

**LISTING, PROSPECTUS AND DISCLOSURE RULES (MISCELLANEOUS  
AMENDMENTS) INSTRUMENT 2007**

**Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in the following sections of the Financial Services and Markets Act 2000:
- (1) section 73A (Part 6 rules);
  - (2) section 84 (Matters which may be dealt with by prospectus rules);
  - (3) section 88(3) (Sponsors);
  - (4) section 96 (Obligations of issuers of listed securities);
  - (5) section 101 (Listing rules: general provisions);
  - (6) section 157(1) (Guidance); and
  - (7) schedule 7 (The Authority as Competent Authority for Part VI).

**Commencement**

- B. (1) Subject to (2) this instrument comes into force on 6 August 2007.  
(2) Part 2 of Annex C comes into force 6 October 2007.

**Amendments to the Handbook**

- C. The modules of the FSA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Prospectus Rules (PR)	Annex B
Listing Rules (LR)	Annex C
Disclosure Rules and Transparency Rules (DTR)	Annex D

**Notes**

- D. In the Annexes to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

**Citation**

- E. This instrument may be cited as the Listing, Prospectus and Disclosure Rules (Miscellaneous Amendments) Instrument 2007.

By order of the Board  
28 June 2007

## Annex A

### Amendments to the Glossary of definitions

In this Annex, except where otherwise indicated, underlining indicates new text and striking through indicates deleted text.

Amend the following definitions as shown:

#### *associate*

- (1) (in *LR*) (in relation to a *director, substantial shareholder, ~~50/50 joint venture partner~~* or *person exercising significant influence*, who is an individual):

...

- (2) (in *LR*) (in relation to a *substantial shareholder, ~~50/50 joint venture partner~~* or *person exercising significant influence*, which is a *company*):

- (a) any other *company* which is its *subsidiary undertaking* or *parent undertaking* or fellow *subsidiary undertaking* of the *parent undertaking*;
- (b) any *company* whose *directors* are accustomed to act in accordance with the *substantial shareholder's, ~~50/50 joint venture partner's~~* or *person exercising significant influence's* directions or instructions; ;
- (c) any company in the capital of which the *substantial shareholder* or *person exercising significant influence* and any other *company* under 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 (1)(c)(i) or (ii) of this definition.

...

#### *controlled undertaking*

any subsidiary undertaking within the meaning of the *Act* other than section ~~258(4)(b)~~ 1162 of the Companies Act ~~1985~~ 2006 or section 420(2)(b) of the *Act*;

...

#### *employees' share scheme*

has the same meaning as in section ~~743~~ 1166 of the Companies Act ~~1985~~ 2006;

#### *group*

...

- (4) (in *LR*):
- (a) (except in *LR* 6.1.19R, *LR* 8.3.6R, *LR* 8.3.7G and *LR* 8.7.8R(10), an *issuer* and its *subsidiary undertakings* (if any); and
  - (b) in *LR* 6.1.19R, *LR* 8.3.6R, *LR* 8.3.7G and *LR* 8.7.8R(10), as defined in section 421 of the *Act*.
- ...

*parent undertaking*

- (1) (in accordance with section 420 of the *Act* (Parent and subsidiary undertaking) and section ~~258~~ 1162 of the Companies Act ~~1985~~ 2006 (Parent and subsidiary undertakings)):
- (a) ...
    - (i) ...
- ...
- in relation to (ii) and (iv); the undertaking will be treated as a member of S if any of its subsidiary undertakings is a member of S, or if any shares in S are held by a person acting on behalf of the undertaking or any of its subsidiary undertakings; the provisions of Schedule ~~10A~~ 7 to the Companies Act ~~1985~~ 2006 (Parent and subsidiary undertakings: supplementary provisions) explain the expressions used in and supplement paragraphs (i) to (iv);
- ...

*person exercising significant influence*

(in *LR*) in relation to a *listed company*, a *person* or entity which exercises significant influence over that *listed company* (~~other than a 50/50 joint venture partner~~).

*property valuation report*

(in *LR*) a *property valuation report* prepared by an independent expert in accordance with: ~~the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors.~~

- (1) for an *issuer* incorporated in the *United Kingdom*, 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 *issuer* incorporated in any other place, either the standards referred to in paragraph (1) or the *International Valuation Standards (7th edition)* issued by the *International Valuation Standards*

Committee.

*public international body*

...

- (2) (in *LR* and *DR*)...the Caribbean Development Bank, ~~the Council of Europe Resettlement Fund,~~ the Council of Europe Development Bank, the European Atomic Energy Community...

*share*

...

- (3) In *DTR* and *LR*, and in *FEES* where relevant to *DTR* or *LR*, (in accordance with section ~~744~~ 540 of the Companies Act ~~1985~~ 2006) a share in the share capital of a *company*, and includes:

- (a) ...

...

*subsidiary undertaking*

...

- (3) (in *LR*) as defined in section ~~258~~ 1162 of the Companies Act ~~1985~~ 2006.

Delete the definition of "substantial shareholder" and substitute the following:

*substantial shareholder*

(in *LR*) 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*). Disregard for this purpose 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).

*treasury shares*

qualifying shares to which sections ~~162A to 162G~~ Chapter 6 of the Companies Act ~~1985~~ 2006 ~~apply~~ applies.

*undertaking*

(as defined in section ~~259-1161~~ of the Companies Act ~~1985~~ 2006 (Meaning of "undertaking" and related expressions)):

...

Insert the following new definitions in the appropriate alphabetical position; the new text is not underlined:

*deferred bonus*

(in *LR*) any arrangement pursuant to the terms of which an *employee* or *director* 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 *person* remaining a *director* or *employee* of the group, be receivable by the *person* after the end of the period to which the award relates.

*defined benefit scheme*

in relation to a *director*, means a pension scheme which is not a *money purchase scheme*.

*equivalent document*

(in *LR*) a document containing information equivalent to a *prospectus* for the purposes of *PR* 1.2.2R(2) or (3) or *PR* 1.2.3R(3) or (4).

*money purchase scheme*

in relation to a *director*, means a pension scheme under which all of the benefits that may become payable to or in respect of the *director* are money purchase benefits.

Delete the following definitions of:

*50/50 joint venture*

~~(in *LR*) a joint venture where the two parties to the joint venture have a deadlocked interest in the joint venture. [deleted]~~

*50/50 joint venture partner*

~~(in *LR*) a party to a 50/50 joint venture with a listed company or its subsidiary undertaking. [deleted]~~

## Annex B

### Amendments to the Prospectus Rules (PR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Minimum information

2.3.1 EU ...

Article 3

...

