overall participation in the main scheme.

Amendments to employees' share scheme etc

13.8.14 R

A circular to shareholders about proposed amendments to an employees' share scheme or a long-term incentive scheme must include:

- (1) an explanation of the effect of the proposed amendments; and
- (2) the full terms of the proposed amendments, or a statement that the full text of the scheme as amended will be available for inspection:
 - (a) at the place of the general meeting for at least 15 minutes before and during the meeting; and
 - (b) on the *national storage mechanism* from the date of sending the *circular*.

Discounted option arrangements

13.8.15 R

If shareholders' approval is required by \blacksquare LR 9.4.4 R, the *circular* to shareholders must include the following information:

- (1) details of the persons to whom the *options*, *warrants* or rights are to be granted; and
- (2) a summary of the principal terms of the options, warrants or rights.

Reminders of conversion rights

13.8.16 R

- (1) A *circular* to holders of *listed securities* convertible into *shares* reminding them of the times when conversion rights are exercisable must include:
 - (a) the date of the last day for lodging conversion forms and the date of the expected sending of the certificates;
 - (b) a statement of the market values for the securities on the first dealing day in each of the six months before the date of the circular and on the latest practicable date before sending the circular:
 - (c) the basis of conversion in the form of a table setting out capital and income comparisons;
 - (d) a brief explanation of the tax implications of conversion for holders resident for tax purposes in the *United Kingdom*;

- (e) if there is a trustee, or other representative, of the securities holders to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the securities holders;
- (f) reference to future opportunities to convert and whether the terms of conversion will be the same as or will differ from those available at present, or, if there are no such opportunities, disclosure of that fact;
- (g) reference to letters of indemnity, for example, if certificates have been lost:
- (h) if power exists to allot shares issued on conversion to another person, reference to forms of nomination; and
- (i) a statement as to whether holders exercising their rights of conversion will retain the next interest payment due on the securities.
- (2) The circular must not contain specific advice as to whether or not to convert the securities.

Election of independent directors

- 13.8.17 R
- Where a listed company has a controlling shareholder, a circular to shareholders relating to the election or re-election of an independent director must include:
 - (1) details of any existing or previous relationship, transaction or arrangement the proposed independent director has or had with the listed company, its directors, any controlling shareholder or any associate of a controlling shareholder or a confirmation that there have been no such relationships, transactions or arrangements; and
 - (2) a description of:
 - (a) why the listed company considers the proposed independent director will be an effective director;
 - (b) how the *listed company* has determined that the proposed director is an independent director; and
 - (c) the process followed by the *listed company* for the selection of the proposed independent director.
- 13.8.18
- In relation to a *listed company* which did not previously have a *controlling* shareholder, ■ LR 13.8.17 R does not apply to a circular sent to shareholders within a period of 3 months from the event that resulted in a person becoming a controlling shareholder of the listed company.

Class 1 circulars

The following table identifies (by reference to certain paragraphs of Annex 1 and Annex 11 of the *PR Regulation*) the additional information required to be included in a *class 1 circular* relating to the *listed company* and the undertaking the subject of the transaction.

		Undertaking the subject of the
Information	Listed Company	trańsaction
Annex 1 item 3.1 – Risk factors	*	*
Annex 1 item 4.1 – Company name	*	
Annex 1 item 4.4 – Company address	*	
Annex 1 Section 10 – Trend information	*	*
Annex 1 item 14.2 – Service contracts	*	
Annex 1 item 15.2 – Shareholdings and stock options	*	
Annex 1 item 16.1 – Major interests in shares	*	
Annex 1 item 17.1 – Related party transactions	*	
Annex 1 item 18.6.1 – Legal and arbitration proceedings	*	*
Annex 1 item 18.7.1 – Significant change in the issuer's financial position	*	*
Annex 1 item 20.1 – Material contracts	*	*
Annex 1 item 21.1 – Documents available	*	
Annex 3 item 11 item 3.1 – Working capital statement]	*	*

LR 13 Annex 1.1

- 1 The information required by this Annex must be presented as follows:
 - (1) the information required by Annex 1 item 20.1 (material contracts), Annex 1 item 18.6.1 (legal and arbitration proceedings), Annex 1 item 18.7.1 (significant changes in the issuer's financial position) and Annex 1 item 10.1(b) (trend information):
 - (a) for an acquisition, in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired; or
 - (b) for a disposal, in separate statements for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place), and for the undertaking, business or assets to be disposed of;
 - the information required by Annex 11 item 3.1 (working capital statement) and, if relevant Annex 1 items 10.1(a) and 10.2 (trend information):
 - (a) in the case of an acquisition, in a single statement for the *listed* company and its subsidiary undertakings (on the basis that the acquisition has taken place); or
 - (b) in the case of a disposal, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place).

LR 13 : Contents of circulars: **Premium listing**

- 2 In determining what information is required to be included by virtue of Annex 1 item 20.1 (material contracts) if a prospectus or listing particulars are not required, regard should be had to whether information about that provision is information which securities holders of the issuer would reasonably require for the purpose of making a properly informed assessment about the way in which to exercise the voting rights attached to their securities or the way in which to take any other action required of them related to the subject matter of the circular.
- The information required by this Annex is modified as follows: 3
 - (1)if the listed company is issuing shares for which listing is sought, the information regarding major interests in shares (Annex 1 item 16.1) and directors' interests in shares (Annex 1 item 15.2) must be given for the share capital both as existing and as enlarged by the shares for which listing is sought;
 - (2)information required by Annex 1 item 17.1 (related party transactions) and Annex 1 item 14.2 (directors' service contracts) does not need to be given if it has already been published before the circular is sent;
 - information referred to in Annex 11 item 3.1 (Working capital statement) is (3)not required to be included in a class 1 circular published by a closed-ended investment fund;
 - information required by Annex 1 item 3.1 should be provided only in respect (4)of those risk factors which:
 - (a) are material risk factors to the proposed transaction;
 - (b) will be material new risk factors to the group as a result of the proposed transaction; or
 - are existing material risk factors to the group which will be im-(c) pacted by the proposed transaction; and
 - information required by Annex 1 item 21.1 must include a copy of the Sale (5)and Purchase Agreement (or equivalent document) if applicable. The issuer must indicate where the Sale and Purchase Agreement (or equivalent document) is available for physical or electronic inspection.

Chapter 14

Standard listing (shares)



14.1 Application

- 14.1.1 This chapter applies to a company with, or applying for, a standard listing of shares other than:
 - (1) equity shares issued by a company that is a closed-ended investment fund unless it has a premium listing of a class of its equity shares;
 - (1A) equity shares issued by an open-ended investment company (unless applied by ■ LR 16A);
 - (1B) equity shares issued by a company that is an investment entity but not a closed-ended investment fund or an open-ended investment company; and
 - (2) preference shares that are specialist securities.

LR 14/2



14.2 Requirements for listing

An applicant which is applying for standard listing (shares) must comply with all of ■LR2 (Requirements for listing: All securities).

Shares in public hands

- 14.2.2 R
- (1) If an application is made for the *admission* of a *class* of *shares*, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the *public*.
- (2) [deleted]
- (3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* for which application for *admission* has been made are in public hands.
- (4) For the purposes of paragraphs (1), (2) and (3), *shares* are not held in public hands if they are:
 - (a) held, directly or indirectly by:
 - (i) a director of the applicant or of any of its subsidiary undertakings; or
 - (ii) a person connected with a director of the applicant or of any of its subsidiary undertakings; or
 - (iii) the trustees of any employees' share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings; or
 - (iv) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (v) any person or persons in the same group or persons acting in concert who have an interest in 5% or more of the shares of the relevant class; or
 - (b) subject to a lock-up period of more than 180 days.
- (5) For the purposes of paragraph (3), *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[Note: Article 48 CARD]

14.2.3 **G** [deleted]

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- 14.2.3A G When calculating the number of shares for the purposes of LR 14.2.2R (4)(a)(v), holdings of investment managers in the same group where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the group to which the *investment manager* belongs will be disregarded.
 - Shares of a third country company
- The FCA will not admit shares of a company incorporated in a third country 14.2.4 that are not listed either in its country of incorporation or in the country in which a majority of its shares are held, unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors. [Note: Article 51 CARD]
 - Listing applications
- 14.2.5 G A company applying for a standard listing of shares will need to comply with ■ LR 3 (Listing applications: All securities).
- 14.2.6 [deleted] R

LR 14/4



14.3 **Continuing obligations**

Admission to trading

14.3.1 Other than in regard to securities to which ■ LR 4 applies, the listed equity R shares of a company must be admitted to trading on a regulated market for listed securities.

Shares in public hands

- 14.3.2 R (1) A company must comply with ■ LR 14.2.2 R at all times.
 - (2) A company that no longer complies with ■LR 14.2.2 R must notify the FCA as soon as possible of its non-compliance.
- G 14.3.2A [deleted]
- 14.3.3 G A company should consider LR 5.2.2G (2) in relation to its compliance with ■ LR 14.2.2 R.

- Further issues 14.3.4 R Where shares of the same class as shares that are listed are allotted, an application for admission to listing of such shares must be made as soon as possible and in any event within one year of the allotment. [Note: Article 64 CARD]
- 14.3.5 R [deleted]

Copies of documents

- 14.3.6 R A company must forward to the FCA, for publication, by uploading to the national storage mechanism, a copy of:
 - (1) all circulars, notices, reports or other documents to which the listing rules apply, at the same time as any such documents are issued; and
 - (2) all resolutions passed by the *company* other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

- 14.3.7 R
- (1) A company must notify a RIS as soon as possible when a document has been forwarded to the FCA under ■LR 14.3.6 R unless the full text of the document is provided to the RIS.
- (2) A notification made under (1) must set out where copies of the relevant document can be obtained.

Contact details

14.3.8 R A company must ensure that the FCA is provided with up to date contact details of appropriate persons nominated by it to act as the first point of contact with the FCA in relation to the company's compliance with the listing rules and the disclosure requirements and transparency rules, as applicable.

Temporary documents of title (including renounceable documents)

14.3.9 R A company must ensure that any temporary document of title (other than one issued in global form) for a share:

- (1) is serially numbered;
- (2) states where applicable:
 - (a) the name and address of the first holder and names of joint holders (if any);
 - (b) the pro rata entitlement;
 - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
 - (d) how the shares rank for dividend or interest:
 - (e) the nature of the document of title and proposed date of issue;
 - (f) how fractions (if any) are to be treated; and
 - (g) for a rights issue, the time, being not less than 10 business days calculated in accordance with ■ LR 9.5.6 R, in which the offer may be accepted, and how shares not taken up will be dealt with; and
- (3) if renounceable:
 - (a) states in a heading that the document is of value and negotiable;
 - (b) advises holders of *shares* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
 - (c) states that where all of the shares have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;
 - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;

- (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the company or authorised agent;
- (f) provides for the last day for renunciation to be the second business day after the last day for splitting; and
- (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

14.3.10 R

A company must ensure that any definitive document of title for a share (other than a bearer security) includes the following matters on its face (or on the reverse in the case of (5) and (7)):

- (1) the authority under which the *company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *shares* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *share* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *share* is transferable;
- (5) the date of the certificate;
- (6) for a fixed income *security*, the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion; and
- (7) for *shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

Disclosure Requirements and Transparency Rules

14.3.11 G

A company whose shares are admitted to trading on a regulated market, should consider its obligations under the disclosure requirements and transparency rules.

Disclosure of rights attached to shares

14.3.11A R

Unless exempted in ■LR 14.3.11DR, a company must:

- (1) forward to the FCA for publication a copy of one or more of the following:
 - (a) the approved prospectus or listing particulars for its listed shares;

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- (b) the relevant agreement or document setting out the terms and conditions on which its listed shares were issued; or
- (c) a document describing:
 - (i) the rights attached to its *listed shares*;
 - (ii) limitations on such rights; and
 - (iii) the procedure for the exercise of such rights,

produced in accordance with the relevant Annex of the Prospectus Regulation that would have applied had the company been required to produce a prospectus for those listed shares; and

- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the FCA for publication a copy of either of the following:
 - (a) a new document in accordance with (1); or
 - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the company's listed shares.
- 14.3.11B R The documents in ■ LR 14.3.11AR must be forwarded to the FCA for publication by uploading them to the national storage mechanism.
- 14.3.11C G The purpose of ■LR 14.3.11AR is to require *companies* to maintain publicly available information in relation to the rights attached to their listed shares so that investors can access such information.
- 14.3.11D R A *company* is exempt from ■ LR 14.3.11AR where:
 - (1) it has previously forwarded to the FCA for publication, or otherwise filed with the FCA, a document specified in ■ LR 14.3.11AR(1);
 - (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the FCA for publication, or otherwise filed with the FCA, a copy of either of the following:
 - (a) one of the documents specified in ■LR 14.3.11AR(1); or
 - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the company's listed shares: and
 - (3) the documents in (1) and (2) have been forwarded to the FCA for publication, or otherwise filed with the FCA, by:
 - (a) forwarding them for publication on a location previously identified on the FCA website where the public can inspect documents referred to in the listing rules as being documents to be made available at the document viewing facility; or
 - (b) uploading them to the national storage mechanism.

- 14.3.12 R [deleted]
- **14.3.13 G** [deleted]
- 14.3.14 R [deleted]

Registrar

- 14.3.15 R
- (1) [deleted]
- (2) An overseas company must appoint a registrar in the United Kingdom if
 - (a) there are 200 or more holders resident in the United Kingdom; or
 - (b) 10% of more of the *shares* are held by *persons* resident in the *United Kingdom*.
- **14.3.15A G** [deleted]
- **14.3.16 G** [deleted]

Notifications relating to capital

14.3.17 R

A *company* must notify a *RIS* as soon as possible (unless otherwise indicated in this *rule*) of the following information relating to its capital:

- (1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
- (2) [deleted]
- (3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;
- (4) [deleted]
- (5) any extension of time granted for the currency of temporary documents of title;
- (6) [deleted]
- (7) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.
- 14.3.18 R

Where the *shares* are subject to an underwriting agreement a *company* may, at its discretion and subject to the *disclosure requirements* and contents of ■ DTR 2 delay notifying a *RIS* as required by ■ LR 14.3.17R (7) for up to two *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or

offer of shares which is not underwritten, notification of the result must be made as soon as it is known.

- 14.3.19 R [deleted]
- 14.3.20 R [deleted]
- 14.3.21 R [deleted]

Compliance with the transparency rules and corporate governance rules

- 14.3.22 G A company, whose securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).
- 14.3.23 R A listed company that is not already required to comply with the transparency rules must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer for the purposes of the transparency rules.
- 14.3.24 R A *listed company* that is not already required to comply with ■ DTR 7.2 (Corporate governance statements) must comply with ■ DTR 7.2 as if it were an issuer to which that section applies.
- 14.3.25 A company with a standard listing of equity shares (other than an openended investment company) that is not already required to comply with ■ DTR 7.3 (Related party transactions) must comply with ■ DTR 7.3 as if it were an issuer to which ■ DTR 7.3 applies, subject to the modifications set out in ■ LR 14.3.26R.
- 14.3.26 For the purposes of ■ LR 14.3.25R, ■ DTR 7.3 is modified as follows: R
 - (1) DTR 7.3.2R must be read as if the words "has the meaning in UKadopted IFRS" are replaced by:

"has the meaning:

- (a) in UK-adopted IFRS; or
- (b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have

been determined to be equivalent to *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*,

- (i) in UK-adopted IFRS, or
- (ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the listed company."

- (2) DTR 7.3.8R(2) and (3) do not apply;
- (3) DTR 7.3.9R must be read as follows:
 - (a) as if the words "after obtaining board approval" are replaced by "after publishing an announcement in accordance with■ DTR 7.3.8R(1)"; and
 - (b) the reference to DTR 7.3.8R must be read as a reference to DTR 7.3.8R as modified by LR 14.3.26R(2); and
- (4) in DTR 7.3.13R the references to DTR 7.3.8R must be read as references to DTR 7.3.8R as modified by LR 14.3.26R(2).

Information to be included in annual report and accounts

14.3.27 R

In addition to the requirements set out in ■ DTR 4.1, a *listed company* (other than an *investment entity* or a *shell company*) must include a statement in its annual financial report setting out:

- (1) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD*Recommendations and Recommended Disclosures:
- (2) in cases where the listed company has:
 - (a) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:
 - (i) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
 - (ii) a description of that document and where it can be found; and
 - (iii) the reasons for including the relevant disclosures in that document and not in the annual financial report;
 - (b) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (a):
 - (i) the recommendations and/or recommended disclosures for which it has not included such disclosures:
 - (ii) the reasons for not including such disclosures; and
 - (iii) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe

within which it expects to be able to make those disclosures;

(3) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (1) can be found.

14.3.28

For the purposes of ■LR 14.3.27R, in determining whether climate-related financial disclosures are consistent with the TCFD Recommendations and Recommended Disclosures, a listed company should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the TCFD Annex entitled "Guidance for All Sectors";
- (2) (where appropriate) Section D of the TCFD Annex entitled "Supplemental Guidance for the Financial Sector"; and
- (3) (where appropriate) Section E of the TCFD Annex entitled "Supplemental Guidance for Non-Financial Groups".

14.3.29

For the purposes of ■LR 14.3.27R, in determining whether a listed company's climate-related financial disclosures are consistent with the TCFD Recommendations and Recommended Disclosures, the FCA considers that the following documents are relevant:

- (1) the TCFD Final Report and the TCFD Annex, to the extent not already referred to in ■ LR 14.3.27R and ■ LR 14.3.28G;
- (2) the TCFD Technical Supplement on the Use of Scenario Analysis;
- (3) the TCFD Guidance on Risk Management Integration and Disclosure;
- (4) (where appropriate) the TCFD Guidance on Scenario Analysis for Non-Financial Companies; and
- (5) the TCFD Guidance on Metrics, Targets and Transition Plans.

14.3.30

For the purposes of ■ LR 14.3.27R, in determining whether climate-related financial disclosures are consistent with the TCFD Recommendations and Recommended Disclosures, a listed company should consider whether those disclosures provide sufficient detail to enable users to assess the listed company's exposure to and approach to addressing climate-related issues.

A listed company should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

noting that these factors may relate to the nature, size and complexity of the listed company's business.

LR 14/12

14.3.31 G

- (1) For the purposes of ■LR 14.3.27R, the FCA would ordinarily expect a listed company to be able to make climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.
- (2) In particular, the FCA would expect that a *listed company* should ordinarily be able to make disclosures consistent with:
 - (a) the recommendation and recommended disclosures on governance in the *TCFD Recommendations and Recommended Disclosures*;
 - (b) the recommendation and recommended disclosures on risk management in the *TCFD Recommendations and Recommended Disclosures*; and
 - (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the *TCFD Recommendations and Recommended Disclosures*, to the extent that the *listed company* does not face the transitional challenges referred to in (1) in relation to such disclosures.

14.3.32 G

Where making disclosures on transition plans as part of its disclosures on strategy under the *TCFD Recommendations and Recommended Disclosures*, a *listed company* that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the UK's commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered this commitment in developing and disclosing its transition plan, the FCA encourages a *listed company* to explain why it has not done so.

14.3.33 R

In addition to the requirements set out in ■ DTR 4.1, a company with a standard listing of equity shares (other than an open-ended investment company or shell company) must include in its annual financial report:

- (1) a statement setting out:
 - (a) whether the *listed company* has met the following targets on board diversity as at a chosen reference date within its accounting period:
 - (i) at least 40% of the individuals on its board of *directors* are women;
 - (ii) at least one of the following senior positions on its board of *directors* is held by a woman:
 - (A) the chair;
 - (B) the chief executive;
 - (C) the senior independent director; or
 - (D) the chief financial officer; and
 - (iii) at least one individual on its board of *directors* is from a *minority ethnic background*;

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- (b) in cases where the *listed company* has not met all of the targets in (a):
 - (i) the targets it has not met; and
 - (ii) the reasons for not meeting those targets;
- (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
- (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected the listed company's ability to meet one or more of the targets in (a);
- (2) subject to ■LR 14.3.34R, numerical data on the ethnic background and the gender identity or sex of the individuals on the listed company's board and in its executive management as at the reference date used for the purposes of ■ LR 14.3.33 R(1)(a), which should be set out in the format of the tables contained in ■ LR 14 Annex 1 and contain the information prescribed by those tables; and
- (3) an explanation of the *listed company's* approach to collecting the data used for the purposes of making the disclosures in ■ LR 14.3.33 R(1) and ■ (2).
- 14.3.34 In relation to ■ LR 14.3.33 R(2), where individuals on a *listed company's* board or in its executive management are situated overseas, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, then a listed company may instead explain the extent to which it is unable to make the relevant disclosures.
- 14.3.35 G Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of ■ LR 14.3.33R(2), a listed company may add to the categories included in the first column of the table in ■ LR 14 Annex 1.1R(a) in order to reflect the basis on which it has collected data.
- 14.3.36 In relation to ■LR 14.3.33R(3), the FCA expects a listed company's approach to data collection to be:
 - (a) consistent for the purposes of reporting under both LR 14.3.33R(1) and **(**2), and
 - (b) consistent across all individuals in relation to whom data is being reported.

The FCA expects the explanation of a listed company's approach to data collection to include the method of collection and / or source of the data, and where data collection is done on the basis of self-reporting by the individuals concerned, a description of the guestions asked.

14.3.37

- In addition to the information required under ■LR 14.3.33R(1) to ■(3) (and without prejudice to the requirements of ■DTR 7.2.8AR), a *listed company* may, if it wishes to do so, include the following in its annual financial report:
 - (a) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and executive management;
 - (b) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country where its main operations are located); and
 - (c) any risks it foresees in being able to meet or continue to meet the board diversity targets in LR 14.3.33R(1)(a) in the next accounting period, or any plans to improve the diversity of its board.

14.3.38 R

When making a statement required by LR 14.3.33R(1) in its annual financial report, a *closed-ended investment fund* need not set out the following matters if they are inapplicable to the *closed-ended investment fund* and its statement sets out the reasons why those matters are inapplicable:

- (1) whether the *closed-ended investment fund* has met the board diversity target in LR 14.3.33R(1)(a)(ii); and
- (2) matters set out in LR 14.3.33R(1)(b) to the extent that they relate to the board diversity target in LR 14.3.33R(1)(a)(ii).

