Listing Rules

Listing Rules

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Chapter 1

Preliminary: All securities

1.1 Introduction

Note: ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering 'Alternative Performance Measures'. See https://www.esma.europa.eu/sites/default/files/library/2015/10/2015-esma-1415en.pdf

Application

1.1.1 R *LR* applies as follows:

(1) all of *LR* (other than ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7) applies to an *issuer*; and

(2) ■ LR 1, ■ LR 8.1, ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7 apply to a *sponsor* and a *person* applying for approval as a *sponsor*.

Note: when exercising its functions under Part VI of the *Act*, the *FCA* may use the name: the UK Listing Authority.

Other relevant parts of Handbook

Note: Other parts of the *Handbook* that may also be relevant to *issuers* or *sponsors* include *DTR* (the Disclosure Guidance and Transparency Rules sourcebook), *PR* (the Prospectus Rules sourcebook), *COBS* (the Conduct of Business sourcebook), *DEPP* (Decision Procedure and Penalties Manual), Chapter 9 of *SUP* (the Supervision manual) and *GEN* (General Provisions).

The following Regulatory Guides may also be relevant to *issuers* or *sponsors*:

1. The Enforcement Guide (*EG*)

2. [intentionally blank]

1.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

1.2.1 R

(1) The *FCA* may dispense with or modify the *listing rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of EU directives and the *Act*).

(2) A dispensation or modification may be either unconditional or subject to specified conditions.

(3) If an *issuer* or *sponsor* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.

(4) The *FCA* may revoke or modify a dispensation or modification.

1.2.2 R

(1) An application to the *FCA* to dispense with or modify a *listing rule* must be in writing.

(2) The application must:

(a) contain a clear explanation of why the dispensation or modification is requested;

(b) include details of any special requirements, for example, the date by which the dispensation or modification is required;

(c) contain all relevant information that should reasonably be brought to the *FCA's* attention;

(d) contain any statement or information that is required by the *listing rules* to be included for a specific type of dispensation or modification; and

(e) include copies of all documents relevant to the application.

1.2.3 G

An application to dispense with or modify a *listing rule* should ordinarily be made:

(1) for a *listing rule* that is a continuing obligation, at least five *business days* before the proposed dispensation or modification is to take effect; and

(2) for any other *listing rule,* at least ten *business days* before the proposed dispensation or modification is to take effect.

Companies in severe financial difficulty

1.2.4 G If an *issuer* applies to the *FCA* to dispense with or modify a *listing rule* on the basis that it is in severe financial difficulty, the *FCA* would ordinarily expect the *issuer* to comply with the conditions in ■ LR 10.8 (to the extent relevant to the particular *rule* for which the dispensation or modification is sought). In particular, the *FCA* would expect the *issuer* to comply with those conditions that are directed at demonstrating that it is in severe financial difficulty.

Early consultation with FCA

1.2.5 G An *issuer* or *sponsor* should consult with the *FCA* at the earliest possible stage if it:

(1) is in doubt about how the *listing rules* apply in a particular situation; or

(2) considers that it may be necessary for the *FCA* to dispense with or modify a *listing rule*.

1.2.6 G Where a *listing rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency or in the case of a submission from a *sponsor* in relation to the provision of a *sponsor service*.

Address for correspondence

Note: The *FCA's* address for correspondence is:

The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London, E14 5HS
Tel: 020 7066 8333
www.fca.org.uk/markets/ukla

1.3 Information gathering and publication

Information gathering

1.3.1 R An *issuer* must provide to the *FCA* as soon as possible:

(1) any information and explanations that the *FCA* may reasonably require to decide whether to grant an application for *admission*;

(2) any information that the *FCA* considers appropriate to protect investors or ensure the smooth operation of the market; and [**Note**: Article 16.1 *CARD*]

(3) any other information or explanation that the *FCA* may reasonably require to verify whether *listing rules* are being and have been complied with.

FCA may require issuer to publish information

1.3.2 R (1) The *FCA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market. [**Note**: Article 16.2 *CARD*]

(2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published). [**Note**: Article 16.2 *CARD*]

Misleading information not to be published

1.3.3 R An *issuer* must take reasonable care to ensure that any information it notifies to a *RIS* or makes available through the *FCA* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

Notification when a RIS is not open for business

1.3.4 R If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business it must distribute the information as soon as possible to:

(1) not less than two national newspapers in the *United Kingdom*;

(2) two newswire services operating in the *United Kingdom*; and

(3) a *RIS* for release as soon as it opens.

1.4 Miscellaneous

Appointment of sponsor

1.4.1 R

(1) If it appears to the *FCA* that there is, or there may be, a breach of the *listing rules* or the *disclosure requirements* and *transparency rules* by an *issuer* with a *premium listing*, the *FCA* may in writing require the *issuer* to appoint a *sponsor* to advise the *issuer* on the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

(2) If required to do so under (1), an *issuer* must, as soon as practicable, appoint a *sponsor* to advise it on the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

[**Note:** ■ LR 8.2 sets out the various circumstances in which an *issuer* must appoint, or obtain guidance from, a *sponsor*.]