A prospectus shall contain the information items required in Annexes I to XVII depending on the type of issuer and securities involved, provided for in the schedules and building blocks set out in Articles 4 to 20. Subject to Article 4a(1), a ~~A~~-competent authority shall not request that a prospectus contains information items which are not included in Annexes I to XVII.

...

Article 4a

Share registration document schedule in cases of complex financial history or significant financial commitment

1. Where the issuer of a security covered by Article 4(2) has a complex financial history, or has made a significant financial commitment, and in consequence the inclusion in the registration document of certain items of financial information relating to an entity other than the issuer is necessary in order to satisfy the obligation laid down in Article 5(1) of Directive 2003/71/EC, those items of financial information shall be deemed to relate to the issuer. The competent authority of the home Member State shall in such cases request that the issuer, the offeror or the person asking for admission to trading include those items of information in the registration document.

Those items of financial information may include pro forma information prepared in accordance with Annex II. In this context, where the issuer has made a significant financial commitment any such pro forma information shall illustrate the anticipated effects of the transaction that the issuer has agreed to undertake, and references in Annex II to “the transaction” shall be read accordingly.

2. The competent authority shall base any request pursuant to paragraph 1 on the requirements set out in item 20.1 of Annex I as regards the content of financial information and the applicable

accounting and auditing principles, subject to any modification which is appropriate in view of any of the following factors:

- (a) the nature of the securities;
- (b) the nature and range of information already included in the prospectus, and the existence of financial information relating to an entity other than the issuer in a form that might be included in a prospectus without modification;
- (c) the facts of the case, including the economic substance of the transactions by which the issuer has acquired or disposed of its business undertaking or any part of it, and the specific nature of that undertaking;
- (d) the ability of the issuer to obtain financial information relating to another entity with reasonable effort.

Where, in the individual case, the obligation laid down in Article 5(1) of Directive 2003/71/EC may be satisfied in more than one way, preference shall be given to the way that is the least costly or onerous.

- 3. Paragraph 1 is without prejudice to the responsibility under national law of any other person, including the persons referred to in Article 6(1) of Directive 2003/71/EC, for the information contained in the prospectus. In particular, those persons shall be responsible for the inclusion in the registration document of any items of information requested by the competent authority pursuant to paragraph 1.
- 4. For the purposes of paragraph 1, an issuer shall be treated as having a complex financial history if all of the following conditions apply:
  - (a) its entire business undertaking at the time that the prospectus is drawn up is not accurately represented in the historical financial information which it is required to provide under item 20.1 of Annex I;
  - (b) that inaccuracy will affect the ability of an investor to make an informed assessment as mentioned in Article 5(1) of Directive 2003/71/EC; and
  - (c) information relating to its business undertaking that is necessary for an investor to make such an assessment is included in financial information relating to another entity.
- 5. For the purposes of paragraph 1, an issuer shall be treated as having made a significant financial commitment if it has entered into a binding agreement to undertake a transaction which, on completion, is likely to give rise to a significant gross change.

In this context, the fact that an agreement makes completion of the

transaction subject to conditions, including approval by a regulatory authority, shall not prevent that agreement from being treated as binding if it is reasonably certain that those conditions will be fulfilled.

In particular, an agreement shall be treated as binding where it makes the completion of the transaction conditional on the outcome of the offer of the securities that are the subject matter of the prospectus or, in the case of a proposed takeover, if the offer of securities that are the subject matter of the prospectus has the objective of funding that takeover.

6. For the purposes of paragraph 5 of this Article, and of item 20.2 of Annex I, a significant gross change means a variation of more than 25%, relative to one or more indicators of the size of the issuer's business, in the situation of an issuer.

#### Incorporation by reference

- 2.4.1 R (1) Information may be incorporated in the *prospectus* by reference to one or more previously or simultaneously published documents that have been approved by the *FSA competent authority of the Home State* or filed with or notified to it in accordance with the ~~prospective directive~~ *prospectus directive* or titles IV and V of *CARD*.
- (2) In particular under paragraph (1), information may be incorporated by reference to information ~~filed under PR 5.2 (Annual information update)~~ contained or referred to in an annual information update.  
[Note: article 11.1 PD]

#### Applying for approval

- 3.1.1 R An *applicant* must submit to the *FSA* the following information:
- ...
- (7) ~~the application form to purchase or subscribe for the transferable securities;~~ [deleted]
- (8) ~~a copy of the resolution of the board of the issuer allotting the transferable securities or if a copy of the resolution is not available, confirmation that the resolution will be submitted to the FSA no later than 3 working days after the prospectus is approved;~~ written confirmation of the number of securities to be allotted or issued (pursuant to a board resolution allotting or issuing the securities);
- ...



Copy of resolution to be kept

- 3.1.5A R An applicant must keep a copy of the board resolution allotting or issuing the transferable securities for six years after the application for approval of the prospectus for those securities.
- 3.1.15 R The person must submit the documents referred to in PR 3.1.14R at least ten working days before the date on which it wishes the vetting to be completed or at least 20 working days before that date if the person does not have transferable securities admitted to trading and has not previously made an offer.

Supplementary prospectus to be submitted as soon as possible

- 3.4.3 R A person referred to in section 87G(2) of the Act must submit a supplementary prospectus referred to in that section to the FSA for approval as soon as practicable after the new factor, mistake or inaccuracy arises or is noted.

Language customary in the sphere of international finance

- 4.1.5A G The FSA will consider a language to be customary in the sphere of international finance if documents in that language are accepted for scrutiny and filing in at least three international capital markets in each of the following:
- (1) Europe;
  - (2) Asia; and
  - (3) the Americas.

Summary to be translated into English

- 4.1.6 R If:
- ...
- (3) the prospectus is not drawn up in a language other than English that is customary in the sphere of international finance English;
- the offeror must ensure that the summary is translated into English. [Note: article 19.2 PD]

5.2.2 R *PR 5.2.1R* does not apply in relation to *non-equity transferable securities* whose denomination per unit amounts to at least 50,000 Euros (or an equivalent amount)-, unless the issuer of the securities has elected by notice in writing sent to the FSA to comply with PR 5.2. [Note: article 10.3 PD]

Note: A copy of an election form may be found on the UKLA section of the FSA website.

5.2.2A R If an issuer elects under PR 5.2.2R to comply with PR 5.2 it must comply with the requirements in PR 5.2 (and the relevant requirements of the PD regulation as if they applied to it) on an ongoing basis until it withdraws the election. An issuer may withdraw the election by notice in writing given to the FSA, but may not do so within three years from the date of making the initial election.

5.2.3 G The FSA would expect the *annual information update* to refer to or contain information that is published or made available under:

...