14.3.39 F

When including numerical data required by ■LR 14.3.33R(2) in its annual financial report, a *closed-ended investment fund* need not include the fields in the first row of each of the tables in ■LR 14 Annex 1, and the corresponding data for those fields, that are inapplicable to the *closed-ended investment fund*, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable.

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Data on the diversity of the individuals on a listed company's board and in its executive management

The following tables set out the information a *listed company* must include in its annual financial report under ■LR 14.3.33R(2), and the format in which it must be set out.

(a) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior posi- tions on the board (CEO, CFO, SID and Chair)	Number in ex- ecutive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					

[Note: the placeholder for 'Other categories' is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with LR 14.3.35G]

(b) Table for reporting on ethnic background

	Number of board members	Percentage of the board	senior posi- tions on the board (CEO, CFO, SID and Chair)	Number in ex- ecutive management	Percentage of executive management
White British or other White (in- cluding mi- nority-white groups)					
Mixed/Mul- tiple Ethnic Groups					
Asian/Asian British					
Black/African/ Caribbean/ Black British					
Other ethnic group, in- cluding Arab					

	Number of board members	Percentage of the board	Number in ex- ecutive management	Percentage of executive management
Not specified/ prefer not to say				

LR 14 Annex 1/2

Chapter 15

Closed-Ended Investment Funds: Premium listing



15.1 Application

This chapter applies to a closed-ended investment fund applying for, or with, 15.1.1 a premium listing.

15.2 Requirements for listing

- 15.2.1 R To be *listed*, an *applicant* must comply with:
 - (1) LR 2 (Requirements for listing);
 - (2) the following provisions of ■LR 6 (Additional requirements for premium listing (commercial company):
 - (a) LR 6.2.4R (1) and LR 6.2.4R(2), if the applicant is a new applicant for the admission of equity shares and it has published or filed audited accounts;
 - (b) LR 6.2.6R;
 - (c) LR 6.7.1R, LR 6.9.1R(1), LR 6.9.2R, LR 6.14.1R to LR 6.14.5G, and LR 6.15.1R; and
 - (3) LR 15.2.2 R to LR 15.2.13A R.

Shares of a third country company

15.2.1A R The

The FCA will not admit shares of a company incorporated in a third country that are not listed either in its country of incorporation or in the country in which a majority of its shares are held, unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors.

[Note: Article 51 CARD]

Investment activity

- An *applicant* must invest and manage its assets in a way which is consistent with its object of spreading investment risk.
- **15.2.3 G** [deleted]
- 15.2.3A R
- (1) An applicant and its subsidiary undertakings must not conduct any trading activity which is significant in the context of its group as a whole.
- (2) This rule does not prevent the businesses forming part of the investment portfolio of the *applicant* from conducting trading activities themselves.
- **15.2.4** R [deleted]

15.2.4A

Although there is no restriction on an applicant taking a controlling stake in an investee company, to ensure a spread of investment risk an applicant should avoid:

- (1) cross-financing between the businesses forming part of its investment portfolio including, for example, through the provision of undertakings or security for borrowings by such businesses for the benefit of another; and
- (2) the operation of common treasury functions as between the applicant and investee companies.

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Cross-holdings

15.2.5 R

- (1) No more than 10%, in aggregate, of the value of the total assets of an applicant at admission may be invested in other listed closedended investment funds.
- (2) The restriction in (1) does not apply to investments in closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

R 15.2.6

- Feeder funds (1) If an applicant principally invests its funds in another company or fund that invests in a portfolio of investments (a "master fund"), the applicant must ensure that:
 - (a) the master fund's investment policies are consistent with the applicant's published investment policy and provide for spreading investment risk; and
 - (b) the master fund in fact invests and manages its investments in a way that is consistent with the applicant's published investment policy and spreads investment risk.
 - (2) Paragraph (1) applies whether the applicant invests its funds in the master fund directly or indirectly through other intermediaries.
 - (3) Where the applicant invests in the master fund through a chain of intermediaries between the applicant and the master fund, the applicant must ensure that each intermediary in the chain complies with paragraphs (1)(a) and (b).

Investment policy

15.2.7 R An applicant must have a published investment policy that contains information about the policies which the closed-ended investment fund will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.

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LR 15: Closed-Ended Investment **Funds: Premium listing**

- 15.2.8 The information in the investment policy, including quantitative information concerning the exposures mentioned in LR 15.2.7 R, should be sufficiently precise and clear as to enable an investor to:
 - (1) assess the investment opportunity;
 - (2) identify how the objective of risk spreading is to be achieved; and
 - (3) assess the significance of any proposed change of investment policy.
- 15.2.9 R [deleted]
- G 15.2.10 [deleted]

- Independence 15.2.11 R The board of directors or equivalent body of the applicant must be able to act independently:
 - (1) of any investment manager appointed to manage investments of the applicant; and
 - (2) if the applicant (either directly or through other intermediaries) has an investment policy of principally investing its funds in another company or fund that invests in a portfolio of investments ("a master fund"), of the master fund and of any investment manager of the master fund.
- 15.2.11A R ■ LR 15.2.11R (2) does not apply if the *company* or fund which invests its funds in another company or fund is a subsidiary undertaking of the applicant.
- G 15.2.12 [deleted]
- 15.2.12-A R For the purposes of ■ LR 15.2.11 R:
 - (1) the chair of the board or equivalent body of the applicant must be independent; and
 - (2) a majority of the board or equivalent body of the applicant must be independent (the chairman may be included within that majority).
- 15.2.12A R For the purposes of ■ LR 15.2.11 R and ■ LR 15.2.12-A R, the following are not independent:
 - (1) directors, employees, partners, officers or professional advisers of or
 - (a) an investment manager of the applicant; or
 - (b) a master fund or investment manager referred to in ■ LR 15.2.11R (2); or

- (c) any other company in the same group as the investment manager of the applicant; or
- (2) directors, employees or professional advisers of or to other investment companies or funds that are:
 - (a) managed by the same investment manager as the investment manager to the applicant; or
 - (b) managed by any other company in the same group as the investment manager to the applicant.
- [deleted] 15.2.13 G
- 15.2.13A R A person referred to in ■ LR 15.2.12AR (1) or ■ (2) who is a director of the applicant must be subject to annual re-election by the applicant's shareholders.
- 15.2.14 R [deleted]
- G 15.2.15 [deleted]
- 15.2.16 R [deleted]
- 15.2.17 R [deleted]
- G 15.2.18 [deleted]
- 15.2.19 R The board of directors or equivalent body of the applicant must be in a position to effectively monitor and manage the performance of its key service providers, including any investment manager of the applicant.



15.3.1 G An applicant is required to comply with ■LR 3 (Listing applications).

Sponsors

- An applicant that is seeking admission of its equity shares is required to retain a sponsor in accordance with LR8 (Sponsors).
- An applicant must appoint a sponsor on each occasion that it makes an application for admission of equity shares which requires the production of listing particulars.

Multi-class fund or umbrella fund

An application for the *listing* of *securities* of a multi-class fund or umbrella fund must provide details of the various classes or designations of *securities* intended to be issued by the *applicant*.

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15.4 **Continuing obligations**

Compliance with LR 9

15.4.1 R A closed-ended investment fund must comply with all of the requirements of ■ LR 9 (Continuing obligations) subject to the modifications and additional requirements set out in this section.

Investment policy

- 15.4.1A R A closed-ended investment fund must, at all times, have a published investment policy which complies with ■ LR 15.2.7 R.
- 15.4.1B G A closed-ended investment fund should have regard to the guidance in ■ LR 15.2.8 G at all times.
- 15.4.1C R ■ LR 9.2.22AR to ■ LR 9.2.22FG do not apply to a close-ended investment fund.

Investment activity and compliance with investment policy

- 15.4.2 R A closed-ended investment fund must, at all times, invest and manage its assets:
 - (1) in a way which is consistent with its object of spreading investment risk: and
 - (2) in accordance with its published investment policy.
- 15.4.3 G [deleted]
- R 15.4.3A A closed-ended investment fund must comply with ■ LR 15.2.3A R at all times.
- 15.4.4 [deleted]
- 15.4.4A G A closed-ended investment fund should have regard to the guidance in ■ LR 15.2.4A G at all times.

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Cross-holdings

A closed-ended investment fund must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in LR 15.2.5 R.

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Feeder funds

- If a closed-ended investment fund principally invests its funds in the manner set out in LR 15.2.6 R, the closed-ended investment fund must ensure that LR 15.2.6 R is complied with at all times.
- 15.4.6A ☐ LR 15.2.6 R and LR 15.4.6 R are not intended to require the closed-ended investment fund to be able to control or direct the master fund or intermediary (as the case may be). But if the closed-ended investment fund becomes aware that the master fund or intermediary (as the case may be) is not investing or managing its investments in accordance with that rule it will need to immediately consider withdrawal of its funds from the master fund or intermediary (as the case may be) or other appropriate action so that it is no longer in breach of the rules.

Independence and effective management

- **15.4.7** LR 15.2.11 R to LR 15.2.13A R apply at all times to a *closed-ended investment fund*.
- The board of *directors* or equivalent body of the *issuer* must effectively monitor and manage the performance of its key service providers, including any *investment manager* appointed by the *issuer*, on an on-going basis.

Material changes to investment policy

- 15.4.8 R Unless LR 15.4.8A R applies, a closed-ended investment fund must:
 - (1) submit any proposed material change to its published investment policy to the FCA for approval; and
 - (2) having obtained the FCA's approval, obtain the prior approval of its shareholders to any material change to its published investment policy.
- A closed-ended investment fund is not required to seek the FCA's approval for a material change to its published investment policy if:
 - (1) the change is proposed to enable the winding up of the *closed-ended* investment fund; and
 - (2) the winding up:
 - (a) is in accordance with the constitution of the *closed-ended* investment fund; and
 - (b) will be submitted for approval by the shareholders of the *closed-ended investment fund* at the same time as the proposed material change to the investment policy.

15.4.9 In considering what is a material change to the published investment policy, the closed-ended investment fund should have regard to the cumulative effect of all the changes since its shareholders last had the opportunity to vote on the investment policy or, if they have never voted, since the admission to listing.

Conversion of an existing listed class of equity shares

15.4.10 An existing listed class of equity shares may not be converted into a new class or an unlisted class unless prior approval has been given by the shareholders of that existing class.

Further issues

- 15.4.11 R (1) Unless authorised by its shareholders, a closed-ended investment fund may not issue further shares of the same class as existing shares (including issues of treasury shares) for cash at a price below the net asset value per share of those shares unless they are first offered pro rata to existing holders of shares of that class.
 - (2) When calculating the net asset value per share, treasury shares held by the closed-ended investment fund should not be taken into account.

Cancellation of premium listing

- 15.4.11A G A closed-ended investment fund must comply with ■ LR 5.2.7A R
- 15.4.12 R [deleted]
- 15.4.13 R [deleted]
- 15.4.14 R [deleted]
- 15.4.15 R [deleted]
- 15.4.16 R [deleted]
- 15.4.17 R [deleted]
- 15.4.18 [deleted]

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15.4.19	R	[deleted]
15.4.20	R	[deleted]
15.4.21	R	[deleted]
15.4.22	G	[deleted]
15.4.23	R	[deleted]
15.4.24	R	[deleted]
15.4.25	R	[deleted]
		Externally managed companies
15.4.26	R	A closed-ended investment fund is not required to comply with ■ LR 9.2.20 R.
		Independent business
15.4.27	R	A <i>closed-ended investment fund</i> is not required to comply with ■ LR 9.2.2A R to ■ LR 9.2.2G R.
		Notifications to the FCA
15.4.28	R	(1) A closed-ended investment fund is not required to comply with ■ LR 9.2.23 R in so far as it relates to ■ LR 9.2.2A R, ■ LR 9.2.2E R and ■ LR 9.2.2F R.
		(2) A closed-ended investment fund is not required to comply with ■ LR 9.2.24 R to ■ LR 9.2.25 R.
15.4.29	R	Annual financial statement
15.4.29	K	A closed-ended investment fund is not required to comply with ■ LR 9.8.4R(14) and ■ LR 9.8.6R(8).
15.4.29A	R	When making a statement required by ■LR 9.8.6R(9) in its annual financial
		report, a <i>closed-ended investment fund</i> need not set out the following matters if they are inapplicable to the <i>closed-ended investment fund</i> and its statement sets out the reasons why those matters are inapplicable:
		(1) whether the <i>closed-ended investment fund</i> has met the board diversity target in ■ LR 9.8.6R(9)(a)(ii); and
		(2) matters set out in ■LR 9.8.6R(9)(b) to the extent that they relate to the board diversity target in ■LR 9.8.6R(9)(a)(ii).

15.4.29B R

When including numerical data required by ■LR 9.8.6R(10) in its annual financial report, a closed-ended investment fund need not include the fields in the first row of each of the tables in LR 9 Annex 2, and the corresponding data for those fields, that are inapplicable to the closed-ended investment fund, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable.

Election of independent directors

15.4.30

A closed-ended investment fund is not required to comply with ■ LR 13.8.17 R.



15.5 Transactions

15.5.1 R [deleted]

Significant transactions

A closed-ended investment fund must comply with ■ LR 10 (Significant transactions) and ■ LR 5.6, except in relation to transactions that are executed in accordance with the scope of its published investment policy.

Transactions with related parties

- 15.5.3 G LR 11 (Related party transactions) applies to a *closed-ended investment* fund.
- In addition to the definition in ■LR 11.1.4 R a related party includes any investment manager of the closed-ended investment fund and any member of such investment manager's group.

Additional exemption from related party requirements

- 15.5.5 R
- (1) LR 11.1.7 R to LR 11.1.11 R do not apply to an arrangement between a closed-ended investment fund and its investment manager or any member of that investment manager's group where the arrangement is such that each invests in or provides finance to an entity or asset and the investment or provision of finance is either:
 - (a) made at the same time and on substantially the same economic and financial terms: or
 - (b) referred to in the *closed-ended investment fund*'s published investment policy; or
 - (c) made in accordance with a pre-existing agreement between the closed-ended investment fund and its investment manager.
- (2) For the purposes of paragraph (1)(c), a pre-existing agreement is an agreement which was entered into at the time the *investment manager* was appointed.



15.6 Notifications and periodic financial information

Changes to tax status

15.6.1 A closed-ended investment fund must notify any change in its taxation status R to a RIS as soon as possible.

Annual financial report

15.6.2 In addition to the requirements in LR 9.8 (Annual financial report), a closed-R ended investment fund must include in its annual financial report:

- (1) a statement (including a quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk in accordance with its published investment policy;
- (2) a statement, set out in a prominent position, as to whether in the opinion of the directors, the continuing appointment of the investment manager on the terms agreed is in the interests of its shareholders as a whole, together with a statement of the reasons for this view:
- (3) the names of the fund's investment managers and a summary of the principal contents of any agreements between the closed-ended investment fund and each of the investment managers, including but not limited to:
 - (a) an indication of the terms and duration of their appointment;
 - (b) the basis for their remuneration; and
 - (c) any arrangements relating to the termination of their appointment, including compensation payable in the event of termination:
- (4) [deleted]
- (5) the full text of its current published investment policy; and
- (6) a comprehensive and meaningful analysis of its portfolio.

Annual financial report additional requirements for property investment entities

15.6.3 A closed-ended investment fund that, as at the end of its financial year, has invested more than 20% of its assets in property must include in its annual

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15.6.4 R A valuation required by ■ LR 15.6.3 R must:

- (1) either:
 - (a) be made in accordance with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors; or
 - (b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such noncompliance; and
- (2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors.
- 15.6.5 R The summary described in ■LR 15.6.3 R must include:
 - (1) the total value of properties held at the year end;
 - (2) totals of the cost of properties acquired;
 - (3) the net book value of properties disposed of during the year; and
 - (4) an indication of the geographical location and type of *properties* held at the year end.

Statement regarding compliance with UK Corporate Governance Code

- 15.6.6 R
- (1) This *rule* applies to a *closed-ended investment fund* that has no executive *directors*.
- (2) A closed-ended investment fund's statement required by ■LR 9.8.6R (6) need not include details about Principles P, Q and R and Provisions 32 to 41 UK Corporate Governance Code except to the extent that those Principles or Provisions relate specifically to non-executive directors.

Annual financial and half yearly report

15.6.7 R

In addition to the requirements in ■LR9 (Continuing obligations), half-yearly reports and, if applicable, preliminary statements of annual results must include information showing the split between:

- (1) dividend and interest received; and
- (2) other forms of income (including income of associated companies).

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Notification of cross-holdings

15.6.8



A closed-ended investment fund must notify to a RIS within five business days of the end of each quarter a list of all investments in other listed closed-ended investment funds, as at the last business day of that quarter, which themselves do not have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

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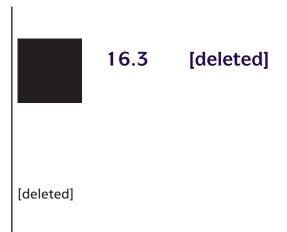
Chapter 16

Open-ended investment companies: Premium listing [deleted]

[deleted] 16.2

[deleted]

LR 16 : Open-ended investment companies: Premium listing [deleted]



16.4 [deleted]

[deleted]

Chapter 16A

Open-ended investment companies: Standard listing



16A.1 Application

Application

16A.1.1

This chapter applies to an open-ended investment company applying for, or with, a standard listing.

Requirements for listing

16A.2

- 16A.2.1 R
- To be listed, an applicant must:
 - (1) be an open-ended investment company which is:
 - (a) an ICVC that has been granted an authorisation order by the FCA; or
 - (b) an overseas collective investment scheme that is a recognised scheme: and

(2) comply with ■ LR 2 (Requirements for listing: All securities).

Listing applications

- 16A.2.2 R An applicant for admission must comply with ■ LR 3 (Listing applications).
- G 16A.2.3 The FCA will admit to listing such number of securities as the applicant may request for the purpose of future issues. At the time of issue the securities will be designated to the relevant class.

Multi-class fund or umbrella fund

16A.2.4

An applicant which is a multi-class or umbrella fund is not required to make a further listing application when creating a new class of security, if the applicant:

- (1) does not increase its share capital for which *listing* has previously been granted; and
- (2) provides the FCA with details of the new class.



16A.3 Requirements with continuing application

Authorisation or recognition

16A.3.1 R An open-ended investment company must comply with ■ LR 16A.2.1R(1) at all times.

Continuing obligations

- 16A.3.2 R An open-ended investment company must comply with ■ LR 14.3.1R, ■ LR 14.3.4R, ■ LR 14.3.6R to ■ LR 14.3.8R and ■ LR 14.3.24R.
- 16A.3.3 G An open-ended investment company whose equity shares are admitted to trading on a regulated market in the United Kingdom should consider its obligations under the disclosure requirements.

Changes to tax status

16A.3.4 An open-ended investment company must notify any change in its taxation status to a RIS as soon as possible.

Chapter 17

Debt and debt-like securities: Standard listing



17.1 Application

- 17.1.1 This chapter applies to
 - (1) an issuer of any of the following types of securities:
 - (a) debt securities;
 - (b) asset-backed securities;
 - (c) certificates representing debt securities;
 - (d) specialist securities of the following types:
 - (i) convertible securities which convert to debt securities;
 - (ii) convertible securities which convert to equity securities;
 - (iii) convertible securities which are exchangeable for securities of another company; and
 - (iv) preference shares
- 17.1.2 An issuer, as described in ■ LR 17.1.1 R includes:
 - (1) a state monopoly;
 - (2) a state finance organisation;
 - (3) a statutory body; and
 - (4) an OECD state guaranteed issuer.
- 17.1.3 A state, a regional or local authority or a public international body with listed debt securities should see ■ LR 17.5 for its continuing obligations



17.2 Requirements for listing and listing applications

Requirements for listing

17.2.1 G An *issuer* to whom this chapter applies will need to comply with ■ LR 2 (Requirements for listing - all securities).

Listing Applications

17.2.2 G An *issuer* to whom this chapter applies will need to comply with ■ LR 3 (Listing applications).

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17.3 Requirements with continuing application

Copies of documents

- 17.3.1 R
- (1) An issuer must forward to the FCA for publication a copy of any document required by ■ LR 17.3 or ■ LR 17.4 at the same time the document is issued, by uploading it to the national storage mechanism.
- (2) An issuer must notify a RIS as soon as possible when a document has been forwarded to the FCA under paragraph (1) unless the full text of the document is provided to the RIS.
- (3) A notification made under paragraph (2) must set out where copies of the relevant document can be obtained.

Admission to trading

- 17.3.2 R
- (1) An issuer's securities must be admitted to trading on a RIE's market for listed securities at all times.
- (2) An issuer must inform the FCA in writing without delay if it has:
 - (a) requested a RIE to admit or re-admit any of its listed securities to trading; or

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- (b) requested a RIE to cancel or suspend trading of any of its listed securities: or
- (c) been informed by a RIE that the trading of any of its listed securities will be cancelled or suspended.
- 17.3.3 R [deleted]

R

Annual accounts

- 17.3.3A
- LR 17.3.4 R to LR 17.3.6 G apply to an issuer that is not already required to comply with ■ DTR 4.
- 17.3.4 R
- (1) An issuer must publish its annual report and annual accounts as soon as possible after they have been approved.

17

- (2) An *issuer* must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
- (3) The annual report and accounts must:
 - (a) have been prepared in accordance with the *issuer*'s national law and, in all material respects, with national accounting standards or *UK-adopted IFRS*; and
 - (b) have been independently audited and reported on, in accordance with:
 - (i) the auditing standards applicable in the United Kingdom; or
 - (ii) an equivalent auditing standard.

