

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.

- 2.1.3 **G** 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 **G** 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.

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*]

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

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

- 2.2.6 **G** 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]

- 2.2.8 **G** 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 **R** 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*; or
 - (b) the *applicant* is permitted and elects to draw up a *prospectus* for the *securities*.

(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 subscribe are 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]