(4) the Companies Act ~~1985~~ 2006 or, for an *overseas company*, the relevant companies legislation of the place where it is incorporated, relating to the regulation of securities, issuers and securities markets; and

...

Certificate received from another competent authority

5.3.4 G If the FSA receives information referred to in section 87H from another competent authority it will as soon as practicable give notice on the FSA website that it has received the information.

(1) ~~inform the issuer, offeror or person requesting admission (as the case may be) that it has received the information; and~~

(2) ~~give notice on the FSA's website that it has received the information.~~

Delete *PR 5.6.5G* and the heading "Property company valuation reports" and substitute the following:

Property valuation reports

5.6.5      G      To comply with paragraph 130 of the *CESR recommendations*, the *FSA* would expect a valuation report for a property company to be in accordance with either:

(1)      the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; or

(2)      the International Valuation Standards (7th edition) issued by the International Valuation Standards Committee.

5.6.6      G      To comply with paragraph 2.7 of Annex XV of the *PD Regulation*, the *FSA* would also expect a valuation report for a property collective investment undertaking to comply with a relevant standard set out in *PR 5.6.5G*.

### Appendix 3

...

#### Annex 1

...

#### 20.1 Historical financial information

... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers...

...

#### Annex IV

...

#### 13.1 Historical financial information

... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers ...

...

## Annex VII

### 8.2 Historical financial information

... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable, to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers ...

8.2 bis ... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers ...

...

## Annex IX

...

### 11.1 Historical financial information

... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers ...

## Annex X

...

### 20.1 Historical financial information

... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third

country issuers ...

20.1 bis ... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers ...

## Annex XI

...

### 11.1 Historical Financial Information

... Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. For third country issuers ...

## Annex C

### Amendments to the Listing Rules (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1 comes into force on 6 August 2007, and Part 2 comes into force on 6 October 2007.

#### Part 1

##### No conditional admission

- 2.1.5     G     The FSA is not able to make the admission of securities conditional on any event. The FSA 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.

##### Transferability

- 2.2.4     R     ...
- (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 ~~212-793~~ of the Companies Act ~~1985~~ 2006 (~~Company investigations~~ Notice by company requiring information about interests in its shares)).

##### Method of application

- 3.2.2     R     An *applicant for admission* must apply to the FSA by:
- (1)     submitting, in final form:
- (a)     ...
- (b)     ...
- (c)     the documents described in LR 3.5 in the case of a block listing ~~or a formal application~~;
- (2)     ...

##### Grant of an application for admission to listing

- 3.2.5 G The *FSA* will admit *securities* to *listing* if all relevant documents required by ~~LR 3.3, LR 3.4 or LR 3.5~~ LR 3.2.2R have been submitted to the *FSA*.

Delete *LR 3.3.1R* and substitute the following:

Application

- 3.3.1 R LR 3.3.2R to LR 3.3.7R apply to an *applicant* which is applying for:
- (1) a primary listing of its equity shares;
  - (2) a primary listing of its preference shares;
  - (3) a primary listing of its securities that are convertible into equity shares; or
  - (4) a secondary listing of its equity shares.

Documents to be provided 48 hours in advance

- 3.3.2 R The following documents must be submitted, in final form, to the *FSA* by midday two *business days* before the *FSA* is to consider the application:
- ...
- (2) ...
  - (c) ~~where a *prospectus* has not been produced, a written confirmation, signed by a *director* or duly authorised officer of the *issuer* or *offeror* of the *securities* if the *offeror* is not the *issuer* that:~~
    - (i) ~~a *prospectus* is not required to be published by the *prospectus directive*, setting out the exemptions on which the *issuer* or *offeror* is relying; and~~
    - (ii) ~~the *issuer* or *offeror* will not make an *offer of transferable securities to the public* of, or admit to trading on a *regulated market* in the *UK*, the *securities* which are the subject of the application until those *securities* are admitted to the *official list*; [deleted]~~
  - (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; ~~and~~
  - (5) ~~a copy of the resolution of the board of the *applicant* allotting the~~

securities; written confirmation of the number of securities to be allotted (pursuant to a board resolution allotting the securities); and [Note: if this is not possible, see LR 3.3.4R]

- (6) if a prospectus or listing particulars have not been produced, a copy of the RIS announcement detailing the number and type of securities 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 UKLA section of the FSA website.

- 3.3.2A 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 ~~Either of the~~ 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 FSA before 9 a.m. on the day the FSA is to consider the application:
- (1) a completed Shareholder Statement, ~~signed by a sponsor~~, in the case of an applicant that is applying for a listing of a class of equity shares or preference shares for the first time; or [Note: see LR 8.4.3R and LR 8.4.9R]
  - (2) a completed Pricing Statement, ~~signed by a sponsor~~, in the case of a placing, open offer, vendor consideration placing, offer for subscription of equity shares or an issue out of treasury by an applicant of equity shares of a class already listed. [Note: see LR 8.4.3R and LR 8.4.9R]

**Note:** The Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the FSA website.

- 3.3.4 R ~~If a copy of the resolution of the board allotting the securities written confirmation of the number of securities to be allotted pursuant to a board resolution cannot be submitted to the FSA by the deadline set out in LR 3.3.2R or, the number of securities to be admitted is lower than the number notified under LR 3.3.2R, the resolution or a written confirmation of the number of securities to be allotted or admitted must be provided to the FSA by from the applicant or its sponsor that the securities have been allotted must be submitted to the FSA at least one hour before the admission to~~



*listing* is to become effective.

- 3.3.4A R If the FSA has considered an application for *listing* and the *securities* the subject of the application are not all allotted and *admitted* following the initial allotment of the *securities* (for example, under an *offer for subscription*), further allotments of *securities* may be *admitted* if before 4pm on the day before *admission* is sought the FSA has been provided with:
- (1) written confirmation of the number of *securities* allotted pursuant to a board resolution; and
  - (2) a copy of the *RIS* announcement detailing the number and type of *securities* and the circumstances of their issue.

Delete LR 3.3.5R and substitute the following rule:

Other documents to be submitted

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

~~Additional documents~~ Documents to be kept

- 3.3.6 R An *applicant* must keep copies of the following for six years after the *admission* to *listing*:
- ...
- (7) in the case of an application in respect of *securities* issued pursuant to an *employees' share scheme*, the scheme document; ~~and~~
  - (8) ... issued by the Registrar of Companies; ~~;~~ and
  - (9) copies of board resolutions of the *applicant* allotting or issuing the *securities*.

Delete LR 3.3.8R in its entirety.