17.3.5 G

- (1) If an *issuer* prepares both own and consolidated annual accounts it may publish either form provided that the unpublished accounts do not contain any significant additional information.
- (2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the *FCA*.
- (3) An *issuer* incorporated or established in a *third country* which is not required to draw up its accounts so as to give a true and fair view but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

17.3.6 G

An *issuer* that meets the following criteria is not required to comply with **I** R 17.3.4 R:

- (1) The issuer is an issuer of asset backed securities and would if it were a debt issuer to which DTR 4 applied be relieved of the obligations to draw up and publish annual and half yearly financial reports in accordance with DTR 4.4.2 R provided the issuer is not otherwise required to comply with any other requirement for the publication of annual reports and accounts.
- (2) (a) the *issuer*:
 - (i) is a wholly owned subsidiary of a listed company;
 - (ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed* holding *company* or equivalent arrangements are in place;
 - (iii) is included in the consolidated accounts of its *listed* holding *company*; and
 - (iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and
 - (b) non publication of the *issuer*'s accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the *securities*.

17.3.7 [deleted] Disclosure requirements and transparency rules G 17.3.8 An issuer, whose securities are admitted to trading on a regulated market, should consider the obligations referred to under articles 17 and 18 of the Market Abuse Regulation. 17.3.9 An issuer that is not already required to comply with the obligations under articles 17 and 18 of the Market Abuse Regulation must comply with those obligations as if it were an issuer for the purposes of articles 17 and 18 of the Market Abuse Regulation and the transparency rules, subject to article 22 of the Market Abuse Regulation. 17.3.9A An issuer, whose securities are admitted to trading on a regulated market, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information). 17.3.9B R An issuer that is not already required to comply with the transparency rules must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the transparency rules. Disclosure of rights attached to securities 17.3.9C R (1) An issuer must comply with the requirements of ■LR 14.3.11AR to ■ LR 14.3.11DR. (2) For the purposes of this *rule*: (a) references to a *company* in ■ LR 14.3.11AR to ■ LR 14.3.11DR must be read as references to an issuer: and (b) references to *listed shares* in ■ LR 14.3.11AR to ■ LR 14.3.11DR must be read as references to listed securities. Amendments to trust deeds 17.3.10 An issuer must ensure that any circular it issues to holders of its listed securities about proposed amendments to a trust deed includes: (1) an explanation of the effect of the proposed amendments; and (2) either the full terms of the proposed amendments, or a statement that they will be available for inspection: (a) [deleted] (b) at the place of the general meeting for at least 15 minutes before and during the meeting; and (c) on the national storage mechanism.

Early redemptions

17.3.12 R

- (1) An *issuer* must ensure that any *circular* it issues to holders of its *listed* securities relating to a resolution proposing to redeem *listed* securities before their due date for redemption includes:
 - (a) an explanation of the reasons for the early redemption;
 - (b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*:
 - (c) a statement of any interests of any director in the securities;
 - (d) if there is a trustee, or other representative, of the holders of the securities to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the circular or stated that it has no objection to the resolution being put to a meeting of the securities holders;
 - (e) the timetable for redemption; and
 - (f) an explanation of the procedure to be followed by the *securities* holders.
- (2) The *circular* must not contain specific advice about whether or not to accept the proposal for redemption.
- (3) The timetable for redemption in the *circular* must have been approved by the *RIE* on which the *listed securities* are traded.

Documents of title

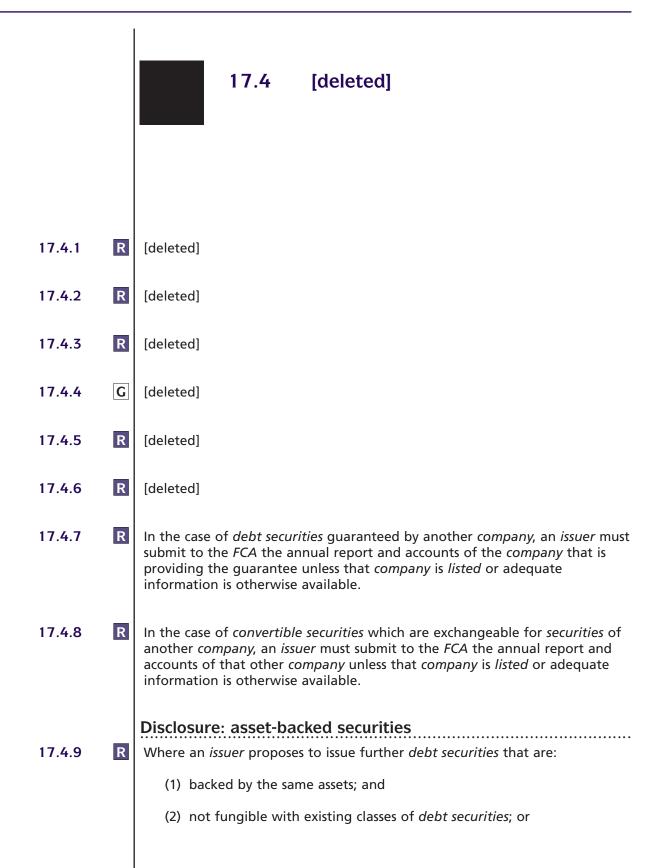
17.3.13 R

An *issuer* must ensure that any definitive document of title for a *security* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (5)):

(1) the authority under which the *issuer* is constituted and the country of incorporation and registered number (if any);

.....

- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable; and
- (5) [deleted]
- (6) the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion.



(3) not subordinated to existing classes of debt securities;

the *issuer* must inform the holders of the existing classes of *debt securities*.

17.5.2



17.5 Requirements for states, regional and local authorities and public international bodies

17.5.1 This chapter does not apply to a state, a regional or local authority and a public international body with listed debt securities except that such an issuer must comply with ■ LR 17.3.2 R (Admission to trading).

Compliance with transparency rules

- (1) This rule applies to a state, a regional or local authority and a public R international body with listed debt securities.
 - (2) An issuer referred to in paragraph (1) that is not already required to comply with the transparency rules must comply with:
 - (a) DTR 5.6.3 R (disclosure of changes in rights);
 - (b) [deleted]
 - (c) DTR 6.1.3 R (2) (equality of treatment);
 - (d) DTR 6.2 (Filing information and use of language); and
 - (e) DTR 6.3 (Dissemination of information).

Chapter 18

Certificates representing certain securities: Standard listing

listing



18.1 Application

- 18.1.1 This chapter applies in respect of a standard listing of certificates representing certain securities and applies to:
 - (1) a depositary; and
 - (2) an issuer of the securities which are represented by certificates.

18.2 Requirements for listing

Issuer of securities is taken to be the issuer

If an application is made for the *admission* of *certificates representing* certain securities, the *issuer* of the securities which the certificates represent is the *issuer* for the purpose of the *listing rules* and the application will be dealt with as if it were an application for the *admission* of the securities.

Certificates representing certain securities

- For certificates representing certain securities to be admitted to listing an issuer of the securities which the certificates represent must comply with LR 18.2.3 R to LR 18.2.7 G.
- 18.2.3 R An issuer must be:
 - (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
 - (2) operating in conformity with its *constitution*. [Note: Articles 42 and 52 *CARD*]
- 18.2.4 R For the certificates to be *listed*, the *securities* which the certificates represent must:
 - (1) conform with the law of the issuer's place of incorporation;
 - (2) be duly authorised according to the requirements of the *issuer*'s *constitution*; and
 - (3) have any necessary statutory or other consents. [Note: Articles 45 and 53 CARD]
- 18.2.5 (1) For the certificates to be *listed*, the *securities* which the certificates represent must be freely transferable. [Note: Articles 46, 54 and 60 *CARD*]
 - (2) For the certificates to be *listed*, the *securities* which the certificates represent must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

LR 18 : Certificates representing certain securities: Standard listing

- 18.2.6 G The FCA may modify ■LR 18.2.5 R to allow partly paid securities if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the securities to take place on an open and proper basis. [Note: Articles 46 and 54 CARD]
- 18.2.7 G The FCA may, in exceptional circumstances, modify or dispense with ■ LR 18.2.5 R where the issuer has the power to disapprove the transfer of securities if the FCA is satisfied that this power would not disturb the market in those securities.

Certificates representing equity securities of an overseas company

- R (1) If an application is made for the admission of a class of certificates 18.2.8 representing shares of an overseas company, a sufficient number of certificates must, no later than the time of admission, be distributed to the public.
 - (2) [deleted]
 - (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 10% of the certificates for which application for admission has been made are in public hands.
 - (4) For the purposes of paragraphs (1), (2) and (3), certificates are not held in public hands if they are:
 - (a) held, directly or indirectly by:
 - (i) a director of the applicant or of any of its subsidiary undertakings; or
 - (ii) a person connected with a director of the applicant or of any of its subsidiary undertakings; or
 - (iii) the trustees of any employees' share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings; or
 - (iv) any person who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*;
 - (v) any person or persons in the same group or persons acting in concert who have an interest in 5% or more of the certificates of the relevant class.
 - (b) subject to a lock-up period of more than 180 calendar days.
- 18.2.9 G [deleted]
- G 18.2.9A When calculating the number of certificates for the purposes of ■ LR 18.2.8R (4)(a)(v), holdings of investment managers in the same group where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the group to which the *investment manager* belongs will be disregarded.

18.2.10 R [deleted]

Certificates representing securities of an investment entity.

18.2.10A R Certificates representing equity securities of an investment entity (wherever incorporated or established) will be admitted to listing only if the equity securities they represent are already listed or are the subject of an application for listing at the same time.

Additional requirements for the certificates

To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in ■ LR 2.2.2 R to ■ LR 2.2.11 R. For this purpose, in those *rules* references to *securities* are to be read as references to the *certificates* representing certain securities for which application for *listing* is made.

To be *listed*, the *certificates representing certain securities* must not impose obligations on the *depositary* that issues the certificates except to the extent necessary to protect the certificate-holders rights to, and the transmission of entitlements of, the *securities*.

Additional requirements for a depositary

18.2.13 R [deleted]

A depositary that issues certificates representing certain securities must maintain adequate arrangements to safeguard certificate holders' rights to the securities to which the certificates relate, and to all rights relating to the securities and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the issuer of the certificates.

18

listing



18.3 **Listing applications**

- 18.3.1 An applicant for admission of certificates representing certain securities must comply with ■ LR 3.2 and ■ LR 3.4.4 R to ■ LR 3.4.8 R subject to the following modifications.
- 18.3.1A R An applicant for admission of certificates representing certain securities must submit a letter to the FCA setting out how it satisfies the requirements in ■ LR 2 and ■ LR 18.2 no later than when the first draft of a prospectus for the certificates is submitted, or if the FCA is not approving a prospectus, at a time agreed with the FCA.
- 18.3.2 R In addition to the documents referred to in ■ LR 3.4.6 R, an applicant for admission of certificates representing certain securities must keep a copy of the executed deposit agreement for six years after the admission of the relevant certificates.
- G 18.3.3 [deleted]

LR 18: Certificates representing certain securities: Standard listing

18.4 Continuing obligations

- An *issuer* of *debt securities* which the certificates represent must comply with the continuing obligations set out in LR 17.3 (Requirements with continuing application) in addition to the requirements of this section.
- A *UK issuer* of *equity shares* which the certificates represent must comply with the continuing obligations set out in LR 9 (Continuing obligations) (other than in LR 9.2.6CR and LR 9.2.6DR) in addition to the requirements of this section.
- 18.4.3 An *overseas company* that is the *issuer* of the *equity shares* which the certificates represent must comply with:
 - (1) the requirements of this section;
 - (2) the continuing obligations set out in LR 14.3 (Continuing obligations) (other than in LR 14.3.2 R, LR 14.3.15 R, LR 14.3.25R and LR 14.3.26R), LR 18.2.8 R and LR 18.4.3A R; and
 - (3) the obligations in articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.
- 18.4.3-A R For the purposes of:
 - LR 18.4.1R, references to listed securities in ■LR 17.3.9R(2)(b) must be read as references to:
 - (a) listed certificates representing debt securities, and
 - (b) the debt securities which the listed certificates represent;
 - (2) LR 18.4.2R, references to *listed equity shares* in LR 9.2.6ER to LR 9.2.6HR must be read as references to:
 - (a) listed certificates representing the equity shares, and
 - (b) the equity shares which the listed certificates represent; and
 - (3) LR 18.4.3R(2), references to *listed shares* in LR 14.3.11AR to LR 14.3.11DR must be read as references to:
 - (a) listed certificates representing the equity shares, and
 - (b) the equity shares which the listed certificates represent.

LR 18: Certificates representing certain securities: Standard

R

listing

Annual accounts continuing obligations

18.4.3A

- (1) An issuer within LR 18.4.3 R must publish its annual report and annual accounts as soon as possible after they have been approved.
- (2) An issuer within LR 18.4.3 R must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
- (3) The annual report and accounts must:
 - (a) have been prepared in accordance with the issuer's national law and, in all material respects, with national accounting standards or UK-adopted IFRS; and
 - (b) have been independently audited and reported on, in accordance with:
 - (i) the auditing standards applicable in the *United Kingdom*; or
 - (ii) an equivalent auditing standard.

18.4.3B

For the purposes of ■ LR 18.4.3R (2), a reference to complying with the obligations in ■ LR 14.3 is to be read as a reference to complying with those obligations in respect of the certificates.

Change of depositary

18.4.4

Prior to any change of the depositary of certificates representing certain securities, the new depositary must satisfy the FCA that it meets the requirements of ■ LR 18.2.11 R to ■ LR 18.2.14 R.

Notification of change of depositary

18.4.5 R

- (1) An issuer of securities represented by listed certificates representing certain securities must notify a RIS of any change of depositary.
- (2) The notification required by paragraph (1) must be made as soon as possible, and in any event by 7.30 a.m. on the business day following the change of *depositary*, and contain the following information:
 - (a) the name, registered office and principal administrative establishment if different from the registered office of the depositary;
 - (b) the date of incorporation and length of life of the depositary, except where indefinite;
 - (c) the legislation under which the depositary operates and the legal form which it has adopted under the legislation; and
 - (d) any changes to the information regarding the certificates representing certain securities.

Documents of title

18.4.6

R

An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to certificates representing equity securities.

LR 18 : Certificates representing certain securities: Standard listing

Compliance with Transparency Rules

- An issuer, whose securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules) and DTR 6 (Access to information).
- **18.4.8 R** [18.4.8 to follow]
- An *issuer* that is not already required to comply with the transparency rules must comply with DTR 6.3 as if it were an *issuer* for the purposes of the transparency rules.

LR 18 : Certificates representing certain securities: Standard listing

LR 18/10

Chapter 19

Securitised derivatives: Standard listing



19.1 Application

- 19.1.1 This chapter applies to an issuer of:
 - (1) retail securitised derivatives;
 - (2) specialist securitised derivatives; and
 - (3) other derivative products if the FCA has specifically approved their listing under this chapter.

Other derivative products

- 19.1.2 R For the purposes of this chapter, an issuer of other derivative products that have received the specific approval of the FCA to be listed under this chapter must comply with the rules applicable to an issuer of specialist securitised derivatives unless otherwise stated.
- 19.1.3 The FCA will not admit to listing, under this chapter, other derivative products that are likely to be bought and traded by investors who are not specialist investors, unless the derivative product falls within the scope of specified investments in Part III of the Regulated Activities Order.



19.2 Requirements for listing

- 19.2.1 R An applicant for the admission of securitised derivatives must comply with
 LR 2 (Requirements for listing all securities) and the following requirements.
 - Requirements for listing: the issuer
- 19.2.2 R An applicant for the admission of securitised derivatives must either:
 - (1) have permission under the Act to carry on its activities relating to securitised derivatives and be either a bank or a securities and futures firm;
 - (2) if the applicant is an overseas company:
 - (a) be regulated by an *overseas* regulator responsible for the regulation of banks, securities firms or futures firms and which has a lead regulation agreement for financial supervision with the *FCA*; and
 - (b) be carrying on its activities relating to securitised derivatives within the approved scope of its business; or
 - (3) arrange for its obligations in relation to the *securitised derivatives*, to be unconditionally and irrevocably *guaranteed* by, or benefit from an arrangement which is equivalent in its effect to such a *guarantee* provided by, an entity which satisfies (1) or (2).

Requirements for listing

- For a securitised derivative to be listed, its underlying instrument must be traded on a regulated, regularly operating, recognised open market, unless it is:
 - (1) a currency; or
 - (2) an index; or
 - (3) an interest rate; or
 - (4) a basket of any of the above.

Requirements for listing: retail products

- To be listed, a retail securitised derivative must: 19.2.5
 - (1) satisfy the requirements set out in LR 19.2.3 R; and
 - (2) not be a contingent liability investment.
- 19.2.6 To be listed, if a retail securitised derivative gives its holder a right of exercise, its terms and conditions must provide that:
 - (1) for cash settled securitised derivatives that are in the money at the exercise time on the expiration date, the exercise of the securitised derivative is automatic; or
 - (2) for physically settled securitised derivatives that are in the money at the exercise time on the expiration date, if the holder fails to deliver an exercise notice by the time stipulated in the terms and conditions, the issuer will, irrespective of the failure to exercise, pay to the holder an amount in cash in lieu of the holders failure to deliver the exercise notice, the amount and method of calculation of this amount to be determined by the issuer.



19.3 Listing applications

Listing application procedures

- 19.3.1 R An applicant for admission of securitised derivatives must comply with:
 - (1) LR 3.2 (Application for admission to listing); and
 - (2) LR 3.4.4 R to LR 3.4.8 R.
- In addition to the documents referred to in ■LR 3.4.6 R, an applicant for admission of securitised derivatives must keep a copy of the securitised derivative agreement or securitised derivative instrument or similar document for six years after the admission of the relevant securitised derivative.

19.4 **Continuing obligations**

Application

- 19.4.1 R An issuer that has only securitised derivative listed is subject to the continuing obligations set out in this chapter.
- 19.4.2 R An issuer that has both securitised derivatives and other securities listed is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other securities so listed.

Admission to trading

- 19.4.3 R (1) An issuer's listed securitised derivatives must be admitted to trading on a RIE's market for listed securities at all times.
 - (2) An issuer must inform the FCA in writing as soon as possible if it has:
 - (a) requested a RIE to admit or re-admit any of its listed securitised derivatives to trading; or

- (b) requested a RIE to cancel or suspend trading of any of its listed securitised derivatives; or
- (c) been informed by a RIE that the trading of any of its listed securitised derivatives will be cancelled or suspended.
- 19.4.4 [deleted] R
- 19.4.5 [deleted]
- 19.4.6 R [deleted]
- 19.4.7 R If an issue is *guaranteed* by an unlisted *company*, an *issuer* must submit the guarantor's accounts to the FCA.
- 19.4.8 R [deleted]

LR 19 : Securitised derivatives: Standard listing

19.4.9 R [deleted]

Settlement arrangements

- 19.4.10 R
- (1) An *issuer* must ensure that appropriate settlement arrangements for its *listed securitised derivatives* are in place.
- (2) Listed securitised derivatives must be eligible for electronic settlement, which includes settlement by a relevant system, as that term is defined in the Uncertificated Securities Regulations 1995 (SI 1995/3272).

Disclosure requirements and transparency rules

- 19.4.11 R
- An *issuer* must comply with the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.
- 19.4.11A G

An *issuer*, whose securities are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

19.4.11B R

For the purposes of compliance with the *transparency rules*, the *FCA* considers that an *issuer* of *securitised derivatives* should comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer of debt securities as defined in the *transparency rules*.

19.4.11C G

An *issuer* that is not already required to comply with the *transparency rules* must comply with DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Disclosure of rights attached to securitised derivatives

- 19.4.11D R
- (1) An *issuer* must comply with the requirements of LR 14.3.11AR to LR 14.3.11DR.
- (2) For the purposes of this *rule*:
 - (a) references to a *company* in LR 14.3.11AR to LR 14.3.11DR must be read as references to an *issuer*; and
 - (b) references to *listed shares* in LR 14.3.11AR to LR 14.3.11DR must be read as references to *listed securitised derivatives*.

Documents of title

19.4.12 R

An *issuer* must comply with the requirements in ■ LR 9.5.15 R (temporary documents of title) and ■ LR 9.5.16 R (definitive documents of title) so far as relevant to *securitised derivatives*.



19.5 **Disclosures**

- 19.5.1 An issuer must submit to the FCA a copy of any document required by ■ LR 19.5.2 R to ■ LR 19.5.10 R at the same time as the document is issued, by uploading it to the national storage mechanism.
- 19.5.2 R [deleted]
- 19.5.3 R [deleted]
- 19.5.4 R [deleted]
- 19.5.5 [deleted]
- 19.5.6 R [deleted]
- 19.5.7 R An issuer must notify a RIS of all notices to holders of listed securitised derivatives no later than the date of despatch or publication.
- 19.5.8 R [deleted]

Underlying instruments

19.5.9 An issuer must notify a RIS of any adjustment or modification it makes to the securitised derivative as a result of any change in or to the underlying instrument including details of the underlying event that necessitated the adjustment or modification.

Suspension of listing

19.5.10 An issuer must inform the FCA immediately if it becomes aware that an underlying instrument that is listed or traded outside the United Kingdom has been suspended.

Note: \blacksquare LR 5.1.2G (7) and (8) and \blacksquare LR 5.4.6 G are of relevance to an *issuer* of *securitised derivatives*.

Chapter 20

Miscellaneous Securities: Standard listing



- 20.1.1 This chapter applies to an issuer of miscellaneous securities.
- G 20.1.2 Miscellaneous securities include warrants and options and other similar securities.



20.2 Requirements for listing

20.2.1 R An applicant for the admission of miscellaneous securities must comply with LR 2 (Requirements for listing: All securities).



20.3 **Listing applications**

Listing application procedures

20.3.1

An applicant for admission of miscellaneous securities must comply with:

- (1) LR 3.2 (Application for admission to listing); and
- (2) LR 3.4.4 R to LR 3.4.8 R.

LR 20/4



20.4 Continuing obligations

Application

- 20.4.1 R An issuer that has only miscellaneous securities listed is subject to the continuing obligations set out in this chapter.
- An *issuer* that has both *miscellaneous securities* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities* so *listed*.

