

Chapter 8

Sponsors: Premium listing

8.3 Role of a sponsor: general

Responsibilities of a sponsor

- 8.3.1** **R** 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** **R** 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** **G** 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 8.3.1A R (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.
- 8.3.2** **G** 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

8.3.4 **R** 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 **R** 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**.....
- 8.3.7A **G** 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 **R** 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 **R** 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 **R** 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*.
- 8.3.12 **G** ■ 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*.

8.3.12A **G** ■ LR 8.3.7B R, ■ LR 8.3.9 R and ■ LR 8.3.11 R apply for so long as the *sponsor* provides a *sponsor service*.

Principles for sponsors: acting for another sponsor

8.3.13 **G** [deleted]

Principles for sponsors: joint sponsors

8.3.14 **R** 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 ■ 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*.