Application – debt securities etc

- 3.4.1 R LR 3.4.4R to LR ~~3.4.6R~~ 3.4.7R 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*; and
- (4) ~~*specialist securities* of the following types:~~
  - (a) ~~*convertible securities* which convert to *debt securities*~~;
  - (b) ~~*convertible securities* which convert to *equity securities*~~; and
  - (c) ~~*convertible securities* which are exchangeable for *securities* of another company. [deleted]~~
- (5) *convertible securities* other than those referred to in LR 3.3.1R(3).

#### Application - issuance programmes

- 3.4.2 R ~~LR 3.4.4R~~ LR 3.4.7R to LR 3.4.8R apply to an *applicant* for the *admission* of a *debt securities* or *asset-backed securities* issuance programme, ~~where the applicant is:~~
- (1) ~~a new applicant; or~~
  - (2) ~~seeking an admission to listing for an issue made more than 12 months after publication of the base prospectus or listing particulars.~~

#### Application - public sector issuers

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

~~Securities referred to in LR 3.4.1R:~~ Documents to be provided 48 hours in advance

- 3.4.4 R ~~An applicant referred to in LR 3.4.1R~~ must submit, in final form, to the FSA by midday two *business days* before the FSA is to consider the application:
- (1) ...
  - (2) ...; and
  - (3) any approved *supplementary prospectus* or approved *supplementary*

*listing particulars*, if applicable - ; and

- (4) written confirmation of the number of securities to be issued (pursuant to a board resolution). [Note: if this is not possible, see LR 3.4.5R]

...

Delete LR 3.4.5R and substitute the following:

Documents to be provided on the day of admission

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

~~Securities referred to in LR 3.4.1R: additional documents~~ Documents to be kept

- 3.4.6 R ~~An applicant referred to in LR 3.4.1R~~ must keep, for six years after the admission to listing, a copy of the items set out in LR 3.3.6R(1) to (6) and LR 3.3.6(9) and must provide any of those documents to the FSA if requested to do so.

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

- 3.4.7 R ~~An applicant referred to in LR 3.4.2R~~ must comply with LR 3.4.4R to LR 3.4.6R with the following modifications:
- (1) ~~an applicant must submit a supplementary prospectus or supplementary listing particulars instead of the document required by LR 3.4.4R(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; and [deleted]~~
  - (2) if the FSA 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 FSA:
    - (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; ~~and~~ .
- (c) ~~receiving confirmation that the *debt securities* in question have been authorised.~~ ~~[deleted]~~

(3) an applicant must submit a *supplementary prospectus* or *supplementary listing particulars* instead of the document required by LR 3.4.4R(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.

3.4.7A    G    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    ...

- (2) The *final terms* may be submitted by:
  - (a) the *applicant*: or
  - (b) ~~the *applicant's* agent if a letter of appointment signed by a duly authorised officer of the *applicant* has been delivered to the FSA.~~ a duly authorised officer of the *applicant*.
- (3) ~~The Application for Admission of Securities to the Official List need not be submitted for issues made after the first issue in any 12 month period after publication of the *base prospectus* or *listing particulars*.~~ ~~[deleted]~~

**Note:** For further details on *final terms*, see PR 2.2.9R and PR 2.3.2R.

Exempt pPublic sector issuers

3.4.9    R    ~~A public sector issuer of an EEA State~~ that seeks admission of *debt securities* referred to in paragraphs 2 and 4 of Schedule 11A of the Act must submit to the FSA in final form a completed Application for Admission of Securities to the Official List.

- 3.4.9A G An application referred to in LR 3.4.9R should be made in accordance with the timetable referred to in LR 3.4.8R.
- 3.4.9B G A public sector issuer 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 3.4.9R, LR 3.4.9AG and LR 3.4.9BG no other provisions in LR 3.4 apply to the admission of debt securities referred to in paragraphs 2 and 4 of Schedule 11A of the Act.

Other public sector issuers

- 3.4.10 R LR 3.4.7R, LR 3.4.8R and LR 3.4.11R to LR 3.4.13R apply...
- 3.4.11 R An applicant referred to in LR 3.4.10R must submit the items set out in LR 3.4.4R to the FSA in final form by midday two business days before the FSA is to consider the application:
- (1) the items set out in LR 3.4.4R;
  - (2) a copy of any consent, order or resolution, authorising the issue of the debt securities; and
  - (3) where a regional or local authority has offered debt securities for sale to or subscription by the public, a Public Sector Issuer Certificate.

~~**Note:** The Public Sector Issuer Certificate can be found on the UKLA section of the FSA's website.~~

- 3.4.12 R ~~An applicant referred to in LR 3.4.10 R must submit to the FSA as soon as practicable after the FSA has considered the application the item set out in LR 3.3.5R (1). [deleted]~~
- 3.4.13 R ~~An applicant referred to in LR 3.4.10R must keep, for six years after the admission to listing, a copy of the items set out in LR 3.3.6R(1) to LR 3.3.6R(6) and in LR 3.3.6R(9) and must provide any of those documents to the FSA if requested to do so.~~

### 3.5 Block listing and formal application

#### Application

3.5.1 R This section applies to an *applicant* that wishes to apply for *admission* of *securities* using:

(1) a block listing; ~~or~~

(2) a formal application.

Delete LR 3.5.2G and substitute the following:

#### 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.

3.5.3 G The grant of a block listing constitutes *admission to listing* for the *securities* that are the subject of the block. ~~An applicant therefore needs to take this into consideration when applying for admission of further securities in order to ensure compliance with its obligations under PR 1.2.3R(1).~~ Separately, the provisions of PR 1.2.2R will need to be considered by the *applicant* when the *securities* that are the subject of the block listing are being issued.

Delete LR 3.5.4R and the heading "Block listing" substitute the following:

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 FSA 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 UKLA section of the FSA website.

3.5.6 R 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. ~~A copy of the notification must also be lodged with the FSA.~~

Note: A copy of the Block Listing Six Monthly Return can be found on the UKLA section of the FSA website.

Delete LR 3.5.7R and LR 3.5.8R and the heading "Formal application" and substitute the following:

3.5.7      G      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 3.5.6R 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.

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 FSA, and made available to the public, as if the relevant requirements in PR 3.2 and the PD 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.

5.2.4A      G      LR 5.2.4R applies even if the listing of the securities is suspended.

Cancellation of listing of ~~equity securities~~ ordinary shares

5.2.5      R      Subject to the provisions of LR 5.2.6 R<sub>2</sub> and LR 5.2.7R, LR 5.2.10R and LR 5.2.12R, an issuer that wishes the FSA to cancel the listing of any of its ordinary equity ~~securities~~ shares with a primary listing must:

(1)      ...

