Chapter 8

Sponsors: Premium listing



## 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

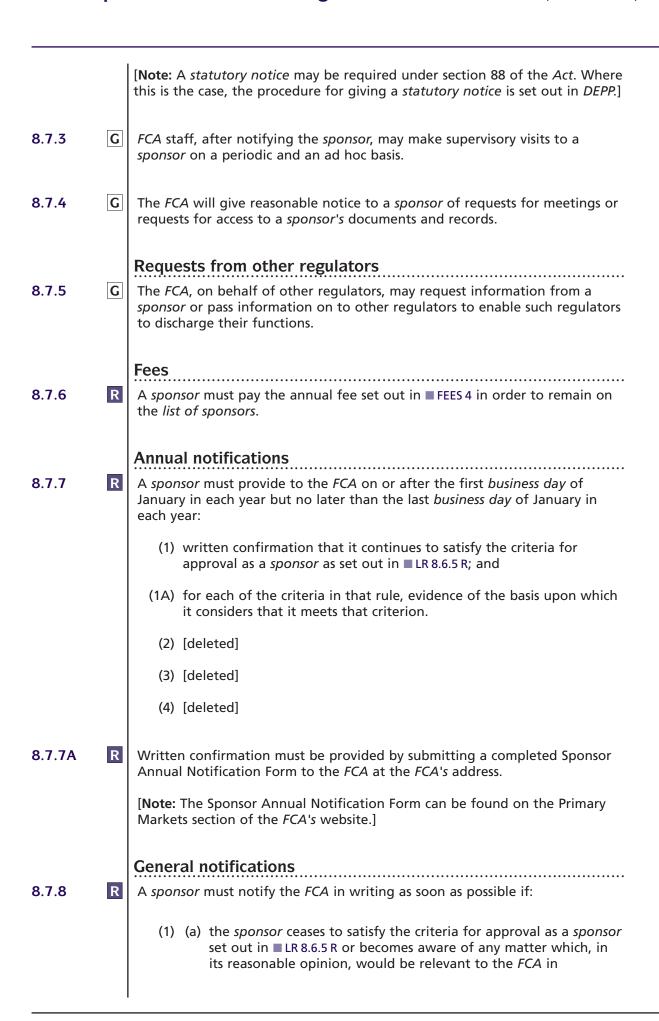
8.7.1A R

- (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.

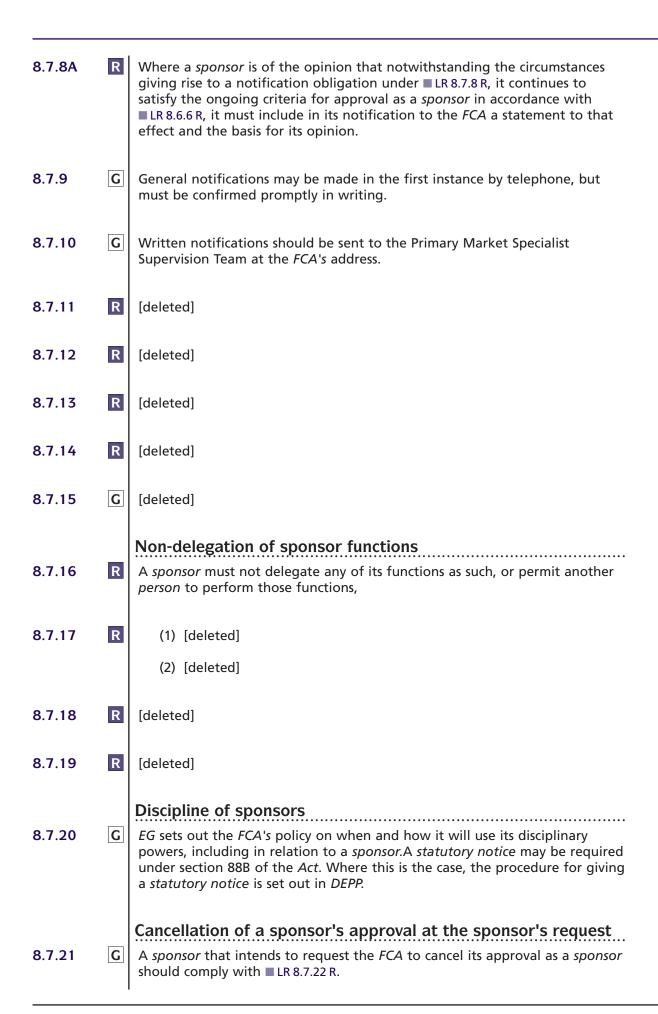
## Supervisory tools

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.



- 8.7.21A 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.]