Admission to trading

- 20.4.3 R (1) An issuer's listed miscellaneous securities must be admitted to trading on a RIE's market for listed securities at all times.
 - (2) An issuer must inform the FCA in writing as soon as possible if it has:
 - (a) requested a *RIE* to admit or re-admit any of its *listed* miscellaneous securities to trading; or
 - (b) requested a RIE to cancel or suspend trading of any of its listed miscellaneous securities; or
 - (c) been informed by a *RIE* that the trading of any of its *listed* miscellaneous securities will be cancelled or suspended.
- 20.4.4 R An issuer with listed miscellaneous securities must comply with LR 2.2.12 R at all times.

Disclosure requirements and transparency rules

- An *issuer* must comply with the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.
- 20.4.6 G An issuer, whose miscellaneous securities are admitted to trading on a regulated market, should consider its obligations under DTR 4 (Periodic financial reporting), DTR 5 (Vote holder and issuer notification rules), DTR 6 (Access to information) and DTR 7 (Corporate governance).

20.4.7

An issuer that is not already required to comply with the transparency rules must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the transparency rules.

Disclosure of rights attached to miscellaneous securities

20.4.7A

- R
- (1) An issuer must comply with the requirements of ■LR 14.3.11AR to ■ LR 14.3.11DR.
- (2) For the purposes of this rule:
 - (a) references to a company in LR 14.3.11AR to LR 14.3.11DR must be read as references to an issuer; and
 - (b) references to *listed shares* in LR 14.3.11AR to LR 14.3.11DR must be read as references to listed miscellaneous securities.

Documents of title

20.4.8

R

An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title (including renounceable documents)) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to miscellaneous securities.

LR 20/6



20.5 Disclosures

- An *issuer* must submit to the *FCA* a copy of any document required by LR 20.5.2 R to LR 20.5.3 R at the same time as the document is issued, by uploading it to the *national storage mechanism*.
- 20.5.2 R An issuer must notify a RIS of all notices to holders of listed miscellaneous securities no later than the date of despatch or publication.

Underlying securities

20.5.3 R An issuer must notify a RIS of any adjustment or modification it makes to a miscellaneous security as a result of any change to a security over which the listed miscellaneous security carries a right to buy or subscribe.

.....

Suspension of listing

- An *issuer* must inform the *FCA* immediately if it becomes aware that any security over which the *listed miscellaneous security* carries a right to buy or subscribe that is listed or traded outside the *United Kingdom* has been suspended.

Chapter 21

Sovereign Controlled Commercial Companies: Premium listing



21.1 Application

- This chapter applies to a sovereign controlled commercial company applying 21.1.1 for, or with, a premium listing (sovereign controlled commercial company).
- R 21.1.2 ■ LR 21.2 to ■ LR 21.5 apply in respect of a premium listing (sovereign controlled commercial company) of equity shares.
- 21.1.3 R ■ LR 21.6 to ■ LR 21.10 apply in respect of a premium listing (sovereign controlled commercial company) of certificates representing shares and apply
 - (1) a depositary; and
 - (2) an issuer of the equity shares which are represented by certificates.



21.2 Requirements for listing: Equity shares

- 21.2.1 R To be *listed*, an *applicant* must comply with:
 - LR 2 (Requirements for listing: All securities);
 - LR 6 (Additional requirements for premium listing (commercial company)) except LR 6.1.1R and subject to the modifications and additional requirements set out in LR 21.2.2G to LR 21.2.5R; and
 - LR 21.2.6R and LR 21.2.7R.
- For the purposes of LR 21.2.1R(2), in LR 6.4.3G factors that may indicate that an *applicant* does not satisfy LR 6.4.1R also include situations where an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.
- 21.2.3 R For the purposes of LR 21.2.1R(2), in LR 6.5 references to a controlling shareholder must be read as excluding a sovereign controlling shareholder.
- Professional Prof
- 21.2.5 R LR 21.2.1R(2) does not apply where:
 - (1) the applicant meets the following conditions:

it has an existing premium listing (sovereign controlled commercial company) of equity shares;

it is applying for the *admission* of *equity shares* of the same *class* as the *shares* that have been admitted to *premium listing*; and

it is not entering into a transaction classified as a *reverse* takeover; or

- (2) the following conditions are met:
 - a company has an existing premium listing (sovereign controlled commercial company) of equity shares;

the applicant is a new holding company of the company in (a); and

the company in (a) is not entering into a transaction classified as a reverse takeover.

21.2.6 R An applicant must have a sovereign controlling shareholder.

21.2.7 R To comply with ■ LR 21.2.6R, a State which is a sovereign controlling shareholder must be either:

> recognised by the government of the UK as a State at the time the application is made; or

the *UK*.

LR 21/4



21.3 Listing applications and procedures: Equity shares

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Sponsors

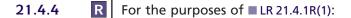
- 21.3.2 G An applicant that is seeking admission of its equity shares is required to retain a sponsor in accordance with LR 8 (Sponsors: Premium listing).
- 21.3.3 R An applicant must appoint a sponsor on each occasion that it makes an application for admission of equity shares which requires the production of listing particulars.

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21.4 **Continuing obligations: Equity** shares

- 21.4.1 A *listed company* must comply with:
 - (1) LR 9 (Continuing obligations) subject to the modifications and additional requirements set out in ■ LR 21.4.2G to ■ LR 21.4.4R;
 - (2) LR 10 (Significant transactions: Premium listing);
 - (3) LR 12 (Dealing in own securities and treasury shares: Premium listing); and
 - (4) LR 13 (Contents of circulars: Premium listing) subject to the modifications set out in ■ LR 21.4.3R.
- 21.4.1A R ■ LR 9.2.22AR to ■ LR 9.2.22FG do not apply for the purposes of ■ LR 21.4.1R.
- G 21.4.2 For the purposes of ■ LR 21.4.1R(1), in ■ LR 9.2.2AAG factors that may indicate that a *listed company* does not satisfy **LR** 9.2.2AR also include situations where a listed company has granted or may be required to grant security over its business in connection with the funding of a sovereign controlling shareholder.
- 21.4.3 For the purposes of ■ LR 21.4.1R(1) and ■ LR 21.4.1R(4), references to controlling shareholder must be read as excluding a sovereign controlling shareholder in, or for the purposes of, the following:
 - (1) LR 9.2.2ABR and LR 9.2.2ACG;
 - (2) LR 9.2.2ADR(1);
 - (3) LR 9.2.2BR;
 - (4) LR 9.2.2CR;
 - (5) LR 9.2.2GR and LR 9.2.2HG;
 - (6) LR 9.8.4 R(11);
 - (7) LR 9.8.4R(14); and
 - (8) LR 13.8.18R



- (1) in the second sentence of LR 9.2.21R(2) the reference to the provisions of LR 5.4A.4R(3)(b)(ii) and LR 5.4A.4R(3)(c)(ii) must be read as a reference to the provisions of LR 5.4A.4R(3)(d)(ii);
- (2) in ■LR 9.2.26G the reference to ■LR 9.2 must be read as a reference to ■LR 9.2 as modified by ■LR 21.4; and
- (3) in LR 9.8.4CR the reference to LR 9.8.4R must be read as a reference to LR 9.8.4R as modified by LR 21.4.3R.
- Where a purchase by a *listed company* of its own *equity securities* or preference shares is to be made from a related party which is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder, the *listed company* should note LR 12.3.2R.

Additional requirements: sovereign controlling shareholder

- 21.4.6 R | A listed company must at all times have a sovereign controlling shareholder.
- - (1) recognised by the government of the UK as a State; or
 - (2) the *UK*.
- A *listed company* must notify the *FCA* without delay if it no longer complies with the continuing obligation set out in ■LR 21.4.6R.
- Where a *listed company* is unable to comply with the continuing obligation set out in LR 21.4.6R, it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note LR 5.2.2G(2) and LR 5.4A.17G.

Sponsors

A listed company should consider the requirements in ■LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■LR 8.5 (Responsibilities of listed companies), subject to the modification to ■LR 8.2.3R in ■LR 21.5.3R.



21.5 **Transactions with related parties: Equity shares**

- 21.5.1 A *listed company* must comply with LR 11 (Related party transactions: Premium listing) subject to the modifications in ■LR 21.5.2R.
- 21.5.2 For the purposes of LR 21.5.1R, in the case of a related party which is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder:
 - (1) the following provisions do not apply:
 - (a) LR 11.1.1AR to LR 11.1.1ER;
 - (b) LR 11.1.7R(2) to LR 11.1.7R(4);
 - (c) LR 11.1.7CR and LR 11.1.8G;
 - (d) LR 11.1.10R(2)(b); and
 - (e) LR 11.1.11R(3)(a);
 - (2) the following provisions are modified as follows:
 - (a) LR 11.1.7AR must be read as if the words "after obtaining shareholder approval but" are omitted;
 - (b) LR 11.1.9G must be read as follows:
 - (i) the reference to LR 11.1.7R must be read as a reference to ■ LR 11.1.7R as modified by ■ LR 21.5.2R(1); and
 - (ii) as if the words "and LR 11.1.8G" are omitted;
 - (c) LR 11.1.11R(1) must be read as if the words "and the transactions or arrangements have not been approved by shareholders" are replaced by "and ■ LR 11.1.11R(2) as modified by ■ LR 21.5.2R(2)(d) has not been complied with in relation to these transactions or arrangements"; and
 - (d) LR 11.1.11R(2) must be read as follows:
 - (i) as if the first sentence is omitted and replaced by the following sentence "If any percentage ratio is 5% or more for the aggregated transactions or arrangements, the *listed* company must comply with ■ LR 11.1.7R as modified by ■ LR 21.5.2R(1) in respect of the latest transaction or arrangement, and details of each of the transactions or arrangements being aggregated must be included in the notification required by ■LR 11.1.7R(1)."; and
 - (ii) as if the "Note" is omitted.

Section 21.5 : Transactions with related parties: Equity shares

- The requirement in LR 8.2.3R to obtain the guidance of a sponsor does not apply where a *listed company* is proposing to enter into a transaction which is, or may be, a related party transaction and the related party concerned is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder, unless the related party transaction is, or may be, a purchase by the *listed company* of its own equity securities or preference shares.
- Where a purchase by a *listed company* of its own equity securities or preference shares is to be made from a related party which is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder, the *listed company* should note ■LR 12.3.2R.



21.6 Requirements for listing: **Certificates representing shares**

Issuer of equity shares is taken to be the issuer

- If an application is made for the admission of certificates representing 21.6.1 shares:
 - (1) the issuer of the equity shares which the certificates represent is the issuer for the purpose of the listing rules; and
 - (2) the application will be dealt with as if it were an application for the admission of the equity shares.

Certificates representing shares

- 21.6.2 R For certificates representing shares to be admitted to listing, an issuer of the equity shares which the certificates represent must comply with ■ LR 21.6.3R to ■ LR 21.6.8R.
- 21.6.3 R An issuer must be:
 - (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
 - (2) operating in conformity with its constitution.

[Note: article 42 of CARD]

- 21.6.4 R For the certificates to be *listed*, the *equity shares* which the certificates represent must:
 - (1) conform with the law of the issuer's place of incorporation;
 - (2) be duly authorised according to the requirements of the issuer's constitution: and
 - (3) have any necessary statutory or other consents.

[Note: article 45 of CARD]

21.6.5 R (1) For the certificates to be *listed*, the *equity shares* which the certificates represent must be freely transferable.

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[Note: article 46 of CARD]

- (2) For the certificates to be *listed*, the *equity shares* which the certificates represent must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).
- The FCA may modify ■LR 21.6.5R to allow partly paid equity shares if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the equity shares to take place on an open and proper basis.

[Note: article 46 of CARD]

- The FCA may, in exceptional circumstances, modify or dispense with

 LR 21.6.5R where the issuer has the power to disapprove the transfer of equity shares if the FCA is satisfied that this power would not disturb the market in those equity shares.
- 21.6.8 (1) For the certificates to be *listed*, the *applicant* must demonstrate that the rights attaching to the *equity shares* which the certificates represent are capable of being exercised by the holders of the certificates as if they were the holders of the relevant *equity shares*.
 - (2) For the certificates to be *listed*, the *applicant* must demonstrate that it has arrangements in place which enable the holders of the certificates to exercise the rights attaching to the *equity shares* which the certificates represent as if they were the holders of the relevant *equity shares*.

Additional requirements for the issuer

- 21.6.9 R For certificates representing shares to be admitted to listing, an issuer must comply with:
 - LR 6 (Additional requirements for premium listing (commercial company)) except LR 6.1.1R and LR 6.14.1R to LR 6.15.1R and subject to the modifications and additional requirements set out in LR 21.6.10G to LR 21.6.13R; and
 - LR 21.6.14R to LR 21.6.21R.
- 21.6.10 G For the purposes of ■LR 21.6.9R(1), in ■LR 6.4.3G factors that may indicate that an *applicant* does not satisfy ■LR 6.4.1R also include situations where an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.
- Provided Pr

21.6.12

be read as references to certificates representing shares in the following:

- (1) LR 6.3.2G(2);
- (2) LR 6.4.2G;
- (3) LR 6.5.2G;
- (4) LR 6.6.2G;
- (5) LR 6.7.1R;
- (6) LR 6.10.1R;
- (7) LR 6.10.2R;
- (8) LR 6.10.3R(1);
- (9) LR 6.11.1R; and
- (10) LR 6.12.1R.

21.6.13

■ LR 21.6.9R(1) does not apply where:

- (1) the applicant meets the following conditions:
 - (a) it has an existing premium listing (sovereign controlled commercial company) of certificates representing shares;

For the purposes of ■ LR 21.6.9R(1), references to shares or equity shares must

- (b) it is applying for the admission of certificates representing shares of the same class as the certificates that have been admitted to premium listing: and
- (c) it is not entering into a transaction classified as a reverse takeover: or
- (2) the following conditions are met:
 - (a) a company has an existing premium listing (sovereign controlled commercial company) of certificates representing shares;
 - (b) the applicant is a new holding company of the company in (a);
 - (c) the company in (a) is not entering into a transaction classified as a reverse takeover.

21.6.14

R

If the prospectus or listing particulars for the certificates representing shares that are being admitted does not include a working capital statement which demonstrates that ■ LR 6.7.1R is satisfied, then:

- (1) an applicant must prepare and publish a working capital statement which demonstrates that ■ LR 6.7.1R is satisfied:
- (2) the working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 11 of the PR Regulation; and

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- (3) the working capital statement required by paragraph (1) must be published at the same time as the *prospectus* or *listing particulars*, as applicable.
- 21.6.15 R A working capital statement published for the purposes of LR 21.6.14R must be published by means of a *RIS*.
- 21.6.16 R An applicant must have a sovereign controlling shareholder.
- 21.6.17 R To comply with LR 21.6.16R, a State which is a sovereign controlling shareholder must be either:
 - (1) recognised by the government of the *UK* as a State at the time the application is made; or
 - (2) the UK.

Certificates in public hands

- 21.6.18 R
- (1) If an application is made for the *admission* of a *class* of *certificates* representing shares, a sufficient number of certificates must, no later than the time of *admission*, be distributed to the public.
- (2) [deleted]
- (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 10% of the certificates for which application for *admission* has been made are in public hands.
- (4) For the purposes of paragraphs (1), (2) and (3), certificates are not held in public hands if they are:
 - (a) held directly or indirectly by:
 - a director of the applicant or of any of its subsidiary undertakings; or
 - a person connected with a director of the applicant or of any of its subsidiary undertakings; or
 - the trustees of any *employees'* share scheme or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or
 - any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the certificates of the relevant *class*; or
 - (b) subject to a lock-up period of more than 180 calendar days.

[Note: article 48 of CARD]

21.6.19	G	[deleted]
21.6.20	G	When calculating the number of certificates for the purposes of LR 21.6.18R(4)(a)(v), holdings of <i>investment managers</i> in the same <i>group</i> where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the group to which the <i>investment manager</i> belongs will be disregarded.
21.6.21	R	Certificates of a third country The FCA will not admit certificates representing shares of an applicant incorporated in a third country where the class of equity shares which the certificates represent is not listed either in its country of incorporation or in the country in which a majority of its equity shares are held, unless the FCA is satisfied that the absence of listing is not due to the need to protect investors. [Note: article 51 of CARD]
21.6.22	R	 Additional requirements for the certificates (1) To be listed, the certificates representing shares must satisfy the requirements set out in ■ LR 2.2.2R and ■ LR 2.2.4R to ■ LR 2.2.11R. (2) For this purpose, in those rules references to securities must be read as references to the certificates representing shares for which application for listing is made.
21.6.23	R	To be <i>listed</i> , the <i>certificates representing shares</i> must be admitted to trading on a <i>regulated market</i> for <i>listed securities</i> .
21.6.24	R	To be <i>listed</i> , the <i>certificates representing shares</i> must not impose obligations on the <i>depositary</i> that issues the certificates except to the extent necessary to protect the certificate holders' rights to, and the transmission of entitlements of, the <i>equity shares</i> .
21.6.25	R	Additional requirements for a depositary A depositary that issues certificates representing shares must maintain adequate arrangements to safeguard certificate holders' rights to the equity

shares to which the certificates relate, and to all rights relating to the equity shares and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the issuer of the certificates.

21.6.26 G

The requirement to maintain adequate arrangements to safeguard all rights relating to the *equity shares* includes enabling the holders of the *certificates representing shares* to exercise the votes attaching to the *equity shares* to which the certificates relate. A *depositary* must not vote or attempt to exercise the votes attaching to the *equity shares* to which the certificates relate except pursuant to and in accordance with instructions from the holders of the *certificates representing shares*.

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Listing applications and 21.7 procedures: Certificates representing shares

- 21.7.1 An applicant for admission of certificates representing shares must comply with ■ LR 3.2 and ■ LR 3.4.4R to ■ LR 3.4.6R subject to the modification and additional requirement set out in ■ LR 21.7.2R.
- 21.7.2 In addition to the documents referred to in ■ LR 3.4.6R, an applicant for admission of certificates representing shares must keep a copy of the executed deposit agreement for six years after the admission of the relevant certificates.

- 21.7.3 An applicant that is seeking admission of certificates representing shares is required to retain a sponsor in accordance with ■LR 8 (Sponsors: Premium listing).
- 21.7.4 An applicant must appoint a sponsor on each occasion that it makes an application for admission of certificates representing shares which requires the production of listing particulars.

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21.8 Continuing obligations: Certificates representing shares

Compliance with LR 9 (Continuing obligations)

- 21.8.1 R | A listed company must comply with LR 9 (Continuing obligations) except:
 - (1) LR 9.2.1R to LR 9.2.2R;
 - (2) LR 9.2.5G to LR 9.2.6DR;
 - (3) LR 9.2.15R to LR 9.2.15AG;
 - (4) LR 9.2.21R to LR 9.2.22FG; and
 - (5) LR 9.2.26G; and

subject to the modifications and additional requirements set out in ■ LR 21.8.2R to ■ LR 21.8.12R.

- Provided Pr
- 21.8.2A R For the purposes of ■LR 21.8.1R, in ■LR 9.2.23R the reference to ■LR 9.2.21R should be read as a reference to ■LR 21.8.22R.
- - (1) listed certificates representing shares; and
 - (2) the equity shares which the listed certificates represent.
- **21.8.3** G For the purposes of ■LR 21.8.1R, in ■LR 9.2.2AAG factors that may indicate that a *listed company* does not satisfy ■LR 9.2.2AR also include situations where a *listed company* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.

- 21.8.4

For the purposes of ■ LR 21.8.1R, references to controlling shareholder must be read as excluding a sovereign controlling shareholder in, or for the purposes of, the following:

- (1) LR 9.2.2ABR and LR 9.2.2ACG;
- (2) LR 9.2.2ADR(1);
- (3) LR 9.2.2BR;
- (4) LR 9.2.2CR;
- (5) LR 9.2.2GR and LR 9.2.2HG;
- (6) LR 9.8.4 R(11); and
- (7) LR 9.8.4R(14).
- 21.8.5 G

For the purposes of obtaining the shareholder approvals required by:

- LR 9.2.2ER;
- LR 9.2.2FR;
- LR 9.4.1R(2);
- LR 9.4.4R(2); and
- LR 9.5.10R(3)(a),

a listed company is required under ■ LR 21.8.13R to ensure that the holders of its certificates representing shares are able to exercise the votes attaching to the equity shares which the certificates represent on any shareholder vote.

- 21.8.6
- G For the purposes of ■ LR 9.3.11R the *listed company* is required under LR 21.8.13R to ensure that, where the offer is made to holders of the class of equity shares which the certificates represent, the holders of its certificates representing shares have an equal opportunity to participate in the offer.
- 21.8.7 R

For the purposes of ■ LR 21.8.1R, ■ LR 9.5 is modified as follows:

- (1) in LR 9.5.1R(4) the equity securities which are the subject of the rights issue must be of the same class as the equity shares which are represented by the listed certificates representing shares;
- (2) LR 9.5.3G does not apply;
- (3) in LR 9.5.10R(1):
 - (a) the reference to a *class* already *listed* must be read as a reference to a class of equity shares which the listed certificates represent;
 - (b) for the purposes of LR 9.5.10R, if the equity shares are not listed, then the middle market price of those equity shares shall be

determined by reference to the middle market price of the *listed* certificates representing shares; and

(4) a *listed company* must comply with the requirements in ■LR 9.5.15R and ■LR 9.5.16R so far as relevant to *certificates representing shares*.

21.8.8 G

For the purposes of ■LR 21.8.1R, in ■LR 9.5 the *listed company* is required under ■LR 21.8.13R to ensure that in relation to:

- (1) any rights issue; or
- (2) any open offer where the offer relates to the class of equity shares which the certificates represent,

the holders of its *certificates representing shares* have an equal opportunity to participate in the *rights issue* or *open offer*.

21.8.9 R

In addition to complying with ■LR 9.6.2R, a *listed company* must also forward to the *FCA* for publication a copy of all resolutions passed by the holders of the *listed certificates representing shares*, by uploading it to the *national storage mechanism*. It must also comply with the notification requirements set out in ■LR 9.6.3R in relation to such resolutions.

21.8.10 R

For the purposes of ■ LR 21.8.1R:

- (1) in ■LR 9.6.4R(3) the reference to *listed shares* must be read as a reference to *equity shares* of the *class* which the certificates represent; and
- (2) in LR 9.8.4CR the reference to LR 9.8.4R must be read as a reference to LR 9.8.4R as modified by LR 21.8.4R.