5.2.5A      R      An issuer that wishes to cancel the secondary listing of its ordinary equity shares must also comply with the requirements in LR 5.2.5R if:

(1)      the shares have previously been converted from being primary listed to secondary listed; and

(2)      the conversion has taken place within 2 years before the proposed cancellation of the secondary listing of the shares.

5.2.6 R An issuer is not required to seek the prior approval of the holders of the ~~securities~~ ordinary equity shares for which a cancellation is being sought in accordance with LR 5.2.5R (2) or LR 5.2.5AR if the ~~securities shares~~ are admitted to trading on a *regulated market* in an *EEA State* when the cancellation takes effect.

5.2.7 R LR 5.2.5R (2) and LR 5.2.5AR will also not apply where an issuer of ordinary equity shares ~~equity securities with a primary listing~~ notifies a *RIS*:

(1) ...

#### Requirements for cancellation of other securities

5.2.8 R An issuer that wishes the *FSA* to cancel the listing of *listed securities* (other than ordinary equity shares ~~securities~~ with a *primary listing* or ordinary equity shares to which LR 5.2.5AR apply) 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 5.2.5R(2).

#### Cancellation in relation to takeover offers

5.2.10 R ~~A circular need not be sent to holders of listed securities where that listing is intended to be cancelled, and the prior approval of the holders of those securities in a general meeting need not be obtained, LR 5.2.5R and LR 5.2.5AR do not apply to the cancellation of ordinary equity shares of an issuer when, in the case of a takeover offer:~~

(1) ...

(2) the offeror has stated in the offer document or any subsequent circular sent to the security holders that a notice period of not less than 20 *business days* prior to cancellation will commence either on the offeror attaining the required 75% as described in LR 5.2.10R(1) or on the first date of issue of compulsory acquisition notices under section ~~429~~ 979 of the Companies Act ~~1985~~ 2006 (Right of offeror to buy out minority ~~shareholders~~ shareholder).

#### Cancellation as a result of schemes of arrangement etc

5.2.12 R LR 5.2.5R, LR 5.2.5AR and LR 5.2.8R do not apply to the cancellation of



ordinary equity shares of an issuer 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.

Information to be included in request to suspend or cancel

- 5.3.2 R 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 ~~Part XIII A~~ Chapter 3 of Part 28 of the Companies Act ~~1985~~ 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) ...
  - (3) if a cancellation is to take place after a scheme of arrangement becomes effective under section ~~425~~ 899 of the Companies Act ~~1985~~ 2006 (court sanction for compromise or arrangement) 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) ...

Shares in public hands

- 6.1.19 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 in one or more *EEA States*.
- ...
- (4) For the purposes of paragraphs (1), (2) and (3), *shares* are not held in public hands if they are held, directly or indirectly by:
- ...
- (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*.

...

6.1.20 G The *FSA* may modify *LR 6.1.19R* to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public. For that purpose, the *FSA* may take into account *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [**Note:** article 48 *CARD*]

8.4.8 R ...

(3) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required by *LR 6.1.16R* or a qualified working capital statement in accordance with *LR 6.1.17G* (as the case may be).

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 *FSA* the number of securities to be allotted or admitted. ~~that the board of the *applicant* has allotted the *securities*.~~ [**Note:** see *LR 3.3.4R*]

#### Notifications to FSA

8.5.1 R A *listed company* or *applicant* must ~~inform~~ ensure that the *FSA* is informed promptly of the name and contact details of a *sponsor* appointed in accordance with the *listing rules* (either by the *listed company* or *applicant* or by the *sponsor* itself).

8.6.4 G When considering an application for approval as a *sponsor* the *FSA* may:

...

(3) take into account any information which it considers appropriate in relation to the application; ~~and~~ .

(4) ~~request that any information provided by the applicant is verified in such a manner as the *FSA* may specify.~~ [deleted]

#### General notifications

8.7.8 R A *sponsor* must notify the *FSA* in writing as soon as possible if:

- (9) a review carried out under LR 8.6.14G reveals any material deficiencies in the *sponsor's* systems and controls; or
- (10) there is a change of control of the *sponsor*, or the *sponsor's group* carries out any restructuring, which results in a re-organisation of the *directors*, partners or *employees* involved in providing services as a *sponsor*.

...

Transaction notification rules: appointment of FSA liaison

- 8.7.11 R ... of the name of the suitably experienced ~~senior~~ *employee*, whose name appears ...

Application: preference shares

- 9.1.2 R A *company* that has a *primary listing* of *preference shares* must comply with:

...

- (11) LR 9.8, but not:

...

- (d) LR 9.8.6R(5), (6) and (7);

Control of assets and independent business

- 9.2.2A R A *listed company* that has *shares listed*, or *securities convertible into its own shares listed*, must comply with LR 6.1.4R(2) and (3) at all times. This rule does not apply to a *mineral company*, a *scientific research based company*, *venture capital trust* or other investment entity.

- 9.2.8 R A *listed company* must require:
  - (1) every *person discharging managerial responsibilities*, including *directors*; ~~and~~
  - (2) ~~every employee of the company or any group company with access to inside information;~~

to comply with the *Model Code* and to take all proper and reasonable steps to secure their compliance.

## Proxy forms

- 9.3.6 R ~~A listed company must ensure that, in addition to its obligations under the Companies Act 2006, a proxy form:~~
- (1) ~~is sent with the notice convening a meeting of holders of listed shares to each person entitled to vote at the meeting; [deleted]~~
  - (2) provides for at least ~~two~~three-way voting on all resolutions intended to be proposed (except that it is not necessary to provide proxy forms with ~~two~~three-way voting on procedural resolutions); and
  - (3) ~~states that a shareholder is entitled to appoint a proxy of his own choice and that it provides a space for insertion of the name of the proxy; and [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 ~~A listed company must ensure that, 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 may 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.~~

- 9.3.12 R LR 9.3.11R does not apply if:
- ...
- (1) a general disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section ~~95~~ 570, 571 and 573 of the Companies Act ~~1985-2006~~ (Disapplication of pre-emption rights) 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

...

## Discounts not to exceed 10%

- 9.5.10 R ...
- (3) ...

- (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 ~~89~~ 561 of the Companies Act ~~1985~~ 2006 (~~Offers to shareholders to be on a pre-emptive basis~~ Existing shareholders' right of pre-emption).

...

#### Reconstruction or refinancing

- 9.5.12 R (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) ...

#### Notifications relating to capital

- 9.6.4 R ...

- (6) (except in relation to a block listing of securities) the results of any new issue of *equity securities* or *preference shares* or of a public offering of existing *shares* or other *equity securities*.

