

## Chapter 2

# Requirements for listing: All securities

## 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]