Overseas companies

1.4.2 R

If a *listing rule* refers to a requirement in legislation applicable to a *listed company* incorporated in the *United Kingdom*, a *listed overseas company* must comply with the requirement so far as:

(1) information available to it enables it to do so; and

(2) compliance is not contrary to the law in its country of incorporation.

1.4.3 R

A *listed overseas company* must, if required to do so by the *FCA*, provide the *FCA* with a letter from an independent legal adviser explaining why compliance with a requirement referred to in ■ LR 1.4.2 R is contrary to the law in its country of incorporation.

1.4.4 R

[deleted]

1.4.5 G

[deleted]

English language

1.4.6 R

A *document* that is required under a *listing rule* to be filed, notified to a RIS, provided to the *FCA* or sent to *security* holders must be in English.

1

Market abuse safe harbours

1.4.7 R [deleted]

Fees

1.4.8 G The provisions relating to periodic fees for *issuers* and *sponsors* are set out in ■ FEES 1, ■ 2 and ■ 4.

Electronic Communication

1.4.9 G (1) If the *listing rules* require an *issuer* to send documents to its *security* holders, the *issuer* may, in accordance with ■ DTR 6.1.8 R, use *electronic means* to send those documents.

1.4.10 R [deleted]

Use of an RIS

1.4.11 R Where a *listing rule* requires an *issuer* subject to ■ DTR 6.3.1 R to use the services of an *RIS*, the *issuer* must comply with the provisions of ■ DTR 6.3.

1.4.12 R Where a *listing rule* requires an *issuer* who is not subject to ■ DTR 6.3.1 R to use the services of an *RIS*, the *issuer* must comply with the provisions of ■ DTR 6.3, except in relation to information which is required to be disclosed under the *Transparency Directive*, articles 17 and 19 of the *Market Abuse Regulation* or the *DTR*.

1.5 Standard and Premium Listing

Standard and premium listing explained

1.5.1 G

(1) Under the *listing rules* each *issuer* must satisfy the requirements in the rules that are specified to apply to it and its relevant *securities*. In some cases a *listing* is described as being either a *standard listing* or a *premium listing*.

(2) A *listing* that is described as a *standard listing* sets requirements that are based on the minimum EU directive standards. A *listing* that is described as a *premium listing* will include requirements that exceed those required under relevant EU directives.

(3) *Premium listing* exists for *equity shares* of commercial companies, *closed-ended investment funds* and *open-ended investment companies*. Any other *listing* will be a *standard listing*.

(4) In one case, for *equity shares* of a commercial company, an *issuer* will have a choice under the *listing rules* as to whether it has a *standard listing* or a *premium listing*. The type of *listing* it applies for will therefore determine the requirements it must comply with.

(5) ■ LR 5.4A provides a process for the transfer of the category of *listing* of *equity shares*.

(6) In one case, for further classes of *equity shares* of an *investment entity*, the *equity shares* may be admitted to a *standard listing* provided that, and only for so long as, the *issuer* has a *premium listing* of *equity shares*.

Misleading statements about status

1.5.2 R

An *issuer* that is not an issuer with a *premium listing* of its *equity shares* must not describe itself or hold itself out (in whatever terms) as having a *premium listing* or make any representation which suggests, or which is reasonably likely to be understood as suggesting, that it has a *premium listing* or complies or is required to comply with the requirements that apply to a *premium listing*.

1

1.6 Listing Categories

1.6.1 G [deleted]

1.6.1A R An *issuer* must comply with the *rules* that are applicable to every *security* in the category of *listing* which applies to each *security* the *issuer* has *listed*. The categories of *listing* are:

(1) *premium listing (commercial company)*;

(2) *premium listing* (*closed-ended investment fund*);

(3) *premium listing* (*open-ended investment companies*);

(4) *standard listing* (*shares*);

(5) *standard listing* (debt and debt-like *securities*);

(6) *standard listing* (*certificates representing certain securities*);

(7) *standard listing* (*securitised derivatives*);

(8) *standard listing* (*miscellaneous securities*).

1.6.2 R An *issuer* must inform the *FCA* if the characteristics of a *security* change so that the *security* no longer meets the definition of a *security* in the category in which it has been placed.

Market abuse safe harbours

[deleted]

Chapter 2

Requirements for listing: All securities

2

2.1 Preliminary

Application

2.1.1 R This chapter applies to all *applicants* for *admission to listing* (unless a *rule* is specified only to apply to a particular type of *applicant* or *security*).