Delete LR 9.6.14R in its entirety and substitute the following rule:

- 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 quoted company.

#### 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) ...

...

- (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 details required by paragraph 39 of Schedule 4 to the Companies Act 1985 (Form and content of company accounts);~~ 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;

...

#### Additional information

9.8.6 R 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 beneficial and non-beneficial interests of each *person who has been a director* of the *listed company* ~~that have been disclosed to the company under the Companies Act 1985 as at the end of~~ during the period under review; including:

- (a) all changes in the beneficial and non-beneficial 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 beneficial or non-beneficial interests of each *director*;

stating the date each interest commenced (and the date it came to an end or if ongoing, a statement to that effect). Interests of each *director* includes the interests of connected persons as defined in the Companies Act 2006).

- (2) a statement showing, as at a date not more than one month prior to the date of the notice of the annual general meeting:
  - (a) all information disclosed to the *listed company* in accordance with ~~sections 198 to 208~~ Part 22 of the Companies Act ~~1985~~

~~2006 (Disclosure of certain major interests in the share capital of a company~~ Information about interests in a company's shares) or DTR 5; or

- (b) that there have been no disclosures, if no disclosures have been made.

....

#### Report to shareholders

- 9.8.8 R The report to the shareholders by the Board required by LR 9.8.6R (7) must contain the following:

...

- (11) for ~~money purchase schemes~~ money purchase schemes (as in Part I of Schedule 6 to the Companies Act 1985 (Disclosure of information: emoluments and other benefits of directors and others)) details of the contribution or allowance payable or made by the *listed company* in respect of each *director* during the period under review; and

- (12) for ~~defined benefit schemes~~ defined benefit schemes (as in Part I of Schedule 6 to the Companies Act 1985 (Disclosure of information: emoluments and other benefits of directors and others)):

- (a) ...
- (b) ...
- (c) no disclosure of voluntary contributions and benefits.

...

#### Summary financial statements

- 9.8.13 R Any summary financial statement issued by a *listed company* as permitted under the Companies Act ~~1985~~ 2006, must disclose:

- (1) earnings per share; and
- (2) the information required for summary financial statements set out in the Companies Act ~~1985~~ 2006.

...

## The Model Code

### Introduction

This code imposes restrictions on dealing in the *securities* of a *listed company* beyond those imposed by law. Its purpose is to ensure that *persons discharging managerial responsibilities and employee insiders* do not abuse, and do not place themselves under suspicion of abusing, *inside information* that they may be thought to have, especially in periods leading up to an announcement of the *company's* results.

...

(1) ...

(d) ~~*employee insider* means an employee of the *company*, its parent undertaking or any member of its *group* whose name is required to be placed on an *insider list* in accordance with DTR 2.8.1 R; [deleted]~~

...

(f) *restricted person* means a *person discharging managerial responsibilities* ~~or *employee insider*~~; and

...

### Dealings not subject to the provisions of this code

(2) ...

(g) transactions conducted between a *person discharging managerial responsibilities* and their spouse, civil partner, child or step-child ~~(as defined in within the meaning of section 346 96B(2) of the *Act Companies Act 1985*);~~

(h) transfers of *shares* arising out of the operation of an *employees' share scheme* into a savings scheme investing in *securities* of the *company* following:

(i) exercise of an option under a ~~savings related share~~ an approved SAYE option scheme; or

(ii) release of *shares* from a ~~profit sharing scheme~~ HM Revenue and Customs approved share incentive plan;

(i) with the exception of a disposal of *securities* of the *company* received by a restricted person as a participant, dealings in



connection with the following employees' share schemes: an HM Revenue and Customs approved employees' share scheme, or any other employees' share scheme under which participation is extended on similar terms to those contained in an HM Revenue and Customs approved employees' share scheme, to all or most employees of the participating companies in that scheme;

(i) an HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating companies in that scheme; or

(ii) a scheme on similar terms to a HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating companies in that scheme; or

Clearance to deal

(4) ...

(a) ...

(b) The chairman must not deal in any *securities* of the *company* without first notifying the chief executive and receiving clearance to deal from him or, if the chief executive is not present, without first notifying the senior independent director, or a committee of the board or other officer of the company nominated for that purpose by the chief executive, and receiving clearance to deal from that director, committee or officer.

(c) The chief executive must not deal in any *securities* of the *company* without first notifying the chairman and receiving clearance to deal from him or, if the chairman is not present, without first notifying the senior independent director, or a committee of the board or other officer of the company nominated for that purpose by the chairman, and receiving clearance to deal from that director, committee or officer.

(d) If the role of chairman and chief executive are combined, that *person* must not deal in any *securities* of the *company* without first notifying the board and receiving clearance to deal from the board.

(e) *Persons discharging managerial responsibilities* (who are not *directors*) ~~and employee insiders~~ must not deal ...

...

- 10.2.5 G For the purposes of LR 10.2.4R(1) the FSA considers the following indemnities not to be exceptional:
- ...
- (4) any other indemnity that is specifically permitted to be given to a *director* or auditor under the Companies Act ~~1985~~ 2006.

...

#### Material change to terms of transaction

- 10.5.2 R If, after the production of a *circular* and 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 in relation to the transaction.

- 10.5.3 G The FSA 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.

#### Material change to terms of reverse takeover

- 10.6.1A G LR 10.5.2R and LR 10.5.3G will apply if there is a material change to the terms of a *reverse takeover*.

#### Suspending listing

- 10.6.3 G Before a *listed company* announces a *reverse takeover* which has been agreed or is in contemplation or where details of the *reverse takeover* have leaked, a *listed company* should consider whether a suspension of *listing* is appropriate. Generally, when a *reverse takeover* is announced or leaked, because of its significant size there will be insufficient information in the market about the proposed transaction and the company will be unable to assess accurately its financial position and inform the market accordingly. So, suspension will often be appropriate (see LR 5.1.2G (3) and (4)). But, if the FSA is satisfied that there is sufficient information in the market about the proposed transaction it may agree with the company that a suspension is not required.

#### Joint ventures

10.8.9 G ...

- (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. ~~In the case of a 50/50 joint venture regard should also be had to LR 11 (related party transactions).~~

LR 10 Annex 1

...

The Consideration test

5R ...

- (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* ~~(irrespective of the class into which it otherwise falls)~~.

- (3A) If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a class 3 transaction) the transaction is to be treated as a class 2 transaction.

...

Figures used to classify assets and profits

8R ...

- (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.

Definition of "related party"

11.1.4 R In *LR*, a "*related party*" means:

- (1) ...
- (2) ...
- (3) ~~a 50/50 joint venture partner; or~~ [deleted]
- (4) ...

