

LISTING RULES SOURCEBOOK (SPONSOR COMPETENCY) INSTRUMENT 2024

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 88 (Sponsors);
 - (3) section 96 (Obligations of issuers of listed securities);
 - (4) section 137A (The FCA’s general rules);
 - (5) section 137T (General supplementary powers); and
 - (6) section 139A (Power of the FCA to give guidance).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 26 April 2024.

Amendments to the Handbook

- D. The Listing Rules sourcebook (LR) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Listing Rules Sourcebook (Sponsor Competency) Instrument 2024.

By order of the Board
25 April 2024

Annex

Amendments to the Listing Rules sourcebook (LR)

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

8 Sponsors: Premium listing

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8.6 Criteria for approval as a sponsor

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Application for approval as a sponsor

8.6.2 R *A person wanting to provide sponsor services, and to be included on the list of sponsors, must apply to the FCA for approval as a sponsor by submitting the following to the Primary Market Specialist Supervision Team at the FCA's address:*

(1) a completed Sponsor Firm Application Form; ~~and~~

...

(3) the application fee set out in *FEES 3*; and

(4) details of any matter in the past 5 years that would have been notifiable to the FCA pursuant to LR 8.7.8R(2), (3), (4) or (5), had the person been approved as a sponsor.

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Criteria for approval as a sponsor

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8.6.5A R ...

8.6.5AA G In assessing whether a person wanting to provide sponsor services satisfies LR 8.6.5R(2), the FCA will consider a variety of factors, including any matters notified to it pursuant to LR 8.6.2R(4).

8.6.5B 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 ~~employees~~ employees of the person applying to be a sponsor whom it is proposed will perform sponsor services have no or limited relevant experience and expertise of ~~providing the kind~~

described in LR 8.6.7R(1) in relation to certain types of sponsor services or of providing sponsor services in relation to certain types of company; or

...

...

Continuing obligations

8.6.6 R ...

8.6.6A G In assessing whether a sponsor satisfies LR 8.6.6R, the FCA will consider a variety of factors, including any matters notified to it pursuant to LR 8.7.8R.

Competence of a sponsor

8.6.7 R A sponsor, or a person applying for approval as a sponsor, will not satisfy LR 8.6.5R(2) unless it has:

- (1) ~~submitted a sponsor declaration to the FCA~~ a sufficient amount of relevant experience and expertise, demonstrated by having:
 - (a) ~~for a person applying for approval as a sponsor, within three years of the date of its application; and submitted a sponsor declaration to the FCA:~~
 - (i) for a person applying for approval as a sponsor, within 5 years of the date of its application; and
 - (ii) for a sponsor, within the previous 5 years; or
 - (b) ~~for a sponsor, within the previous three years; and provided sufficient relevant corporate finance advisory services within the previous 5 years to persons:~~
 - (i) with securities admitted to trading on, or applying for admission of securities to trading on, a UK RIE or a market established under the rules of a UK RIE; and
 - (ii) each having an aggregate market value or expected aggregate market value of at least the amount specified in LR 2.2.7R(1)(a) or, where the sponsor or person applying for approval as a sponsor is doing so on the basis of providing sponsor services to closed-ended investment funds only, LR 2.2.7R(1A),
at the time such services were provided; and
- (2) a sufficient number of employees with the skills; and knowledge ~~and~~ expertise necessary for it to:

- (a) provide *sponsor services* in accordance with LR 8.3;
- (b) understand:
 - (i) the rules, and guidance and ESMA publications directly relevant to *sponsor services*;
 - ...
 - (v) specialist industry sectors and/or certain types of company, if relevant to the *sponsor services* it provides or intends to provide; and

...

- 8.6.7A G To determine whether a *sponsor*, or a *person* applying for approval as a *sponsor*, ~~is able to satisfy~~ satisfies LR 8.6.7R(1)(a), the FCA may consider whether any of the *sponsor's* or *person's* employees have had material involvement in the provision of *sponsor services* that have required the submission of a *sponsor declaration* within the previous ~~three~~ 5 years.
- 8.6.7AA G For the purposes of LR 8.6.7R(1)(a), any declaration or confirmation given by a *sponsor* to the FCA that is not a *sponsor declaration* will not be accepted to demonstrate relevant experience and expertise.
- 8.6.7AB G To determine whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies LR 8.6.7R(1)(b), the FCA may consider a variety of factors, including:
- (1) the cumulative body of its experience and expertise providing relevant corporate finance advisory services, including any *sponsor services* provided where no *sponsor declaration* has been required;
 - (2) the range of skills and knowledge evidenced through its provision of relevant corporate finance advisory services, including:
 - (a) advising on the rules and guidance issued by a regulator or exchange;
 - (b) adhering to the procedural requirements and processes of a regulator or exchange; and
 - (c) undertaking due diligence to:
 - (i) support assurances or information delivered to a regulator or exchange; and
 - (ii) verify public statements made by an issuer; and
 - (3) the extent of the *sponsor services* intended to be provided.

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8.6.7C G In assessing whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies ~~LR 8.6.7R(2)~~ LR 8.6.7R, the *FCA* will consider a variety of factors, including:

...

(5) ...

8.6.7CA G To determine whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies LR 8.6.7R(1)(b), the *FCA* may consider whether any of the *sponsor's* or *person's* employees have, within the previous 5 years, had material involvement in the provision of corporate finance advisory services to *persons* with or applying for admission of securities to a *UK RIE* and each having an aggregate market value or expected aggregate market value of at least the amount specified in LR 2.2.7R(1)(a) or, where the *sponsor* or *person* applying for approval as a *sponsor* is doing so on the basis of providing *sponsor services to closed-ended investment funds* only, LR 2.2.7R(1A), at the time such services were provided.

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Key contact

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8.6.20 G ~~The *FCA* expects an *employee* carrying out the role of key contact to have provided a *sponsor service* in the previous three years. [deleted]~~