21.8.11 R

In addition to complying with LR 9.6.18R, a *listed company* must also notify a *RIS* as soon as possible after a meeting of the holders of the *listed certificates representing shares* of all resolutions passed by the holders.

21.8.12 R

In addition to complying with ■ LR 9.7A.2R, a *listed company* must comply with the notification requirements in ■ LR 9.7A.2R in respect of the *equity shares* which the certificates represent.

Additional requirements: exercise of rights attaching to the equity shares which the certificates represent

21.8.13 R

- (1) The rights attaching to the *equity shares* which the certificates represent must at all times be capable of being exercised by the holders of the certificates as if they were the holders of the relevant *equity shares*.
- (2) A *listed company* must at all times have in place arrangements which enable the holders of the certificates to exercise the rights attaching to the *equity shares* which the certificates represent as if they were the holders of the relevant *equity shares*.

(3) Every circular which is sent by a listed company to the holders of the equity shares which the certificates represent must be sent to the holders of its certificates representing shares at the same time as the circular is despatched to the holders of those equity shares.

Additional requirements: compliance with the disclosure requirements, transparency rules and corporate governance rules

- 21.8.14 G A listed company, whose certificates representing shares are admitted to trading on a regulated market, should consider its obligations under the disclosure requirements.
- 21.8.15 A listed company that is not already required to comply with the obligations referred to under article 17 of the Market Abuse Regulation must comply with those obligations as if it were an issuer for the purposes of the disclosure requirements and transparency rules subject to article 22 of the Market Abuse Regulation.
- 21.8.16 G A listed company, whose certificates representing shares are admitted to trading on a regulated market, should consider its obligations under ■ DTR 4 (Periodic Financial Reporting), ■ DTR 5 (Vote Holder and Issuer Notification Rules), ■ DTR 6 (Continuing obligations and access to information) and ■ DTR 7 (Corporate governance).
- 21.8.17 R A listed company that is not already required to comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer of shares for the purposes of the transparency rules.
- 21.8.17A R A listed company that is not already required to comply with ■ DTR 7.3 (Related party transactions) must comply with ■ DTR 7.3 as if it were an issuer to which ■ DTR 7.3 applies, subject to the modifications set out in ■ LR 21.8.17BR.
- 21.8.17B R For the purposes of ■ LR 21.8.17AR, ■ DTR 7.3 is modified as follows:
 - (1) DTR 7.3.2R must be read as if the words "has the meaning in UKadopted IFRS" are replaced by:

"has the meaning:

- (a) in UK-adopted IFRS; or
- (b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to UK-adopted IFRS and which are set out in the TD Equivalence Decision,
 - (i) in *UK-adopted IFRS*, or
 - (ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the listed company."

- (2) DTR 7.3.8R(2) and (3) do not apply;
- (3) DTR 7.3.9R must be read as follows:
 - (a) as if the words "after obtaining board approval" are replaced by "after publishing an announcement in accordance with ■ DTR 7.3.8R(1)"; and
 - (b) the reference to DTR 7.3.8R must be read as a reference to DTR 7.3.8R as modified by LR 21.8.17BR(2); and
- (4) in DTR 7.3.13R the references to DTR 7.3.8R must be read as references to DTR 7.3.8R as modified by LR 21.8.17BR(2).

Additional requirements: certificates in public hands and admission to trading

- 21.8.18 R A listed company must comply with LR 21.6.18R at all times.
- 21.8.19 **G** [deleted]
- 21.8.20 R | A listed company must comply with LR 21.6.23R at all times.
- 21.8.21 R | A listed company must inform the FCA in writing as soon as possible if it has:
 - (1) requested a *RIE* to admit or re-admit any of its *listed certificates* representing shares to trading; or
 - (2) requested a *RIE* to cancel or suspend trading of any of its *listed* certificates representing shares; or
 - (3) been informed by a *RIE* that trading of any of its *listed certificates* representing shares will be cancelled or suspended.

Additional requirements: voting on matters relevant to premium listing

- 21.8.22 R
- (1) Where pursuant to ■LR 21.8, ■LR 21.9 or ■LR 21.10 the provisions of ■LR 9.4, ■LR 9.5, ■LR 10, ■LR 11 or ■LR 12 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the class of equity shares which the certificates that have been admitted to premium listing represent.
- (2) Where pursuant to ■LR 21.8 the provisions of ■LR 9.2.2ER require that the resolution must in addition be approved by the *independent* shareholders, only:
 - (a) independent shareholders who hold equity shares of the class which the certificates that have been admitted to premium listing represent; and
 - (b) holders of certificates admitted to *premium listing* who would be *independent shareholders* within (a) if they held the *equity* shares which the certificates represent;

can vote.

- (3) Where the provisions of LR 5.2 or LR 5.4A require a vote of the holders of the certificates to be taken, that vote must be decided by a resolution of the holders of the *listed company's certificates* representing shares that have been admitted to premium listing.
- (4) Where the provisions of LR 5.2.5R(2A) or LR 5.4A.4R(3)(e)(ii) require that the resolution must in addition be approved by holders of certificates other than the controlling shareholder, only holders of the listed company's certificates representing shares that have been admitted to premium listing can vote.
- G 21.8.23
- (1) In the case of a shareholder vote referred to in LR 21.8.22R(1) the listed company is required under ■ LR 21.8.13R to ensure that the holders of the listed certificates representing shares are able to exercise the votes attaching to the equity shares which the certificates represent on any shareholder vote.
- (2) The purpose of LR 21.8.22R(2) is to ensure that the election or reelection of independent directors must be approved by the independent shareholders as a class. That class includes those persons whose entitlement to vote on the election of the independent directors arises as a result of their holding of certificates representing shares that have been admitted to premium listing. Accordingly, in the case of approval by the independent shareholders referred to in ■ LR 21.8.22R(2) the *listed company* is required under ■ LR 21.8.13R to ensure that the holders of the *listed certificates representing shares* are able to exercise the votes attaching to the equity shares which the certificates represent in relation to any such approval.
- 21.8.24 Where the provisions of ■ LR 5.2.5R(2A) or ■ LR 5.4A.4R(3)(e)(ii) require that the resolution must in addition be approved by holders of certificates other than the controlling shareholder, the controlling shareholder will include a sovereign controlling shareholder.
- G 21.8.25 The FCA may modify the operation of ■ LR 21.8.22R in exceptional circumstances, for example to accommodate the operation of:
 - (1) special share arrangements designed to protect the national interest;
 - (2) dual-listed company voting arrangements; and
 - (3) voting rights attaching to preference shares or similar securities that are in arrears.
- G 21.8.26 Where a *listed company* is unable to comply with a continuing obligation set
 - (1) LR 9.2 as modified by LR 21.8; or

(2)	■ I D 21	.8.13R to	■ I D 21	9 256
(2)		.o. 13N LU		0.230.

it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2G(2) and ■ LR 5.4A.16G.

Additional requirements: working capital statement

21.8.27 R

In relation to an application for admission of certificates representing shares of an applicant that has certificates representing shares already listed:

- (1) an applicant must satisfy the FCA that it and its subsidiary undertakings (if any) have sufficient working capital available for the group's requirements for at least the next 12 months from the date of publication of the prospectus or listing particulars for the certificates representing shares that are being admitted; and
- (2) if the *prospectus* or *listing particulars* for the *certificates representing* shares that are being admitted does not include a working capital statement which demonstrates that the requirement under paragraph (1) is satisfied, then:
 - (a) an *applicant* must prepare and publish a working capital statement which demonstrates that the requirement under paragraph (1) is satisfied;
 - (b) the working capital statement required by paragraph (a) must be prepared in accordance with item 3.1 of Annex 11 of the *PR Regulation*; and
 - (c) the working capital statement required by paragraph (a) must be published at the same time as the *prospectus* or *listing* particulars, as applicable.
- 21.8.28
- A working capital statement published for the purposes of \blacksquare LR 21.8.27R must be published by means of a *RIS*.

Additional requirements: sovereign controlling shareholder

21.8.29 R

R

- A listed company must at all times have a sovereign controlling shareholder.
- 21.8.30 R
- To comply with LR 21.8.29R, a State which is a *sovereign controlling shareholder* must be either:
 - (1) recognised by the government of the UK as a State; or
 - (2) the UK.
- 21.8.31 R
- A *listed company* must notify the *FCA* without delay if it no longer complies with the continuing obligation set out in ■LR 21.8.29R.
- 21.8.32 G
- Where a *listed company* is unable to comply with the continuing obligation set out in ■LR 21.8.29R, it should consider seeking a cancellation of *listing* or

applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2G(2) and ■ LR 5.4A.17G.

Change of depositary

21.8.33

Prior to any change of the depositary of certificates representing shares, the new depositary must satisfy the FCA that it meets the requirements of ■ LR 21.6.22R to ■ LR 21.6.26G.

Notification of change of depositary

21.8.34 R

- (1) An issuer of equity shares represented by listed certificates representing shares must notify a RIS of any change of depositary.
- (2) The notification required by paragraph (1) must be made as soon as possible and in any event by 7:30 a.m. on the business day following the change of depositary, and must contain the following information:
 - (a) the name, registered office and principal administrative establishment if different from the registered office of the depositary;
 - (b) the date of incorporation and length of life of the depositary, except where indefinite;
 - (c) the legislation under which the depositary operates and the legal form which it has adopted under the legislation; and
 - (d) any changes to the information regarding the certificates representing shares.

Sponsors

G 21.8.35

A listed company should consider the requirements in ■ LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■ LR 8.5 (Responsibilities of listed companies), subject to the modification to ■ LR 8.2.3R in ■ LR 21.10.5R.

LR 21/24



21.9 Transactions and circulars: certificates representing shares

Compliance with LR 10 (Significant transactions: Premium listing)

- A *listed company* must comply with LR 10 (Significant transactions: Premium listing) subject to the modifications and additional requirements set out in LR 21.9.2G to LR 21.9.9R.
- Where a company has certificates representing shares listed, the purpose of LR 10 is also to ensure that holders of certificates representing shares:
 - (1) are notified of certain transactions entered into by the *listed* company; and
 - (2) have the opportunity to vote on larger proposed transactions.
- 21.9.3 R For the purposes of LR 21.9.1R, references to the *listed company* or the *issuer* must be read as references to the *issuer* of the *equity shares* which the certificates represent in LR 10.
- Professional Prof
 - (1) where the *class* of *equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
 - (2) where the *class* of *equity shares* which the certificates represent is not listed:
 - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
 - (b) then multiplying the result by the total number of *equity shares* in the *class* of the *equity shares* which the certificates represent (excluding *treasury shares*).
- 21.9.5 G A *listed company* is required under LR 21.8.13R(3) to ensure that any *circular* which is sent to shareholders pursuant to LR 10.5.1R(2) or LR 10.5.4R(1)(b) is

LR 21 : Sovereign Controlled **Commercial Companies: Premium listing**

sent to holders of its certificates representing shares at the same time as the circular is despatched to shareholders.

21.9.6

G

For the purposes of obtaining the prior shareholder approval required by ■ LR 10.5.1R, a listed company is required under ■ LR 21.8.13R to ensure that the holders of its certificates representing shares are able to exercise the votes attaching to the equity shares which the certificates represent on any shareholder vote.

21.9.7

G

R

For the purposes of ■LR 21.9.1R, in ■LR 10.5.5G it may also be necessary to adjourn a convened shareholder meeting if a supplementary circular cannot be sent to holders of listed certificates representing shares at least 7 days prior to the convened shareholder meeting as required by ■ LR 13.1.9R.

21.9.8

For the purposes of ■ LR 21.9.1R, paragraph 5R(5) of Annex 1 to ■ LR 10 (Significant transactions: Premium listing) does not apply and, for the purposes of paragraph 5R(1) of Annex 1, the figure used to determine market capitalisation is calculated as at the close of business on the last business day before the announcement as follows:

- (1) where the class of equity shares which the certificates represent is listed, the aggregate market value of all the equity shares which are listed (excluding treasury shares); and
- (2) where the class of equity shares which the certificates represent is not listed:
 - (a) by dividing the aggregate market value of all the equity shares which are represented by the certificates in issue by the number of equity shares represented by the certificates; and
 - (b) then multiplying the result by the total number of equity shares in the *class* of the *equity shares* which the certificates represent (excluding treasury shares).

21.9.9

For the purposes of ■ LR 21.9.1R, in paragraphs 7R(4)(a) and 7R(5)(a) of Annex 1 to ■ LR 10 the market value of the *listed company's shares* is to be calculated as follows:

- (1) where the class of equity shares which the certificates represent is listed, the aggregate market value of all the equity shares which are listed (excluding treasury shares); and
- (2) where the *class* of *equity shares* which the certificates represent is not listed:
 - (a) by dividing the aggregate market value of all the equity shares which are represented by the certificates in issue by the number of equity shares represented by the certificates; and
 - (b) then multiplying the result by the total number of equity shares in the *class* of the *equity shares* which the certificates represent (excluding treasury shares).

LR 21/26

LR 21 : Sovereign Controlled Commercial Companies: Premium listing

Compliance with LR 12 (Dealing in own securities and treasury shares: Premium listing)

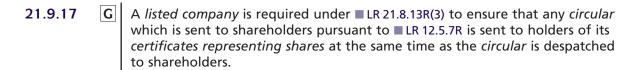
- 21.9.10 R
- A *listed company* must comply with all the requirements of ■LR 12 (Dealing in own securities and treasury shares: Premium listing) subject to the modifications and additional requirements set out in ■LR 21.9.11R to ■LR 21.9.17G.
- 21.9.11 R
- For the purposes of LR 21.9.10R, in LR 12:

references to the *listed company* must be read as references to the *issuer* of the *equity shares* which the certificates represent; and

the reference in the definition of *tender offer* to a *class* of its *listed* equity securities must be read as a reference to a *class* of equity shares which the certificates represent.

- 21.9.12 G
- In relation to the requirement set out in LR 12.3.1R(1), the *listed company* is required under LR 21.8.13R to ensure that, where the *tender offer* is made to holders of the *class* of *equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the *tender offer*.
- 21.9.13 G
- Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*, the *listed company* should note ■LR 12.3.2R.
- 21.9.14 G
- For the purposes of ■LR 21.9.10R, in relation to the requirement set out in ■LR 12.4.2R (for purchases by the *listed company* of 15% or more of any *class* of its *equity shares* to be by way of a *tender offer* to all shareholders of that *class*), the *listed company* is required under ■LR 21.8.13R to ensure that, where the *tender offer* is made to holders of the *class* of *equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the *tender offer*.
- 21.9.15 G
- For the purposes of obtaining the shareholder approval required by LR 12.4.2AR, a *listed company* is required under LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.
- 21.9.16 R
- For the purposes of LR 21.9.10R, references to securities convertible into equity shares with a premium listing must be read as references to securities convertible into the equity shares which the certificates with a premium listing represent in the following:
 - (1) LR 12.5.1R; and
 - (2) LR 12.5.2R.

LR 21 : Sovereign Controlled **Commercial Companies: Premium listing**



Compliance with LR 13 (Contents of circulars: Premium listing)

- 21.9.18 R A *listed company* must comply with all the requirements of ■ LR 13 (Contents of circulars: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.19R to ■ LR 21.9.22R.
- 21.9.19 For the purposes of ■ LR 21.9.18R, in ■ LR 13 references to the *listed company* or to the issuer must be read as references to the issuer of the equity shares which the certificates represent.
- 21.9.20 R A listed company must ensure that circulars it issues to:
 - (1) holders of its listed certificates representing shares; and
 - (2) holders of the class of equity shares which the certificates represent, comply with the requirements of ■ LR 13 as amended by this section.
- 21.9.21 R For the purposes of LR 21.9.18R, references to holders of listed equity shares must be read as references to holders of listed certificates representing share and holders of the class of equity shares which the certificates represent in the following:
 - (1) LR 13.1.9R;
 - (2) LR 13.2.10R; and
 - (3) LR 13.8.8R.
- 21.9.22 For the purposes of ■LR 21.9.18R, in ■LR 13.8.18R references to controlling shareholder must be read as excluding a sovereign controlling shareholder.



21.10 Transactions with related parties: certificates representing shares

Transactions with related parties

- 21.10.1 R
- A *listed company* must comply with LR 11 (Related party transactions: Premium listing) subject to the modifications and additional requirements in LR 21.10.2R to LR 21.10.8G.
- - (1) in ■LR 11 references to a *listed company* must be read as references to the *issuer* of the *equity shares* which the certificates represent; and
 - (2) in ■LR 11.1.4AR the reference to the *company* must be read as a reference to the *issuer* of the *equity shares* which the certificates represent.
- **21.10.3** G For the purposes of ■LR 21.10.1R, a *listed company* that is required under ■LR 11.1.7CR to send a supplementary *circular* should have regard to the *quidance* in ■LR 21.9.5G.
- 21.10.4 R In the case of a related party which is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder:
 - (1) the following provisions do not apply:
 - (a) LR 11.1.1AR to LR 11.1.1ER;
 - (b) LR 11.1.7R(2) to LR 11.1.7R(4);
 - (c) LR 11.1.7CR and LR 11.1.8G;
 - (d) LR 11.1.10R(2)(b); and
 - (e) LR 11.1.11R(3)(a);
 - (2) the following provisions are modified as follows:
 - (a) LR 11.1.7AR must be read as if the words "after obtaining shareholder approval but" are omitted;
 - (b) LR 11.1.9G must be read as follows:
 - (i) the reference to LR 11.1.7R must be read as a reference to LR 11.1.7R as modified by LR 21.10.4R(1); and
 - (ii) as if the words "and ■LR 11.1.8G" are omitted;

- (c) LR 11.1.11R(1) must be read as if the words "and the transactions or arrangements have not been approved by shareholders" are replaced by "and ■ LR 11.1.11R(2) as modified by ■ LR 21.10.4R(2)(d) has not been complied with in relation to these transactions or arrangements"; and
- (d) LR 11.1.11R(2) must be read as follows:
 - (i) as if the first sentence is omitted and replaced by the following sentence "If any percentage ratio is 5% or more for the aggregated transactions or arrangements, the *listed* company must comply with ■ LR 11.1.7R as modified by ■ LR 21.10.4R(1) in respect of the latest transaction or arrangement, and details of each of the transactions or arrangements being aggregated must be included in the notification required by ■LR 11.1.7R(1)."; and
 - (ii) as if the "Note" is omitted.
- 21.10.5 The requirement in ■ LR 8.2.3R to obtain the guidance of a sponsor does not apply where a listed company is proposing to enter into a transaction which is, or may be, a related party transaction and the related party concerned is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder, unless the related party transaction is, or may be, a purchase by the listed company of its own equity securities or preference shares.
- 21.10.6 G Where a purchase by a listed company of its own equity securities or preference shares is to be made from a related party which is a sovereign controlling shareholder or an associate of a sovereign controlling shareholder, the listed company should note ■ LR 12.3.2R.

Additional requirements

- 21.10.7 A listed company is required under ■ LR 21.8.13R(3) to ensure that any circular which is sent to shareholders pursuant to ■ LR 11.1.7R(2) or ■ LR 11.1.8G(2) is sent to holders of its certificates representing shares at the same time as the circular is despatched to shareholders.
- 21.10.8 G For the purposes of obtaining the shareholder approval required by ■ LR 11.1.7R(3) (and any shareholder approval required under ■ LR 11.1.7AR), a listed company is required under ■ LR 21.8.13R to ensure that the holders of its certificates representing shares are able to exercise the votes attaching to the equity shares which the certificates represent on any shareholder vote.

Appendix 1 Relevant definitions

1.1 Relevant definitions

App 1.1.1 Note: The following definitions relevant to the *listing rules* are extracted from the *Glossary*.

diossary.			
Act	The Financial Services and Markets Act 2000.		
admission or admission to listing	admission of securities to the official list .		
admission to trading	admi: curiti	ssion of securities to trading on an RIE's market for listed se- es.	
ad- vertisement		efined in the <i>Prospectus Regulation</i>) a communication with of the following characteristics:	
	(a)	relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and	
	(b)	aiming to specifically promote the potential subscription or acquisition of securities.	
applicant	an issuer which is applying for admission of securities.		
asset backed security	(as defined in the PR Regulation) securities which:		
	(1) represent an interest in assets, including any rights intered ded to assure servicing, or the receipt or timeliness of ceipts by holders of assets of amounts payable there under; or		
	(2)	are secured by assets and the terms of which provide for payments which relate to payments or reasonable projec- tions of payments calculated by reference to identified or identifiable assets.	
associate	(A) in relation to a director, substantial shareholder, or person exercising significant influence, who is an individual:		
	(1) that individual's spouse, civil partner or child (together "the individual's family");		
	(2)	the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme or an employees' share	

	scheme which does not, in either case, have the effect of conferring benefits on persons all or most of whom are related parties;	
(3)	any company in whose equity securities the individual or any member or members (taken together) of the indi- vidual's family or the individual and any such member or members (taken together) are directly or indirectly inter- ested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the ful- filment of the condition or the occurrence of the contin- gency be) able:	
	(a) to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or	
	(b) to appoint or remove <i>directors</i> holding a majority of voting rights at board meetings on all, or substantially all, matters;	
(4)	any partnership whether a limited partnership or <i>limited liability partnership</i> in which the individual or any member or members (taken together) of the individual's family are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they hold or control or would on the fulfilment of the condition or the occurrence of the contingency be able to hold or control:	
	(a) a voting interest greater than 30% in the partnership; or	
	(b) at least 30% of the partnership.	
the li. ary un comp ates v	For the purpose of paragraph (3), if more than one director of the listed company, its parent undertaking or any of its subsidiary undertakings is interested in the equity securities of another company, then the interests of those directors and their associates will be aggregated when determining whether that company is an associate of the director.	
(B)		
	ation to a <i>substantial shareholder</i> or <i>person exercising signitinfluence</i> , which is a <i>company</i> :	
(1)	any other company which is its subsidiary undertaking or parent undertaking or fellow subsidiary undertaking of the parent undertaking;	
(2)	any company whose directors are accustomed to act in accordance with the substantial shareholder's or person exercising significant influence's directions or instructions;	
(3)	any company in the capital of which the substantial share-holder or person exercising significant influence and any other companyunder paragraph (1) or (2) taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) able to exercise power of the type described in paragraph (3)(a) or (b) above of this definition.	