- (5) an *associate* of a *related party* referred to in paragraph (1), (2), ~~(3)~~ or (4).

...

11.1.5A G In assessing whether a transaction is in the ordinary course of business under this chapter, the FSA will have regard to the size and incidence of the transaction and also whether the terms and conditions of the transaction are unusual.

Delete LR 11.1.12G in its entirety.

LR 11 Annex 1R

...

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) ...
- (2) an issue of new *securities* ~~either:~~
- (a) made under the exercise of conversion or subscription rights attaching to a *listed class of securities*; ~~or~~ .
- (b) ~~previously approved by the *listed company's* shareholders in general meeting.~~

...

Directors' indemnities and loans

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 ~~1985~~; ~~or~~
- (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 ~~1985~~ (whether for a *director* of the *listed company* or for a *director* of any of its *subsidiary undertakings*); ~~or~~
- (c) a loan to a *director* by a *listed company* or any of its *subsidiary undertakings* if the terms of the loan are in accordance with those specifically permitted to be given to a *director* under section 204 or 205 of the Companies Act 2006.

- (2) Paragraph (1) applies to a *listed company* that is not subject to the Companies Act ~~1985~~ 2006 if 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).

...

~~Transactions not related to joint venture~~

7 ~~A transaction or arrangement that:~~

- (1) ~~is with a *person* who is only a *related party* because it is a *50/50 joint venture partner* or its *associate*; and~~
- (2) ~~does not relate to the terms of the joint venture or to the assets or business of the joint venture. [deleted]~~

...

Delete paragraph 10 of LR 11 Annex 1 in its entirety.

- 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 ~~of~~ on the conversion ~~on~~ the expectations of holders in terms of attributable assets and earnings, ...
  - (2) ...

- 12.5.1 R Except where the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant securities, ~~W~~ where a listed company intends to purchase any of its equity securities (other than equity shares) or preference shares 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 ~~unless the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant securities.~~

LR 12.6.2R is deleted and the following rule is substituted:

Exemptions

- 12.6.2 R LR 12.6.1R does not apply to the following sales or transfers by a listed company of treasury shares:
- (1) transfers of treasury shares in connection with the operation of an employees' share scheme where the transfer facilitates dealings that do not fall within the provisions of the Model Code; or
  - (2) sales or transfers by the company of treasury shares (other than equity shares) of a class whose price or value would not be likely to be significantly affected by the publication of the information giving rise to the prohibited period.

...

Pro forma financial information in certain circulars

- 13.3.3 R 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 PD Regulation.

...

- 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.

...

Acquisition of a scientific research based company or related assets

- 13.4.8 R 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 ~~paragraph 134~~ Section 1c of Part III (Scientific research based companies) of the *CESR recommendations*.

Delete *LR 13.5.31R* and substitute the following:

Pro forma financial information

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

...

Pro forma financial information

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

- 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) ...
- ...
- (2) ... must also include the following information referred to in the *PD Regulations*:
- ...

Pro forma financial information

- 13.7.2 G *LR 13.3.3R* 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*).

Disapplying pre-emption rights

- 13.8.2 R A *circular* relating to a resolution proposing to disapply the statutory pre-emption rights under section ~~89-561~~ of the Companies Act ~~1985~~ 2006 (~~Offers to shareholders to be on pre-emptive basis~~ Existing shareholders' right of pre-emption) must include:

- (1) ...

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 13.78.6R(21)*(d) and (f);

...

#### Notice of meetings

13.8.8 R ...

(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 (3), (4) and (5)* (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 13.3.1R* (including paragraphs ~~(3), (4) and (5)~~ (4), (5) and (6) in respect of special business).

*LR 13* Annex 1R

Annex  
1.1 ...

3 The information required by this Annex is modified as follows:

(1) ...

(2) information required by Annex 1 item 19 (related party transactions) and Annex 1 item 16.2 (directors' service contracts) does not need ~~not to~~ be given if it has already been published before the circular is sent; and

...

...

#### 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 in one or more *EEA States*.

...



(4) For the purposes of paragraphs (1), (2) and (3), shares are not held in public hands if they are held, directly or indirectly by:

...

(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*.

14.2.3 G The *FSA* may modify *LR* 14.2.2R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public. For that purpose, the *FSA* may take into account *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 *CARD*]

#### Documents of title

17.3.13 R ...

(4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable; and

(5) ~~the date of the certificate; and~~ [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.

18.2.5 R ...

(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 company with a notice under section ~~212~~ 793 of the Companies Act ~~1985~~ 2006 (~~Company investigations~~ Notice by company requiring information about interests in its shares)).

...

#### Certificates representing equity securities of an overseas company

18.2.8 R (1) If an application is made for the *admission* of a *class* of *certificates representing shares* of an *overseas company*, a sufficient number of certificates must, no later than the time of *admission*, be

distributed to the public in one or more *EEA States*.

...

(4) For the purposes of paragraphs (1), (2) and (3), certificates are not held in public hands if they are held, directly or indirectly by:

...

(e) 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*.

18.2.9 G The *FSA* may modify *LR* 18.2.8R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of certificates of the same *class* and the extent of their distribution to the public. For that purpose, the *FSA* may take into account certificates of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 *CARD*]

18.3.1 R *An applicant for admission of certificates representing certain securities* must comply with *LR* 3.2 and *LR* 3.4.4 R to ~~*LR* 3.4.7~~ *3.4.8R* subject to the following modifications.

18.3.1A R *An applicant for admission of certificates representing certain securities* must submit a letter to the *FSA* 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 *FSA* is not approving a *prospectus*, at a time agreed with the *FSA*.

Delete *LR* 18.3.2R and substitute the following:

18.3.2 R In addition to the documents referred to in *LR* 3.4.6R, 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.

18.3.3 G ~~Following submission of the relevant documents, *listing* may be granted, subject to the issue of the *certificates representing certain securities*.~~  
[deleted]

18.4.3 R An *overseas company* that is the *issuer* of the *equity shares* which the certificates represent must comply with:

- (1) ...
- (2) the continuing obligations set out in *LR 14.3* (Continuing obligations) (other than in *LR 14.3.2R* and *LR 14.3.15R*), *LR 18.2.8R* and *LR 18.4.3AR*; and
- (3) ...

18.4.3B R 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.

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 3.4.4R* to ~~*LR 3.4.10R*~~ *LR 3.4.8R*.

~~subject to the following modification.~~

Delete *LR 19.3.2R* and substitute the following:

19.3.2 R In addition to the documents referred to in *LR 3.4.6R*, 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*.

*LR* Appendix 1

The reproduced definitions in *LR* Appendix 1 are amended as follows:

*associate*

(in relation to a *director*, *substantial shareholder*, *shareholder*, ~~*50/50 joint venture partner*~~ or *person exercising significant influence*, who is an individual):

- (1) ...

(2) ...

(3) ...

...

in relation to a *substantial shareholder*, ~~50/50 joint venture partner~~ or person exercising significant influence, 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 *substantial shareholder's*, ~~50/50 joint venture partner's~~ or person exercising significant influence's directions or instructions; ;

(3) any company in the capital of which the substantial shareholder or person exercising significant influence and any other company under 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.

*employees' share scheme*

has the same meaning as in section 743 ~~1166~~ of the Companies Act ~~1985~~ 2006;

Delete the following definitions of:

*50/50 joint venture*

~~(in LR) a joint venture where the two parties to the joint venture have a deadlocked interest in the joint venture. [deleted]~~

*50/50 joint venture partner*

~~(in LR) a party to a 50/50 joint venture with a listed company or its subsidiary undertaking. [deleted]~~

*group*

(1) except in *LR 6.1.19R*, *LR 8.3.6R*, *LR 8.3.7G* and *LR 8.7.8R(10)*, an *issuer* and its *subsidiary undertakings* (if any); and

(2) in *LR 6.1.19R*, *LR 8.3.6R*, *LR 8.3.7G* and *LR 8.7.8R(10)*, as defined in section 421 of the *Act*.

*parent undertaking*

As defined in section ~~258~~ 1162 of the Companies Act ~~1985~~ 2006.

*person exercising significant influence*

in relation to a *listed company*, a *person* or entity which exercises significant influence over that *listed company* (~~other than a 50/50 joint venture partner~~).

*property valuation report*

a *property valuation report* prepared by an independent expert in accordance with: ~~the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors.~~

- (1) for an issuer incorporated in the United Kingdom, 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 issuer 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.

*public international body*

... the Caribbean Development Bank, ~~the Council of Europe Resettlement Fund,~~ the Council of Europe Development Bank, the European Atomic Energy Community...

*share*

(in accordance with section 744 540 of the Companies Act ~~1985~~ 2006) a share in the share capital of a *company*, and includes:

- (a) ...
- (b)...

*subsidiary undertaking*

as defined in section 258 1162 of the Companies Act ~~1985~~ 2006.

Delete the definition of "substantial shareholder" and substitute the following:

substantial shareholder

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). Disregard for this purpose 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).

treasury shares

qualifying shares to which ~~sections 162A to 162G~~ Chapter 6 of the Companies Act ~~1985~~ 2006 ~~apply~~ applies.

Insert the following new definitions in the appropriate alphabetical position:

deferred bonus

any arrangement pursuant to the terms of which an employee or director 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 person remaining a director or employee of the group, be receivable by the person after the end of the period to which the award relates.

defined benefit scheme

in relation to a director, means a pension scheme which is not a money purchase scheme.

equivalent document

a document containing information equivalent to a prospectus for the purposes of PR 1.2.2R(2) or (3) or PR 1.2.3R(3) or (4).

money purchase scheme

in relation to a *director*, means a pension scheme under which all of the benefits that may become payable to or in respect of the *director* are money purchase benefits.

Part 2

When a sponsor must be appointed

8.2.1 R A *company* with, or applying for, a *primary listing* of its *equity securities* must appoint a *sponsor* on each occasion that it:

(1) makes an application for *admission* of *equity securities* which:

(a) requires the production of a *prospectus* or equivalent document; or

...

8.4.1 R LR 8.4.2R to LR 8.4.6R apply in relation to an application for *admission* of *equity securities* if an *applicant* does not have *equity securities* already listed and:

(1) the production of a *prospectus* or equivalent document is required; or

(2) ...

...

New applicants: procedure

8.4.3 R A *sponsor* must:

(1) submit a completed Sponsor's Declaration on an Application for Listing to the FSA either:

(a) on the day the *FSA* 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 *FSA*, if the *FSA* is not approving the *prospectus* or if it is determining whether a document is an equivalent document;

(2) ...

(3) ...

(a) ...

(b) ...

... have been disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FSA*; and

- (4) submit a letter to the *FSA* setting out how the *applicant* satisfies the criteria in *LR 2* (Requirements for listing - all securities) and *LR 6* (Additional requirements for listing for equity securities) no later than when the first draft of the *prospectus* is submitted (or, if the *FSA* is not approving a *prospectus* or if it is determining whether a document is an *equivalent document*, at a time to be agreed with the *FSA*).

**Note:** the Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the *FSA* website.

...

Further issues: procedure

8.4.9 R A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for listing to the *FSA* either:
- (a) on the day the *FSA* is to consider the application for approval of the *prospectus* and prior to the time the *prospectus* is approved; ~~and~~ or
  - (b) at a time agreed with the *FSA* if the *FSA* is not approving the *prospectus* or if it is determining whether a document is an *equivalent document*;
- (2) ...
- (3) ... disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FSA*.

...

8.6.9 G ...

- (2) ...
- (a) transactions where a *prospectus* is required under the *Prospectus Directive* or an *equivalent document* is produced;



and

...

## Annex D

### Amendments to the Disclosure Rules and Transparency Rules (DTR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Amend the following definitions as shown:

- DTR* Notification of transactions by issuers to a *RIS*
- 3.1.4 R (1) An *issuer* must notify a *RIS* of any information notified to it in accordance with:
- (a) *DTR* 3.1.2R (Notification of transactions by persons discharging material responsibilities); and
  - (b) ~~section 324 as extended by section 328 of the Companies Act 1985 or entered into the issuer's register in accordance with section 325(3) or (4) of the Companies Act 1985.~~  
*LR* 9.8.6R(1) (Additional information); and
  - (c) section 793 of the Companies Act 2006 (Notice requiring information about interests in shares).
- ...
- 3.1.6 R If an *issuer* receives notification of the same dealing under both *DTR* 3.1.2R, *LR* 9.8.6R(1) and section 793 ~~324 as extended by section 328~~ of the Companies Act ~~1985-2006~~, it must make clear in its notification to the *RIS* that a single transaction in respect of the same *financial instrument* has taken place.
- 5.1.1 R In this chapter:
- (1) ...
  - (2) references to a "non-UK issuer" are to an *issuer* whose *shares* are admitted to trading on a *regulated market* and whose *Home State* is the United Kingdom other than:
    - (a) a public company within the meaning of section ~~4(3)~~ 4 of the Companies Act ~~1985~~ 2006; and
    - (b) ...