- (C) when used in the context of a *controlling shareholder* who is an individual:
- (1) that individual's spouse, civil partner or child (together "the individual's family");
- (2) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme or an employees' share scheme which does not, in either case, have the effect of conferring benefits on persons all or most of whom are controlling shareholders);
- (3) any company in whose equity securities the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:
 - (a) to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or
 - (b) to appoint or remove *directors* holding a majority of voting rights at board meetings on all, or substantially all, matters;
- (4) any partnership whether a limited partnership or *limited liability partnership* in which the individual or any member or members (taken together) of the individual's family are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they hold or control or would on the fulfilment of the condition or the occurrence of the contingency be able to hold or control:
 - (a) a voting interest greater than 30% in the partnership; or
 - (b) at least 30% of the partnership.

For the purpose of paragraph (3), if more than one controlling shareholder of the listed company, its parent undertaking or any of its subsidiary undertakings is interested in the equity securities of another company, then the interests of those controlling shareholders and their associates will be aggregated when determining whether that company is an associate of the controlling shareholder.

- (D) when used in the context of a *controlling shareholder* which is a company:
- (1) any other company which is its subsidiary undertaking or parent undertaking or fellow subsidiary undertaking of the parent undertaking;
- (2) any *company* whose *directors* are accustomed to act in accordance with the *controlling shareholder*'s directions or instructions;
- (3) any company in the capital of which the controlling share-holder and any other company under paragraph (1) or (2) taken together, is (or would on the fulfilment of a condi-

	tion or the occurrence of a continuous balance and	
	tion or the occurrence of a contingency be) able to exercise power of the type described in paragraph (C)(3)(a) or (b) of this definition.	
(in accordance with section 31 of the <i>Act</i> (Authorised persons)) one of the following:		
(a)	a person who has a Part 4A permission to carry on one or more regulated activities;	
(b)	[deleted]	
(c)	[deleted]	
(d)	[deleted]	
(e)	an ICVC;	
(f)	the Society of Lloyd's.	
	also GEN 2.2.18R for the position of an <i>authorised partner</i> - or unincorporated association which is dissolved.)	
 (a) a firm with a Part 4A permission which includes accepting deposits, and: (i) which is a credit institution; (ii) [deleted] but which is not a building society, a friendly society or a credit union; 		
(b) [deleted]		
a base prospectus referred to in article 8 of the <i>Prospectus Regulation</i> .		
(in accordance with section 417(1) of the <i>Act</i> (Definitions)) any body corporate, including a body corporate constituted under the law of a country or territory outside the <i>United Kingdom</i> .		
(in relation to a <i>property company</i>) the value of a <i>property</i> (which is not classified as a net current asset) before the deduction of mortgages or borrowings as shown in the <i>company's</i> latest annual report and accounts.		
an arrangement falling within the description in LR 10.2.6A R.		
(1) (in relation to anything done or to be done in (including to be submitted to a place in) any part of the <i>United Kingdom</i>), any <i>day</i> which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the <i>United Kingdom</i> ;		
(2)	(in relation to anything done or to be done by reference to a market outside the <i>United Kingdom</i>) any <i>day</i> on which that market is normally open for business.	
	(a) (b) (c) (d) (e) (f) (see a ship of a ship	

CARD	Consc	olidated Admissions and Reporting Directive.	
certificate representing certain se- curities	the <i>investment</i> specified in article 80 of the <i>Regulated Activities Order</i> (Certificates representing certain securities), which is in summary: a certificate or other instrument which confers contractual or property rights (other than rights consisting of <i>options</i>):		
	(a)	in respect of any share, debenture, alternative debenture, government and public security or warrant held by a person other than the person on whom the rights are conferred by the certificate or instrument; and	
	(b)	the transfer of which may be effected without requiring the consent of that <i>person</i> ;	
	rights perso	xcluding any certificate or other instrument which confers in respect of two or more <i>investments</i> issued by different one or in respect of two or more different government and conference issued by the same person.	
certificate representing debt se- curities	or otl	tificate representing certain securities where the certificate her instrument confers rights in respect of debentures, altive debentures, or government and public securities.	
certificate representing equity se- curities	a certificate representing certain securities where the certificate or other instrument confers rights in respect of equity securities.		
certificate representing shares	a certificate representing certain securities where the certificate or other instrument confers rights in respect of equity shares.		
charge	(in relation to <i>securitised derivatives</i>) means any payment identified under the terms and conditions of the <i>securitised derivatives</i> .		
Chinese wall	an arrangement that requires information held by a <i>person</i> in the course of carrying on one part of its business to be withheld from, or not to be used for, <i>persons</i> with or for whom it acts in the course of carrying on another part of its business.		
circular	any document issued to holders of <i>listed securities</i> including notices of meetings but excluding <i>prospectuses</i> , <i>listing particulars</i> , annual reports and accounts, interim reports, proxy cards and dividend or interest vouchers.		
class	securities the rights attaching to which are or will be identical and which form a single issue or issues.		
class 1 ac- quisition	a class 1 transaction that involves an acquisition by the relevant listed company or its subsidiary undertaking.		
class 1 circular	a circular relating to a class 1 transaction or a transaction which must comply with the requirements of a class 1 transaction.		
class 1 disposal	a class 1 transaction that consists of a disposal by the relevant listed company or its subsidiary undertaking.		
class 1 transaction	a trar	nsaction classified as a class 1 transaction under LR 10.	
class 2 transaction	a transaction classified as a class 2 transaction under LR 10.		
class tests	panie used	ests set out in LR 10 Annex 1(and for certain specialist comes, those tests as modified or added to by LR 10.7), which are to determine how a transaction is to be classified for the oses of the <i>listing rules</i> .	

closed- ended	(in relation to investment entities) an <i>investment entity</i> which is not an <i>open-ended investment company</i> .		
closed-en- ded invest- ment fund	an entity:		
	(a)	which is an undertaking with limited liability, including a company, limited partnership, or <i>limited liability partnership</i> ; and	
	(b)	whose primary object is investing and managing its assets (including pooled funds contributed by holders of its <i>listed securities</i>):	
		(i) in property of any description; and	
		(ii) with a view to spreading investment risk.	
COBS	the Conduct of Business sourcebook, from 1 November 2007.		
Combined Code	in relation to an <i>issuer</i> the Combined Code on Corporate Governance published in June 2008 by the Financial Reporting Council.		
company	any body corporate.		
competent authority	(in relation to the functions referred to in Part VI of the <i>Act</i>) the <i>FCA</i>		
connected client	in relation to a <i>sponsor</i> or securities house, any client of the <i>sponsor</i> or securities house who is:		
	(a)	a partner, director, employee or controller (as defined in section 422 of the Act) of the sponsor or securities house or of an undertaking described in paragraph (d);	
	(b)	the spouse , civil partner or child of any individual described in paragraph (a);	
	(c)	a <i>person</i> in his capacity as trustee of a private trust (other than a pension scheme or an <i>employees' share scheme</i>) the beneficiaries of which include any <i>person</i> described in paragraph (a) or (b); or	
	(d)	an undertaking which in relation to the <i>sponsor</i> or securities house is a group undertaking.	
connected person	(in <i>DTR</i> and <i>LR</i> in relation to a <i>person discharging managerial responsibilities</i> within an <i>issuer</i>) has the meaning given to "person closely associated" in article 3(1)(26) of the <i>Market Abuse Regulation</i> .		
Consolid- ated Ad	Directive of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on		

missions and Reporting Directive	information to be published on those securities (No 2001/34/EC).			
constitution		memorandum and articles of association or equivalent constitutional document.		
contingent liability in- vestment	able t	to make her or ne	nder the terms of which the <i>client</i> will or may be lifurther payments (other than <i>charges</i> , and ot secured by <i>margin</i>) when the transaction falls to or upon the earlier <i>closing out</i> of his position.	
contract of significance	amou	a contract which represents in amount or value (or annual amount or value) a sum equal to 1% or more, calculated on a group basis where relevant, of:		
	(1)	which	case of a capital transaction or a transaction of the principal purpose or effect is the granting of the aggregate of the <i>group</i> 's share capital and reor	
	(2)		er cases, the total annual purchases, sales, payor receipts, as the case may be, of the <i>group</i> .	
controlling shareholder	gethe 30% all ma poses	er with a or more atters at of calcu	erson who exercises or controls on their own or to- ny person with whom they are acting in concert, of the votes able to be cast on all or substantially general meetings of the company. For the pur- lating voting rights, the following voting rights egarded:	
	(1)	trols the trusteed taking term be giving in the any succiate w	ting rights which such a <i>person</i> exercises (or conne exercise of) independently in its capacity as: bare expressed in the exercise of independently in its capacity as: bare expressed in the exercise of its linked longusiness if no associate of that person interferes by direct or indirect instructions, or in any other way, exercise of such voting rights (except to the extent ch person confers or collaborates with such an association also acts in its capacity as investment manollective investment undertaking or long-term information.	
	(2)	exercis	ting rights which a <i>person</i> may hold (or control the e of) solely in relation to the direct performance, of business, of:	
		(a)	underwriting the issue or sale of securities; or	
		(b)	placing securities, where the person provides a firm commitment to acquire any securities which it does not place; or	
		(c)	acquiring securities from existing shareholders or the issuer pursuant to an agreement to procure third-party purchases of securities;	
	and v	vhere th	e conditions below are satisfied:	
	(i)		civities set out in (2)(a) to (c) are performed in the ry course of business;	
	(ii)	for a c	curities to which the voting rights attach are held onsecutive period of 5 trading days or less, begin-rith the first trading day on which the securities are	
	(iii)		ting rights are not exercised within the period the <i>ies</i> are held; and	

	(iv)	no attempt is made directly or indirectly by the <i>person</i> to intervene in (or attempt to intervene in) or exert (or attempt to exert) influence on the management of the <i>issuer</i> within the period the <i>securities</i> are held.	
convertible securities	a sec	urity which is:	
	(1)	convertible into, or exchangeable for, other securities; or	
	(2)	accompanied by a warrant or option to subscribe for or purchase other securities.	
deal	a dea	aling transaction;	
dealing	lated inves or as	activities)) buying, selling, subscribing for or underwriting tments or offering or agreeing to do so, either as principal an agent, including, in the case of an investment which is attract of insurance, carrying out the contract.	
debt security	bond	ntures, alternative debentures, debenture stock, loan stock, s, certificates of deposit or any other instrument creating knowledging indebtedness.	
deferred bonus	any arrangement pursuant to the terms of which an <i>employee</i> or <i>director</i> may receive a bonus (including cash or any security) in respect of service and/or performance in a period not exceeding the length of the relevant financial year notwithstanding that the bonus may, subject only to the <i>person</i> remaining a <i>director</i> or <i>employee</i> of the group, be receivable by the <i>person</i> after the end of the period to which the award relates.		
defined be- nefit scheme	in relation to a <i>director</i> , means a pension scheme which is not a <i>money purchase scheme</i> .		
depositary	a person that issues certificates representing certain securities that have been admitted to listing or are the subject of an application for admission to listing.		
DEPP	the Decision Procedure and Penalties manual		
designated professional body	a professional body designated by the Treasury under section 326 of the <i>Act</i> (Designation of professional bodies) for the purposes of Part XX of the <i>Act</i> (Provision of Financial Services by Members of the Professions); the following professional bodies have been designated in the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001 (SI 2001/1226), the Financial Services and Markets Act 2000 (Designated Professional Bodies) (Amendment) Order 2004 (SI 2004/3352) and the Financial Services and Markets Act 2000 (Designated Professional Bodies) (Amendment) Order 2006 (SI 2006/58):		
	(a) The Law Society of England and Wales;		
	(b) Th	ne Law Society of Scotland;	
	(c) The Law Society of Northern Ireland;		
	(d) Th Wale	ne Institute of Chartered Accountants in England and s;	
	(e) Th	ne Institute of Chartered Accountants of Scotland;	
	(f) Th	e Institute of Chartered Accountants in Ireland;	
	(g) Th	ne Association of Chartered Certified Accountants;	
	(h) Th	ne Institute of Actuaries;.	
	(i) The Council for Licensed Conveyancers; and		
	(j) Th	e Royal Institution of Chartered Surveyors.	

director (in accordance with section 417(1)(a) of the Act) a person occupy- ing in relation to it the position of a director (by whatever name called) and, in relation to an issuer which is not a body corpor- aire, a person with corresponding powers and duties. the guidance contained in DTR 1 to 3 articles 17, 18 and 19 of the Market Abuse Regulation. re- quirements document any piece of recorded information, including (in accordance with section 417(1) of the Act (Interpretation)) information re- corded in any form; in relation to information recorded other- wise than in legible form, references to its production include references to producing a copy of the information in legible form. DTR the Disclosure Guidance and Transparency Rules sourcebook con- taining the disclosure guidance, transparency rules, corporate governance rules and the rules relating to primary information providers. the Council Directive of 8 June 2002 on legal aspects of informa- tion society services, in particular electronic commerce, in the In- ternal Market (No 2000/31/EC). (a) a state which at that time is a member State; or (b) any other state which is at that time a party to the EEA agreement. [Note: Current non-member State parties to the EEA agreement are Norway, Iceland and Lichtenstein.] EG the Enforcement Guide an individual: (a) who is employed or appointed by a person in connection with that person's business, whether under a contract of service or for services or otherwise; or (b) whose services, under an arrangement between that per- son and a third party, are placed at the disposal and un- der the control of that person; but excluding an appointed representative or, where applicable, a tied agent of that person. but excluding an appointed representative or, where applicable, a tied agent of that person. but excluding an appointed representative or, where applicable, a tied agent of that person. but excluding an appointed representative or, where applicable, a tied agent of that person. but excluding an				
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capital that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.	equity share	shares comprised in a company's equity share capital.		
ESMA European Securities and Markets Authority.		that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified		
	ESMA	Europ	pean Securities and Markets Authority.	

EU	the European Union, being the Union established by the Treaty on European Union signed at Maastricht on 7 February 1992 (as amended), taking into account <i>United Kingdom's</i> withdrawal from the Union pursuant to Article 50 of the Treaty.		
EU-adopted Interna- tional Ac- counting Standards (or EU ad- opted IFRS)	means the international accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.		
EUWA	the European Union (Withdrawal) Act 2018.		
executive management	the executive committee or most senior executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff.		
exercise notice	(in relation to securitised derivatives), a document that notifies the issuer of a holder's intention to exercise its rights under the securitised derivative.		
exercise price	(in relation to securitised derivatives), the price stipulated by the issuer at which the holder can buy or sell the underlying instrument from or to the issuer.		
exercise time	(in relation to <i>securitised derivatives</i>), the time stipulated by the <i>issuer</i> by which the holder must exercise their rights.		
expiration date	(in relation to securitised derivatives), the date stipulated by the issuer on which the holder's rights in respect of the securitised derivative ends.		
external manage- ment company	(in <i>LR</i> and <i>PRR</i>) has the meaning in PRR 5.3.3R. (i.e., in relation to an <i>issuer</i> that is a <i>company</i> which is not a collective investment undertaking, a <i>person</i> who is appointed by the <i>issuer</i> (whether under a contract of service, a contract for services or any other commercial arrangement) to perform functions that would ordin arily be performed by <i>officers</i> of the <i>issuer</i> and to make recommendations in relation to strategic matters).		
extraction	(in relation to <i>mineral companies</i>), includes mining, quarrying o similar activities and the reworking of mine tailings or waste dumps.		
FCA	the Financial Conduct Authority.		
final terms	the document containing the final terms of each issue which is intended to be <i>listed</i> .		
financial in- formation table	financial information presented in a tabular form that covers the reporting period set out in LR 13.5.13 R in relation to the entities set out in LR 13.5.14 R, and to the extent relevant LR 13.5.17 R.		
founding shareholder	as defined in LR 5.6.18BR.		
public shareholder	as defined in LR 5.6.18BR.		
group	(1) except in LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R (10),LR 14.2.2 R, LR 14.2.3A G, LR 18.2.8 R and LR 18.2.9A G, an issuer and its subsidiary undertakings (if any); and		

	(2)	in LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R (10), LR 14.2.2 R, LR 14.2.3A G, LR 18.2.8 R and LR 18.2.9A G as defined in section 421 of the <i>Act</i> .	
guarantee	(in relation to securitised derivatives), either:		
	(1)	a guarantee given in accordance with LR 19.2.2 R (3)(if any); or	
	(2)	any other guarantee of the issue of securitised de- rivatives.	
guidance	guida	ance given in the FCA Handbook, by the FCA under the Act.	
Handbook	the F	CA Handbook.	
holding company	ing o	efined in section 1159(1) of the Companies Act 2006 (Meanf "subsidiary" etc) (in relation to another <i>body corporate</i>) a <i>body corporate</i> which:	
	(a)	holds a majority of the voting rights in S; or	
	(b)	is a member of S and has the right to appoint or remove a majority of its board of directors; or	
	(c)	is a member of S and controls alone, under an agreement with other shareholders and members, a majority of the voting rights in S.	
Home Mem- ber State or Home State	[deleted]		
Host Mem- ber State or Host State	[deleted]		
independent director	a director whom an applicant or listed company has determined to be independent under the UK Corporate Governance Code.		
independent shareholder	any person entitled to vote on the election of directors of a listed company that is not a controlling shareholder of the listed company.		
information society service	an information society service, as defined by article 2(a) of the E-Commerce Directive and article 1(2) of the Technical Standards and Regulations Directive (98/34/EC), which is in summary any service normally provided for remuneration, at a distance, by means of electronic equipment for the processing (including the digital compression) and storage of data at the individual request of a service recipient.		
inside in- formation	as described in article 7 of the Market Abuse Regulation.		
intermediar- ies offer	a marketing of securities already or not yet in issue, by means of an offer by, or on behalf of, the <i>issuer</i> to intermediaries for them to allocate to their own clients.		
in the money	(in relation to securitised derivatives):		
	(a)	where the holder has the right to buy the underlying in- strument or instruments from the issuer, when the settle- ment price is greater than the exercise price; or	
	(b)	where the holder has the right to sell the underlying in- strument or instruments to the issuer, when the exercise price is greater than the settlement price.	

investment entity	an entity whose primary object is investing and managing its assets with a view to spreading or otherwise managing investment risk.			
investment manager	a <i>person</i> who, on behalf of a <i>client</i> , manages <i>investments</i> and is not a wholly-owned <i>subsidiary</i> of the <i>client</i> .			
investment trust	a company which:			
	is approved by the Commissioners for HM Revenue and Customs under sections 1158 and 1159 of the Corporation Tax Act 2010 (or, in the case of a newly formed company, has declared its intention to conduct its affairs so a to obtain such approval); or			
	(b)	(for the purposes of COBS 4.12B and the definitions of non-mainstream pooled investment and packaged product only) is resident in an EEA State and would qualify for such approval if resident in the United Kingdom.		
issuer	public	company or other legal person or undertaking (including a sector issuer), any class of whose securities has been add to listing or is the subject of an application for admission ing.		
limited liab- ility	(a) a <i>body corporate</i> incorporated under the Limited Liability Partnerships Act 2000;			
partnership	(b) a <i>body corporate</i> incorporated under legislation having the equivalent effect to the Limited Liability Partnerships Act 2000.			
list of sponsors	the list of <i>sponsors</i> maintained by the FCA in accordance with section 88(3)(a) of the Act.			
listed	admitted to the <i>official list</i> maintained by the <i>FCA</i> in accordance with section 74 of the <i>Act</i> .			
listed company	a company that has any class of its securities listed.			
listing par- ticulars	(in accordance with section 79(2) of the <i>Act</i>), a document in such form and containing such information as may be specified in <i>listing rules</i> .			
listing rules	(in acc relation	(in accordance with sections 73A(1) and 73A(2) of the <i>Act</i>) rules relating to admission to the <i>official list</i> .		
London Stock Exchange	London Stock Exchange Plc.			
long-term incentive scheme	any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive <i>director</i> 's remuneration package) which may involve the receipt of any asset (including cash or any <i>security</i>) by a <i>director</i> or <i>employee</i> of the <i>group</i> :			
	(1)	which includes one or more conditions in respect of service and/or performance to be satisfied over more than one financial year; and		
	(2)	pursuant to which the <i>group</i> may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.		
LR	the Li	sting Rules sourcebook.		
major subsi- diary un- dertaking	a subsidiary undertaking that represents 25% or more of the aggregate of the gross assets or profits (after deducting all charges except taxation) of the group.			

Market Ab- use Re- gulation	the <i>UK</i> version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of <i>United Kingdom</i> law by virtue of the <i>EUWA</i> .				
member	(as defined in section 325(2) of the <i>Act</i> (FCA's general duty)) (in relation to a profession) a <i>person</i> who is entitled to practise that profession and, in practising it, is subject to the rules of the relevant <i>designated professional body</i> , whether or not he is a member of that body.				
mineral company	be, th	npany or group, whose principal activity is, or is planned to the extraction of mineral resources (which may or may not de exploration for mineral resources).			
mineral ex- pert's report	graph	npetent person's report prepared in accordance with paran 133 of section III.2 of the technical note on PR disclosure specialist issuers.			
mineral resources	include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal.				
minority ethnic background	from one of the following categories of ethnic background, as set out in the tables in LR 9 Annex 2.1R(b) and LR 14 Annex 1.1R(b), excluding the category "White British or other White (including minority-white groups)":				
	(1)As	ian/Asian British;			
	(2)Bla	ack/African/Caribbean/Black British;			
	(3)Mi	(3)Mixed/Multiple Ethnic Groups; and			
	(4)Other ethnic group, including Arab.				
miscellan- eous se- curities	securities which are not:				
	(a)	shares; or			
	(b)	debt securities; or			
	(c)	asset backed securities; or			
	(d)	certificates representing debt securities; or			
	(e)	convertible securities which convert to debt securities; or			
	(f)	convertible securities which convert to equity securities; or			
	(g)	convertible securities which are exchangeable for securities of another company; or			
	(h)	certificates representing certain securities; or			
	(i)	securitised derivatives.			
modified report	an ac	countant's or auditor's report:			
	(a)	in which the opinion is modified; or			
	(b)	which contains an emphasis-of-matter paragraph.			
money pur- chase scheme	in relation to a <i>director</i> , means a pension scheme under which all of the benefits that may become payable to or in respect of the <i>director</i> are money purchase benefits.				
national	the s	ystem identified by the FCA on its website as the national			

storage mechanism	storage mechanism for regulatory announcements and certain documents published by <i>issuers</i> .		
net annual rent	(in relation to a <i>property</i>) the current income or income estimated by the valuer:		
	(1) ignoring any special receipts or deductions arising from the <i>property</i> ;		
	(2)	excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and	
	(3)	after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the <i>property</i> and allowances to maintain it in a condition to command its rent.	
OECD state guaranteed issuer		suer of debt securities whose obligations in relation to e securities have been guaranteed by a member state of the D.	
offer	an of	fer of transferable securities to the public.	
offer for sale	an invitation to the public by, or on behalf of, a third party to purchase securities of the issuer already in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).		
offer for subscription	an invitation to the public by, or on behalf of, an <i>issuer</i> to subscribe for <i>securities</i> of the <i>issuer</i> not yet in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).		
offer of transferable securities to the public	(as defined in the <i>Prospectus Regulation</i>) a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. This definition also applies to the placing of securities through financial intermediaries.		
offeror	(a)	in LR 5.2.10 R to LR 5.2.11D R, an offeror as defined in the <i>Takeover Code</i> ; and	
	(b)	elsewhere in LR, a person who makes an offer of transferable securities to the public.	
official list	the list maintained by the FCA in accordance with section 74(1) of the Act for the purposes of Part VI of the Act.		
open-ended investment company	as defined in section 236 of the <i>Act</i> (Open-ended investment companies).		
open offer	an invitation to existing <i>securities</i> holders to subscribe or purchase <i>securities</i> in proportion to their holdings, which is not made by means of a renounceable letter (or other negotiable document).		
operational objectives	as de	fined in section 1B(3) of the Act.	
option	the <i>investment</i> , specified in article 83 of the <i>Regulated Activities Order</i> (Options), which is in summary an option to acquire or dispose of: (a) a <i>designated investment</i> (other than a <i>P2P agreement</i> , an option or one to which (d) or (e) applies); or		

	(b) currency of the <i>United Kingdom</i> or of any other country or territory; or (c) palladium, platinum, gold or silver; or (d) a commodity to which article 83(2) and (4) of the <i>Regulated Activities Order</i> applies; or (e) a <i>financial instrument</i> in paragraph 10 of Section C of Annex 1 to <i>MiFID</i> to which article 83(3) and (4) of the <i>Regulated Activities Order</i> applies; or (f) an option to acquire or dispose of an option specified in (a), (b), (c), (d) or (e), but so that for the purposes of calculating capital requirements for <i>BIPRU firms</i> it also includes any of the items listed in the table in BIPRU 7.6.18R (Option PRR: methods for different types of option) and any cash settled option.			
overseas	outside the <i>United Kingdom</i> .			
overseas company	a company incorporated outside the United Kingdom.			
overseas in- vestment exchange	an investment exchange which has neither its head office nor its registered office in the <i>United Kingdom</i> .			
parent un- dertaking	as defined in section 1162 of the Companies Act 2006.			
	prospectus directive.			
percentage ratio	(in relation to a transaction) the figure, expressed as a percentage, that results from applying a calculation under a <i>class test</i> to the transaction.			
person	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a <i>partnership</i>).			
person dis- charging managerial respons- ibilities	as defined in article 3(1)(25) of the Market Abuse Regulation.			
person exer- cising signi- ficant influence	in relation to a <i>listed company</i> , a <i>person</i> or entity which exercises significant influence over that <i>listed company</i> .			
placing	a marketing of securities already in issue but not listed or not yet in issue, to specified persons or clients of the sponsor or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the issuer's securities generally.			
preference share	a <i>share</i> conferring preference as to income or return of capital which does not form part of the <i>equity share capital</i> of a <i>company</i> .			
premium listing	in relation to equity shares (other those of a closed-ended investment fund or of a sovereign controlled commercial company that is required to comply with the requirements in LR 21), means a listing where the issuer is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the listing rules that are expressed to apply to such securities with a premium listing;			

	(b) in relation to equity shares of a closed-ended investment fund, means a listing where the issuer is required to comply with the requirements in LR 15 (Closed-Ended Investment Funds: Premium listing) and other requirements in the listing rules that are expressed to apply to such securities with a premium listing;				
	(c)	[deleted]			
	(d)	in relation to equity shares of a sovereign controlled com- mercial company, means a listing where the issuer is re- quired to comply with the requirements in LR 21 (Sover- eign controlled commercial companies: Premium listing) and other requirements in the listing rules that are ex- pressed to apply to such securities with a premium listing; and			
	(e)	in relation to certificates representing shares of a sover- eign controlled commercial company, means a listing where the issuer is required to comply with the require- ments in LR 21 (Sovereign controlled commercial compan- ies: Premium listing) and other requirements in the listing rules that are expressed to apply to such securities with a premium listing.			
premium listing (com- mercial company)	a premium listing of equity shares (other than those of a closed- ended investment fund or of a sovereign controlled commercial company that is required to comply with the requirements in LR 21).				
premium listing (closed-en- ded invest- ment fund)	a premium listing of equity shares of a closed-ended investment fund.				
premium	a premium listing of:				
listing (sov- ereign con- trolled com-	(a)	equity shares (other than those of a closed-ended invest- ment fund); or			
mercial company)	(b)	certificates representing shares,			
	where the issuer of the equity shares or, in the case of certificates representing shares, the issuer of the equity shares which the certificates represent is a sovereign controlled commercial company and is required to comply with the requirements in LR 21 and other requirements in the listing rules that are expressed to apply to securities in this category.				
primary in- formation provider	a <i>person</i> approved by the FCA under section 89P of the Act.				
probable reserves	(1)	in respect of <i>mineral companies</i> primarily involved in the <i>extraction</i> of oil and gas resources, those reserves which are not yet <i>proven</i> but which, on the available evidence and taking into account technical and economic factors, have a better than 50% chance of being produced; and			
	(2)	in respect of <i>mineral companies</i> other than those primarily involved in the <i>extraction</i> of oil and gas resources, those <i>measured</i> and/or indicated mineral resources, which are not yet <i>proven</i> but of which detailed technical and economic studies have demonstrated that <i>extraction</i> can be justified at the time of the determination and under specified economic conditions.			

profit estimate	(as defined in the <i>PR Regulation</i>) a profit forecast for a financial period which has expired and for which results have not yet been published.		
profit forecast	(as defined in the <i>PR Regulation</i>) a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word "profit" is not used.		
property	freeh	old, heritable or leasehold property.	
property company	a con	npany primarily engaged in property activities including:	
	(1)	the holding of <i>properties</i> (directly or indirectly) for letting and retention as investments;	
	(2)	the development of <i>properties</i> for letting and retention as investments;	
	(3)	the purchase and development of <i>properties</i> for subsequent sale; or	
	(4) the purchase of land for development <i>properties</i> tention as investments.		
property valuation report	a <i>property</i> valuation report prepared by an independent expert in accordance with:		
	(1)	for an <i>issuer</i> incorporated in the <i>United Kingdom</i> , the Channel Islands or the Isle of Man, the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; or	
	(2)	for an <i>issuer</i> incorporated in any other place, either the standards referred to in paragraph (1) of this definition or the International Valuation Standards (7th edition) issued by the International Valuation Standards Committee.	
prospectus	a prospectus required under the Prospectus Regulation.		
Prospectus Regulation	the <i>UK</i> version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .		
Prospectus RTS Re- gulation	the <i>UK</i> version of Commission Delegated Regulation (EU) 2019/979, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .		
Prospectus RTS Re- gulation 2	[deleted]		
prospectus rules		efined in section 73A(4) of the <i>Act</i>) rules expressed to relate ansferable securities.	
proven reserves	in respect of <i>mineral companies</i> primarily involved in the extraction of oil and gas resources, those reserves which, on the available evidence and taking into account technical and economic factors, have a better than 90% chance of being produced; and		

	(2)	in respect of <i>mineral companies</i> other than those primarily involved in the <i>extraction</i> of oil and gas resources, those measured <i>mineral resources</i> of which detailed technical and economic studies have demonstrated that <i>extraction</i> can be justified at the time of the determination, and under specified economic conditions.			
PRR	the Prospectus Regulation Rules sourcebook.				
PR Re- gulation		K version of Regulation number 2019/980 of the European nission, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .			
public inter- national body	the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Caribbean Development Bank, the Council of Europe Development Bank, the European Atomic Energy Community, the European Bank for Reconstruction and Development, the European Company for the Financing of Railroad Stock, the <i>EU</i> , the European Investment Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, the Nordic Investment Bank.				
public sector issuer	states and their regional and local authorities, state monopolies, state finance organisations, public international bodies, statutory bodies and OECD state guaranteed issuers.				
recognised scheme	a scheme recognised for the purpose of part XVII of the Act.				
	(b)	[deleted]			
registration document	a registration document referred to in article 6(3) of the <i>Prospectus Regulation</i> .				
Regulated Activities Order	the Financial Services and Markets Act 2000 (Regulated Activities)				
	Order 2001 (SI 2001/544). a regulated market which is a <i>UK RIE</i> .				
regulated market					
	[Note: article 2(1)(13A) of MiFIR]				
regulatory information service or RIS	a primary information provider				
related party	as defined in LR 11.1.4 R.				
related party circular	a circular relating to a related party transaction.				
related party transaction	as defined in LR 11.1.5 R.				
retail secur- itised de- rivative	a securitised derivative which is not a specialist securitised derivative; in this definition, a "specialist securitised derivative" is a securitised derivative which, in accordance with the listing rules, is required to be admitted to listing with a clear statement on any disclosure document that the issue is intended for a purchase by only investors who are particularly knowledgeable in investment matters.				
reverse takeover	a transaction classified as a reverse takeover under LR 5.6.				

RIE	rocos	unisad invastment eychange		
KIE		Inised investment exchange.		
rights issue	an offer to existing security holders to subscribe or purchase fur- ther securities in proportion to their holdings made by means of the issue of a renounceable letter (or other negotiable docu- ment) which may be traded (as "nil paid" rights) for a period be- fore payment for the securities is due.			
rule	made by th Regu	(in accordance with section 417(1) of the Act (Definitions)) a rule made by the FCA or the PRA under the Act (including as applied by the Payment Services Regulations and the Electronic Money Regulations), including:		
		Principle; and		
	(b) ar	n evidential provision.		
scientific re- search based company				
securities note	a seci gulat	urities note referred to in article 6(3) of the <i>Prospectus Re-ion</i> .		
securitised derivative	listed	ption or contract for differences which, in either case, is under LR 19 (including such an option or contract for differs which is also a debenture).		
security	(in accordance with section 102A of the <i>Act</i>) anything which has been, or may be admitted to the <i>official list</i> .			
settlement price	(in relation to securitised derivatives), the reference price or prices of the underlying instrument or instruments stipulated by the issuer for the purposes of calculating its obligations to the holder.			
shadow director	as in sub-paragraph (b) of the definition of director in section 417(1) of the <i>Act</i> .			
share	(in accordance with section 540(1) of the Companies Act 2006) a share in the share capital of a <i>company</i> , and includes:			
	(a)	stock (except where a distinction between shares and stock is express or implied);		
	(b)	preference shares; and		
	(c)	in chapters 4, 5, 6 and 7 of <i>DTR</i> a convertible share.		
shell company	as defined in LR 5.6.5AR.			
specialist investor	an investor who is particularly knowledgeable in investment matters.			
specialist se- curities	securities which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.			
specialist se- curitised de- rivative	a securitised derivative which because of its nature is normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.			
specified in- vestment	any of the following <i>investments</i> specified in Part III of the <i>Regulated Activities Order</i> (Specified Investments):			
	(a)	deposit (article 74);		
	(aa)	electronic money (article 74A);		
	(b)	contract of insurance (article 75); for the purposes of the permission regime, this is sub-divided into: (i) general insurance contract; (ii) long-term insurance contract;		

	and the	en further sub-divided into classes of contract of oce;	
(c)	share (article 76);		
(d)	debenture (article 77);		
(da)	alternative debenture (article 77A);		
(e)	government and public security (article 78);		
(f)	warran	t (article 79);	
(g)	certific	ate representing certain securities (article 80);	
(h)	unit (a	rticle 81);	
(i)	stakeh	older pension scheme (article 82);	
(ia)	person	al pension scheme (article 82(2));	
(iab)	icle 82(n scheme which provides safeguarded benefits (art-(3)) (but only in relation to advising on conversion sfer of pension benefits));	
(j)	gime, t (i) opti on a co	(article 83); for the purposes of the <i>permission</i> re- this is sub-divided into: fon (excluding a <i>commodity option</i> and an <i>option</i> formmodity future); formmodity option and an <i>option</i> on a <i>commodity</i>	
(k)	gime, t (i) futu spot fo (ii) con	(article 84); for the purposes of the permission rehis is sub-divided into: ure (excluding a commodity future and a rolling rex contract); umodity future; ling spot forex contract;	
(1)	the per (i) con- rolling (ii) spre	tt for differences (article 85); for the purposes of rmission regime, this is sub-divided into: tract for differences (excluding a spread bet and a spot forex contract); ead bet; ling spot forex contract;	
(m)	underv 86(1));	vriting capacity of a Lloyd's syndicate (article	
(n)	membe	ership of a Lloyd's syndicate (article 86(2));	
(o)	funera	l plan contract (article 87);	
(oa)	regulat	ted mortgage contract (article 61(3);	
(ob)	home i	reversion plan (article 63B(3));	
(oc)	home p	ourchase plan (article 63F(3));	
(od)	regulat	ted sale and rent back agreement (article 63J(3));	
(oe)	emissic	ns auction product (article 82A);	
(of)	credit agreement (article 88D) for the purposes of the permission regime with respect to the regulated activities of entering into a regulated credit agreement as lender and exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement, this is sub-divided into:		
	(i)	a credit agreement (excluding high-cost short- term credit, a home credit loan agreement and a bill of sale loan agreement);	

		(iii)	a home credit loan agreement;	
		(iv)	bill of sale loan agreement,	
		<i>ment</i> i within	is has effect as if the reference to a <i>credit agree</i> -includes a reference to an article 36H agreement the meaning of article 36H (4) of the <i>Regulated Actorder</i> ;	
	(og)	consumer hire agreement (article 88E);		
	(p)	rights	to or interests in investments (article 89).	
specified weighted voting rights shares	has tl	ne mean	ing given to it in LR 9.2.22CR.	
sponsor	(1)		in LR 5.6.18AG, a <i>person</i> approved, under section the <i>Act</i> by the <i>FCA</i> , as a sponsor.	
	(2)	in LR 5.	.6.18AG, as defined in LR 5.6.18BR.	
sponsor de- claration	a declaration submitted by a <i>sponsor</i> to the <i>FCA</i> as required under LR 8.4.3 R (Application for listing), LR 8.4.9 R (Further application for listing), LR 8.4.13 R (Production of circular) or LR 8.4.14 R (Transfer between listing category).			
sponsor service	a service relating to a matter referred to in LR 8.2 that a <i>sponsor</i> provides or is requested or appointed to provide including preparatory work that a <i>sponsor</i> may undertake before a decision is taken as to whether or not it will act as <i>sponsor</i> for a <i>listed company</i> or <i>applicant</i> or in relation to a particular transaction, and including all the <i>sponsor</i> 's communications with the <i>FCA</i> in connection with the service. But nothing in this definition is to be taken as requiring a <i>sponsor</i> when requested to agree to act as a <i>sponsor</i> for a <i>company</i> or in relation to a transaction.			
standard listing	in relation to securities, means a listing that is not a premium listing.			
standard list- ing (open- ended in- vestment company)	a standard listing of equity shares of an open-ended investment company.			
standard list- ing (shares)	a standard listing of shares other than preference shares that are specialist securities.			
state fin- ance or- ganisation	a lega	al persor	n other than a <i>company</i> :	
	(1)	which	is a national of a state;	
	(2)		is set up by or pursuant to a special law;	
	(3)	solely	activities are governed by that law and consist of raising funds under state control through the of debt securities;	
	(4)		is financed by means of the resources they have and resources provided by the state; and	
	(5)		bt securities issued by it are considered by the law relevant state as securities issued or guaranteed by rate.	
state monopoly		vhich:	r other legal person which is a national of a state	
	(1)		ying on its business benefits from a monopoly righted by a state; and	

	(2) is set up by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by a state or one of a state's federated states.			
subsidiary undertaking	as defined in section 1162 of the Companies Act 2006.			
substantial shareholder	as defined in LR 11.1.4A R.			
summary	(in relation to a <i>prospectus</i>) the summary included in the <i>prospectus</i> .			
SUP	the Supervision manual.			
supplement- ary listing particulars	(in accordance with section 81(1) of the <i>Act</i>), supplementary listing particulars containing details of the change or new matter.			
supplement- ary prospectus	a supplementary prospectus containing details of a new factor, mistake or inaccuracy.			
Takeover Code	the City Code on Takeovers and Mergers issued by the <i>Takeover Panel</i> .			
target	the subject of a class 1 transaction or reverse takeover.			
TCFD Annex	the document entitled "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" pub- lished in October 2021 by the Task Force on Climate-related Fin- ancial Disclosures, available at: https://www.fsb-tcfd.org.			
TCFD Guid- ance on Metrics, Targets and Transition Plans	the document entitled "Guidance on Metrics, Targets, and Transition Plans" published in October 2021 by the Task Force on Climate related Financial Disclosures, available at: https://www.fsb-tcfd.org.			
TCFD Final Report	the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org.			
TCFD Guid- ance on Risk Manage- ment In- tegration and Disclosure	the document entitled "Guidance on Risk Management Integtion and Disclosure" published in October 2020 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org			
TCFD Guid- ance on Scenario Analysis for Non-Finan- cial Companies	the document entitled "Guidance on Scenario Analysis for Non-Financial Companies" published in October 2020 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org.			
TCFD Re- commenda- tions and Re- commended Disclosures	the four recommendations and the eleven recommended disclosures set out in Figure 4 of Section C of the <i>TCFD Final Report</i> .			
TCFD Tech- nical Sup	the technical supplement entitled "The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities" pub-			

plementon the Use of	lished in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org			
Scenario Analysis				
TD Equival- ence Decision	Decer ies of Interr solida	the <i>UK</i> version of Commission Decision (EC) No 2008/961 of 12 December 2008 on the use by third countries' issuers of securities of certain third country's national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements, which is part of <i>UK</i> law by virtue of the <i>EUWA</i> .		
technical note on PR disclosure and special- ist issuers	the Guidelines on disclosure requirements under the <i>Prospectus Regulation</i> and Guidance on specialist issuers published by the <i>FCA</i> (Primary Market TN 619.1) as part of the <i>FCA</i> 's technical guidance on <i>LR</i> , <i>PRR</i> , and <i>DTR</i> . [Note: the technical guidance can be accessed in the <i>FCA</i> 's Knowledge Base at https://www.fca.org.uk/markets/primary-markets/knowledge-base.]			
tender offer	listed	fer by a company to purchase all or some of a class of its equity securities at a maximum or fixed price (that may be lished by means of a formula) that is:		
	(1)	communicated to all holders of that <i>class</i> by means of a <i>circular</i> or advertisement in two national newspapers;		
	(2)	open to all holders of that <i>class</i> on the same terms for at least 7 days; and		
	(3)	open for acceptance by all holders of that <i>class</i> pro rata to their existing holdings.		
third country	a territory or country which is not the <i>United Kingdom</i> .			
trading day	any day of normal trading in a <i>share</i> on a <i>regulated market</i> or <i>MTF</i> in the <i>United Kingdom</i> for this <i>share</i> .			
transferable security	(as defined in section 102A of the <i>Act</i>) anything which is a transferable security for the purposes of <i>MiFIR</i> , other than moneymarket instruments for the purposes of <i>MiFIR</i> which have a maturity of less than 12 months.			
transparency rules	in accordance with sections 73A(1) and 89A of the Act, rules relating to the notification and dissemination of information in respect of issuers of transferable securities and relating to major shareholdings.			
treasury shares	shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.			
trust deed	a trust deed or equivalent document securing or constituting debt securities.			
UK	United Kingdom.			
UK-adopted interna- tional ac- counting standards	(in accordance with section 474(1) of the Companies Act 2006) international accounting standards which are adopted for use within the <i>United Kingdom</i> by virtue of Chapter 2 or 3 of Part 2 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.			
UK-adopted IFRS	UK-ad	dopted international accounting standards.		
UK Corpor- ate Govern- ance Code	the UK Corporate Governance Code published in July 2018 by the Financial Reporting Council, available at: https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.			

underlying instrument	(in relation to securitised derivatives) means either:		
	(1)	if the securitised derivative is an option or debt security with the characteristics of an option, any of the underlying investments listed in article 83 of the Regulated Activities Order; or	
	(2)	if the securitised derivative is a contract for differences or debt security with the characteristics of a contract for differences, any factor by reference to which a profit or loss under article 85 of the Regulated Activities Order can be calculated.	
universal re- gistration document		versal registration document referred to in article 9 of the ectus Regulation.	
unreco- gnised scheme	schen	lective investment scheme which is neither a recognised ne nor a scheme that is constituted as an authorised unit scheme or an authorised contractual scheme.	
vendor con- sideration placing	a marketing, by or on behalf of vendors, of <i>securities</i> that have been allotted as consideration for an acquisition.		
venture cap- ital trust	a <i>company</i> which is, or which is seeking to become, approved as a venture capital trust under section 842AA of the Income and Corporation Taxes Act 1988.		
warrant	the <i>investment</i> , specified in article 79 of the <i>Regulated Activities Order</i> (Instruments giving entitlements to investments), which is in summary: a warrant or other instrument entitling the holder to subscribe for a <i>share</i> , <i>debenture</i> , <i>alternative debenture</i> or <i>government and public security</i> .		
weighted voting rights shares	shares that carry more than one vote on one or more matters to be decided at a general meeting.		
sovereign controlled commercial company	an <i>issuer</i> in which a <i>State</i> exercises or controls 30% or more of the votes able to be cast on all or substantially all matters at general meetings of that <i>company</i> .		
sovereign controlling shareholder	(in relation to a company with or applying for a listing of equity shares or certificates representing shares in the category of premium listing (sovereign controlled commercial company)) a State which exercises or controls 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the company.		
State	mear	ns:	
	(a)	the sovereign or other head of a State in their public capacity;	
	(b)	the government of a State;	
	(c)	a department of a State; or	
	(d)	an agency or a special purpose vehicle of a State, including an agency or special purpose vehicle of (a), (b) or (c).	

Appendix 2

Appendix 3

LR TR 1
Transitional Provisions: General and Venture Capital Trusts
General Transitional Provisions

	(2)		(1)	(5)	(6)
(1)	Material to which the transitional provision applies	(3)	(4) Transitional provision	Transitional pro- vision: dates in force	Handbook provi- sion: coming into force
1	Amendments to LR set out in Annex B of the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006, relating to:	R	deleted		
	(i) DTR 4 and peri- odic financial re- porting; and				
	(ii) DTR 6 in so far as they may relate to, or are re- quired to give ef- fect to, amend- ments in (i).				
1A	LR provisions referring to Companies Acts 1985, 2006 or related provisions.	R	deleted		
1B	LR 12.4.7 R (2)	R	A company may obtain the approval required by LR 12.4.7 R (2) by extraordinary resolution (rather than a special resolution) if there is a reference to an extraordinary resolution in the company's memorandum and articles which requires or permits it and which continues to have effect by virtue of article 9 and paragraph	From 6 February 2008 until fur- ther notice	1 July 2005

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional pro- vision: dates in force	(6) Handbook provision: coming into force
			23 of Schedule 3 of The Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.		

Transitional Provisions for venture capital trusts

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional pro- vision: dates in force	(6) Handbook provision: coming into force
2	LR 15.2.11 R - LR 15.2.13A R and LR 15.4.7 R	R	expired		
3	LR 15.6.8 R	R	expired		

LR TR 2
Transitional Provision for closed-ended investment funds listed before 28 September 2007

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision com- ing into force
1	LR 15.4.1A R and LR 15.4.1B G	R	deleted		

LR TR 3
Transitional Provisions for Investment Entities already listed under LR 14

unaci Lit					
(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision com- ing into force
1.	LR 5.2.7A R,LR 14, LR 15 and LR 16	R	These transitional provisions apply to an entity that is an overseas company and an investment entity and that immediately before 6 March 2008 did not comply with the requirements of LR 15 or LR 16 (as in force at the time) but complied with the requirements of LR 14.	6 April 2010 Indefinite	6 April 2010
			Note: LR 16A replaced LR 16 for the listing of open-ended investment companies on 4 January 2022.		
2.	LR 5.2.7A R,LR 14, LR 15 and LR 16A	R	LR 14 continues to apply to the entity for so long as it is listed after that date (and LR 15 and LR 16A do not apply) unless the entity makes an election under rule 3 of these transitional provisions.	4 January 2022 Indefinite	4 January 2022

	(2) Material to which the transitional provisions		(4) Transitional	(5) Transitional provision:	(6) Handbook provision com-
3.	Applies LR 5.2.7A R,LR 14, LR 15 and LR 16A	(3) R	The entity may by notice in writing given to the FCA elect to comply with the requirements of LR 15 or LR 16A (whichever is applicable to the entity) instead of the requirements in LR 14 from a date specified in the notice. An entity should not give notice under this transitional rule unless it has come to a reasonable opinion, after having made due and careful enquiry, that it can satisfy the requirements of and LR 16A (as the case may be).	dates in force 4 January 2022 Indefinite	ing into force 4 January 2022
4.	LR 5.2.7A R,LR 14, LR 15 and LR 16A	R	If an entity gives a notice under TR3 3R of these transitional provisions it must comply with the requirements of LR 15 or LR 16A (as the case may be) from the date specified in the notice and the requirements of LR 14 no longer apply to the entity	4 January 2022 Indefinite	4 January 2022

(1)	applies	(3)	provision from that date.	dates in force	ing into force
	(2) Material to which the transitional provisions		(4) Transitional	(5) Transitional provision:	provision com-

Note: An entity which intends to give notice under LR TR 3 3R should consult with the FCA at the earliest possible stage if it intends to comply with the requirements of LR 15 or LR 16A (whichever is applicable to the entity) instead of the requirements in LR 14.

LR TR 4
Transitional Provision for Issuers with a Premium Listing that are Overseas Companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	provision:
1.	LR 9.8.7 R	R	deleted		

LR TR 5
Transitional Provision for companies incorporated in the United Kingdom

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.12R (1), (2) and (3)	R	deleted		

LR TR 6
Transitional Provision for overseas companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.11 R	R	[deleted]		
2.	LR 9.8.7A R	R	[deleted]		
3.	LR 14.3.24 R	R	[deleted]		

LR TR 7
Transitional Provision for issuers with shares that do not confer full voting rights

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	provision:
1.	LR 10, LR 11, LR 12	R	expired		

LR TR 8 Transitional Provisions for the Combined Code

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision com- ing into force
1.	LR 9.8.6R (5) and (6) LR 15.6.6R (2)	R	expired		

LR TR 8/2

LR TR 9
Transitional Provision for a company that has a premium listing of equity shares but does not comply with LR 9.2.20R

(1)	(2) Material to which the transitional provisions applies	(3)	(6) Handbook (5) Transitional provision: (4) Transitional provision: coming into provision dates in force force
1.	LR 9.2.20 R	R	expired

LR TR 10 Transitional Provision in relation to new sponsor services

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 5.6.6 R	R	expired		
2.	LR 5.6.13 R, LR 5.6.17 R, LR 5.6.26 R	R	expired		
3.	LR 13.5.27B R	R	expired		

LR TR 11

Transitional Provisions in relation to Annual Financial Report [deleted] ovisions in relation to Annual Financial Report [deleted]

LR TR 12
Transitional Provisions in relation to continuing obligations regarding premium listing

ar ann 6 br cim		11361118		
(2) Material to which the trans-itional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
LR 9.2.2AR (2)(a)	R	LR 9.2.2AR (2)(a) does not apply.	From 16 May 2014 up to and includ- ing 16 November 2014	16 May 2014
LR 9.2.2AR (2)(b)	R	LR 9.2.2AR (2)(b) does not apply.	From 16 May 2014 up to and including the date of the next annual general meeting of the listed company, other than an annual general meeting for which notice:	16 May 2014
			(i) has already been given; or (ii) is given within a period of 3 months from the event that resulted in a person becoming a controlling shareholder of a listed company.	
LR 9.2.2E R	R	LR 9.2.2E R does not apply.	From 16 May 2014 up to and including the date of the next annual general meeting of the <i>listed company</i> other than an annual general meeting for which notice:	16 May 2014
			been given; or (ii) is given within a period of 3 months from the	
	(2) Material to which the transitional provision applies LR 9.2.2AR (2)(a) LR 9.2.2AR (2)(b)	(2) Material to which the transitional provision applies (3) LR 9.2.2AR (2)(a) R LR 9.2.2AR (2)(b) R	which the transitional provision applies (3) (4) Transitional provision LR 9.2.2AR (2)(a) R LR 9.2.2AR (2)(a) does not apply. LR 9.2.2AR (2)(b) R LR 9.2.2AR (2)(b) does not apply. LR 9.2.2ER R LR 9.2.2ER does not	(2) Material to which the transitional provision applies (3) (4) Transitional provision: dates in force LR 9.2.2AR (2)(a) R LR 9.2.2AR (2)(a) does not apply. R LR 9.2.2AR (2)(b) R LR 9.2.2AR (2)(b) does not apply. R LR 9.2.2AR (2)

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	vision: dates in	(6) Handbook provision: coming into force
				sulted in a person becoming a controlling shareholder of a listed company.	
4.	LR 9.2.21 R	R	Where a listed company is admitted to the premium listing category of the official list on or before 15 May 2014, LR 9.2.21 R does not apply.	From 16 May 2014 up to and includ- ing 16 May 2016	16 May 2014
5.	LR 9.8.4C R	R	LR 9.8.4C R does not apply to a <i>listed company</i> with a financial year ending on or before 31 August 2014.	From 16 May 2014	16 May 2014
6.	LR 13.8.17 R	R	LR 13.8.17 R does not apply.	From 16 May 2014 up to and includ- ing 16 August 2014	16 May 2014

LR TR 13
Transitional Provisions for the UK Corporate Governance Code

(1)	(2) Material to which the trans- itional provision applies	(3)	(4) Transitional provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion com- ing into force
1.	LR 9.8.6R(3)	R	[expired]		
2.	LR 9.8.6R(5), LR 9.8.6R(6) and LR 15.6.6R(2)	R	[expired]		
3.	LR 9.8.10R	R	[expired]		
4.	LR 9.8.6R(3), LR 9.8.6R(5), LR 9.8.6R(6) and LR 15.6.6R(2)	R	[expired]		
5.	LR 9.8.10R	R	[expired]		
6.	LR 9.8.6R(3)	R	In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> incorporated in the <i>United Kingdom</i> for an accounting period beginning before 1 January 2019:	From 13 December 2019 to 30 June 2020	13 De- cember 2019
			(1) LR 9.8.6R(3) does not apply; and		
			(2) the annual financial report must include statements by the <i>directors</i> on:		
			(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in provision C.1.3 of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016); and		
			(b) their assessment of the prospects of the <i>company</i> (containing the information set out in provision C.2.2 of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016);		
			prepared in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Re-		

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion com- ing into force
				porting Council in September 2014.		
7		LR 9.8.6R(5)	R	In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> for an accounting period beginning before 1 January 2019:	From 13 December 2019 to 30 June 2020	13 De- cember 2019
				(1) LR 9.8.6R(5) does not apply; and		
				(2)the annual financial report must include a statement of how the <i>listed company</i> has applied the Main Principles set out in the UK Corporate Governance Code published by the Financial Reporting Council in April 2016, in a manner that would enable shareholders to evaluate how the principles have been applied.		
8		LR 9.8.6R (6)	R	In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> for an accounting period beginning before 1 January 2019:	From 13 December 2019 to 30 June 2020	13 De- cember 2019
				(1)LR 9.8.6R(6) does not apply; and		
				(2)the annual financial report must include a statement as to whether the <i>listed company</i> has:		
				(a) complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code published by the Financial Reporting Council in April 2016; or		
				(b) not complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code published by the Financial Reporting Council in April 2016 and if so, setting out:		
				(i) those provisions, if any, it has not complied with;		
				(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and		
				(iii) the <i>company's</i> reasons for non-compliance.		

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion com- ing into force
9.	LR 9.8.10R	R	In the case of an annual financial report of a <i>listed company</i> or a <i>closed-ended investment fund</i> for an accounting period beginning before 1 January 2019:	From 13 December 2019 to 30 June 2020	13 De- cember 2019
			(1)LR 9.8.10R does not apply; and		
			(2)the <i>listed company</i> must ensure that the auditors review each of the following before the annual report is published:		
			(a) LR 9.8.6R(3) (statements by the <i>directors</i> regarding going concern and longer-term viability); and		
			(b) the parts of the statement required by LR 9.8.6R(6) (corporate governance) that relate to the following provisions of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016:		
			(i) C.1.1;		
			(ii) C.2.1 and C.2.3; and		
			(iii) C.3.1 to C.3.8.		
10.	LR 15.6.6R(2)	R	In the case of an annual financial report of a <i>closed-ended invest-ment fund</i> for an accounting period beginning before 1 January 2019:	From 13 December 2019 to 30 June 2020	13 De- cember 2019
			(1)LR 15.6.6R(2) does not apply; and		
			(2)a closed-ended investment fund's statement required by LR 9.8.6R(6) need not include details about the following principles and provisions of the UK Corporate Governance Code published by the Financial Reporting Council in April 2016 except to the extent that those principles or provisions relate specifically to non-executive directors:		
			(a) Principle D.1 (including Code Provisions D.1.1 to D.1.5): and		
			(b) Principle D.2 (including Code Provisions D.2.1 to D.2.4).		
			110VISIO113 D.Z.1 (U D.Z.4).		

LR TR 14
Transitional Provisions in relation to DTR 7.3 (Related party transactions)

uansacuo	,				
	(2)				
(1)	Material to which the Transitional Provision applies	(3)	(4) Transitional Provision	(5) Transitional Provision: dates in force	(6) Handbook Pro- vision: coming into force
1.	LR 9.2.6CR LR 9.2.6DR LR 15.4.1R LR 21.4.1R	R	A commercial company, closed-ended investment fund or sovereign controlled company with equity shares that have a premium listing on 10 June 2019 is only required to comply with LR 9.2.6CR and LR 9.2.6DR from the start of the financial year beginning on or after 10 June 2019.	From 10 June 2019 to 31 De- cember 2020	10 June 2019
2.	LR 14.3.25R LR 14.3.26R	R	A company that has a standard listing of equity shares (other than an openended investment company) on 10 June 2019 is only required to comply with LR 14.3.25R and LR 14.3.26R from the start of the financial year beginning on or	From 10 June 2019 to 31 De- cember 2020	10 June 2019

	(1)	(2) Material to which the Transitional Provision applies		(3)	(4) Transitional Provision	(5) Transitional Provision: dates in force	(6) Handbook Pro- vision: coming into force
					after 10 June 2019.		
3.		LR 21.8.17AR LR 21.8.17BR	R		A sovereign controlled commercial company with certificates representing shares that have a premium listing on 10 June 2019 is only required to comply with LR 21.8.17AR and LR 21.8.17BR from the start of the financial year beginning on or after 10 June 2019.	From 10 June 2019 to 31 De- cember 2020	10 June 2019

LR TR 14A
Transitional Provisions in relation to climate-related financial disclosures under LR 9.8.6R(8)

	(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.		LR 9.8.6R(8))	R	LR 9.8.6R(8) applies in relation to a financial year of a listed company beginning on or after 1 January 2021.	From 21 December 2020	21 December 2020

LR TR 15
Transitional Provisions for a prospectus approved before IP completion day

completion	ı day				
	(2)				
(1)	Material to which the Transitional Provision applies	(3)	(4) Transitional Provision	(5) Transitional Provision: dates in force	(6) Handbook Pro- vision: coming into force
1.	LR 2.2.10R, LR 3.3.2R, LR 3.3.6R, LR 3.4.4R, LR 6.2.1R, LR 6.2.2G, LR 6.7.1R, LR 6.12.2G, LR 8.2.1R, LR 8.4.1R, LR 8.4.3R(3), LR 8.4.9R(3), LR 9.2.18R, LR 13.1.3R, LR 13.6.1R LR 21.6.14R and LR 21.8.27R.	R	For the purposes of these rules references to a prospectus include: (1) a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019; and (2) a prospectus approved by the FCA before IP completion day.	For LR 3.3.6R, a period of six years following <i>IP completion day</i> . For LR 13.1.3R, LR 13.4.1R and LR 13.6.1R, an indefinite period of time. For all other provisions, 12 months following <i>IP completion day</i> .	IP completion day
2.	LR 3.4.7R	R	For the purposes of this rule, references to a base prospectus include: (1) a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019; and (2) a base prospectus ap-	For 12 months following <i>IP</i> completion day	IP completion day

		(2)				
		Material to which the		(1)	(5)	(6)
		Transitional Provision		(4) Transitional	Transitional Provision:	Handbook Pro- vision: coming
	(1)	applies	(3)	Provision	dates in force	into force
				proved by the FCA before <i>IP</i> completion day.		
3.		LR 8.4.3R(1)	R	For a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, a sponsor must submit a completed Sponsor's Declaration on an Application for Listing to the FCA at a time to be agreed with the FCA.	For 12 months following <i>IP</i> completion day	IP completion day
4.		LR 8.4.3R(4)	R	For a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, the letter referred to in LR 8.4.3R(4) must be submitted to the FCA at a time to be agreed with the FCA.	For 12 months following <i>IP</i> completion day	IP completion day
5.		LR 8.4.9R(1)	R	For a prospectus referred to under regulation 74 of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, a sponsor must submit a completed Spon	For 12 months following IP completion day	IP completion day

(1)	(2) Material to which the Transitional Provision applies	(3)	(4) Transitional Provision	(5) Transitional Provision: dates in force	(6) Handbook Pro- vision: coming into force
			sor's Declaration on an Application for Listing to the FCA at a time to be agreed with the FCA.		

LR TR 16 Transitional Provisions in relation to market capitalisation under LR 2.2.7 R(1) Transitional provisions for applications for admission to listing

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional p	provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion coming into force
1.	LR 2.2.7 R(1)	R	These transitional pro to an applicant for th of shares: (a)		3 December 2021 Indefinite	3 December 2021
			(b)	whose sub- mission for an eligibility review for listing has not been withdrawn or lapsed;		
			(c)	that makes an applica- tion for <i>list-</i> <i>ing</i> in ac- cordance with LR 3 on or before 2 June 2023; and		

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion coming into force
			(d) whose overall business proposition has not materially changed between its submission in (a) and when it applies for listing in (c).		
			[Note: guidance on submissions for an eligibility review for listing can be accessed on the FCA's Knowledge Base at https://www.fca.org.uk/markets/ primarymarkets/knowledge-base.]		
2.	LR 2.2.7 R(1)	R	The expected aggregate market value of all shares (excluding treasury shares) to be listed must be at least £700,000.	3 December 2021 Indefinite	3 December 2021

Transitional provisions for shell companies

	(1)	(2) Material to which the transitional provision applies		(3)	(4) Transition	nal provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion coming into force
1.		LR 2.2.7 R(1)	R		These transitions ions apply to company:		3 December 2021 Indefinite	3 December 2021
					(a)	that had a listing of shares or certificates representing equity securities immediately before 3 December 2021; and	3 December 2021 Indefinite	3 December 2021

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitio	onal provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion coming into force
			(b)	that makes complete submissions to the FCA for an eligibility review for listing and a prospectus review in relation to its proposed application for listing in accordance with LR 5.6.21R by 4:00pm on 1 December 2023; and		
			(c)	whose sub- missions for an eligibility review for listing and a prospectus review have not been withdrawn or lapsed.		
			sions for an view for <i>list</i> spectus revi cessed on th ledge Base a	ance on submis- eligibility re- ing and a pro- ew can be ac- ne FCA's Know- at https:// g.uk/markets/ rkets/know-		
2.	LR 2.2.7 R(1)	R	The expecte market valu (excluding t to be listed ast £700,000	ed aggregate e of all shares reasury shares) must be at le-	3 December 2021 Indefinite	3 December 2021

Transitional provisions for issuers of listed shares

	(2) Material to which the transitional provision (1) applies	(3)	(4) Transition	nal provision	(5) Trans- itional pro- vision: dates in force	(6) Hand- book provi- sion coming into force
1.	LR 2.2.7 R(1)	R	These transitic sions apply to cept a closed- ment fund or ded investment that:	an issuer (ex- ended invest- an open-en-	3 December 2021 Indefinite	3 December 2021
			(a)	had at least one class of listed shares immediately before 3 De- cember 2021;		
			(b)	continues to have at le- ast one class of listed shares; and		
			(c)	is applying for another class of shares to be listed.		
2.	LR 2.2.7 R(1)	R	The expected market value (excluding tre to be listed mast £700,000.	of all shares easury shares)	3 December 2021 Indefinite	3 December 2021

LR TR 17
Transitional Provisions in relation to climate-related financial disclosures under LR 14.3.27R and LR 9.8.6R(8)

	(2)				
	Material to which the			(5)	(6)
(1)	transitional provision applies	(3)	(4) Transitional provision	Transitional provision: dates in force	Handbook pro- vision: coming into force
1.	LR 14.3.27R	R	LR 14.3.27R applies in relation to a financial year of a <i>listed company</i> beginning on or after 1 January 2022.	From 1 Janu- ary 2022	1 January 2022
2.	LR 9.8.6CG(5) and LR 9.8.6FG	G	LR 9.8.6CG(5) and LR 9.8.6FG apply in relation to a financial year of a <i>listed company</i> beginning on or after 1 January 2022.	From 1 Janu- ary 2022	1 January 2022
3.	LR 9.8.6GG and LR 9.8.6CG	G	In relation to a financial year of a <i>listed company</i> beginning before 1 January 2022, references to the <i>TCFD Annex</i> in LR 9.8.6BG and LR 9.8.6CG may be read as references to the document entitled "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org.	From 1 January 2022	

LR TR 18
Transitional Provisions in relation to diversity and inclusion

	(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.		LR 9.8.6R(9), LR 9.8.6R(10), LR 9.8.6R(11) and LR 9.8.6G R	R	LR 9.8.6R(9), LR 9.8.6R(10), LR 9.8.6R(11) and LR 9.8.6G R apply in relation to a financial year of a <i>listed company</i> beginning on or after 1 April 2022.	From 20 April 2022	20 April 2022
2.		LR 14.3.33R and LR 14.3.34R	R	LR 14.3.33R and LR 14.3.34R ap- ply in relation to a financial year of a com- pany begin- ning on or after 1 April 2022.	From 20 April 2022	20 April 2022

Schedule 1 [to follow]

Sch 1 [to follow]

Schedule 2 [to follow]

Sch 2 [to follow]

Schedule 3 [to follow]

Sch 3 [to follow]

Schedule 4 Powers exercised

Sch 4.1 G [deleted]

Sch 4.2 G [deleted]

Schedule 5 [to follow]

Sch 5 [to follow]

Schedule 6 Rules that can be waived

Sch 6.1 G

As a result of section 138A of the Act (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*.

Sch 6.2 G

In addition section 82 (Exemptions from disclosure) of the *Act* provides the *FCA* with discretion to authorise omissions from disclosure requirements derived from the *Consolidated Admissions and Reporting Directive* in the circumstances specified in that section.

■ Release 33 ● Feb 2024