Refusal of applications

2.1.2 G Under the *Act*, the *FCA* may not grant an application for *admission* unless it is satisfied that:

(1) the requirements of the *listing rules* are complied with; and

(2) any special requirement (see LR 2.1.4 R) is complied with.

2.1.3 G Under the *Act*, the *FCA* may also refuse an application for *admission* if it considers that:

(1) *admission* of the *securities* would be detrimental to investors' interests; or

(2) for *securities* already listed in another *EEA State*, the *issuer* has failed to comply with any obligations under that listing.

Special requirements

2.1.4 R (1) The *FCA* may make the *admission* of *securities* subject to any special requirement that it considers appropriate to protect investors. [**Note**: article 12 *CARD*]

(2) The *FCA* must explicitly inform the *issuer* of any special requirement that it imposes. [**Note**: article 12 *CARD*]

No conditional admission

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

2.2 Requirements for all securities

Incorporation

2.2.1 R An *applicant* (other than a *public sector issuer*) must be:

(1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and

(2) operating in conformity with its *constitution*. [**Note**: articles 42 and 52 *CARD*]

Validity

2.2.2 R To be *listed*, *securities* must:

(1) conform with the law of the *applicant's* place of incorporation;

(2) be duly authorised according to the requirements of the *applicant's constitution*; and

(3) have any necessary statutory or other consents. [**Note**: articles 45 and 53 *CARD*]

Admission to trading

2.2.3 R Other than in regard to *securities* to which LR 4 applies, to be *listed*, *equity shares* must be admitted to trading on a *regulated market* for *listed securities* operated by a *RIE*. All other *securities* must be admitted to trading on a *RIE's* market for *listed securities*.

Transferability

2.2.4 R

(1) To be *listed*, *securities* must be freely transferable. [**Note**: articles 46, 54 and 60 *CARD*]

(2) To be *listed*, *shares* must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

2.2.5 G The *FCA* may modify LR 2.2.4 R to allow partly paid *securities* to be *listed* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the

2

securities to take place on an open and proper basis. [**Note**: articles 46 and 54 *CARD*]

2.2.6 G The *FCA* may in exceptional circumstances modify or dispense with ■ LR 2.2.4 R where the *applicant* has the power to disapprove the transfer of *shares* if the *FCA* is satisfied that this power would not disturb the market in those *shares*. [**Note**: article 46 *CARD*]

Market capitalisation

2.2.7 R

(1) The expected aggregate market value of all *securities* (excluding *treasury shares*) to be *listed* must be at least:

(a) £700,000 for *shares*; and

(b) £200,000 for *debt securities*.

(2) Paragraph (1) does not apply to tap issues where the amount of the *debt securities* is not fixed.

(3) Paragraph (1) does not apply if *securities* of the same *class* are already *listed*. [**Note**: articles 43 and 48 *CARD*]

2.2.8 G The *FCA* may modify ■ LR 2.2.7 R to admit *securities* of a lower value if it is satisfied that there will be an adequate market for the *securities* concerned. [**Note**: articles 43 and 58 *CARD*]

Whole class to be listed

2.2.9 R An application for *listing* of *securities* of any *class* must:

(1) if no *securities* of that *class* are already *listed*, relate to all *securities* of that *class*, issued or proposed to be issued; or

(2) if *securities* of that *class* are already *listed*, relate to all further *securities* of that *class*, issued or proposed to be issued. [**Note**: articles 49, 56 and 62 *CARD*]

Prospectus

2.2.10 R

(1) This *rule* applies if under the *Act* or under the law of another *EEA State*:

(a) a *prospectus* must be approved and published for the *securities*; or

(b) the *applicant* is permitted and elects to draw up a *prospectus* for the *securities*.

(2) To be *listed*:

(a) a *prospectus* must have been approved by the *FCA* and published in relation to the *securities*; or

(b) if another *EEA State* is the *Home Member State* for the *securities*, the relevant competent authority must have supplied the *FCA* with:

(i) a certificate of approval;

(ii) a copy of the *prospectus* as approved; and

(iii) (if applicable) a translation of the *summary* of the *prospectus*.

Listing particulars

2.2.11 R

(1) This *rule* applies if, under ■ LR 4, *listing particulars* must be approved and published for *securities*.

(2) To be *listed*, *listing particulars* for the *securities* must have been approved by the *FCA* and published in accordance with ■ LR 4.

Convertible securities and miscellaneous securities carrying the right to buy or subscribe for other securities

2.2.12 R

Convertible securities and *miscellaneous securities* giving the holder the right to buy or subscribe for other *securities* may be *admitted* to *listing* only if the *securities* into which they are convertible or over which they give a right to buy or subscribeare already, or will become at the same time:

(1) *listed securities*; or

(2) *securities* listed on a regulated, regularly operating, recognised open market. [**Note**: article 59 *CARD*]

2.2.13 G

The *FCA* may dispense with ■ LR 2.2.12 R if it is satisfied that holders of the *convertible securities* have at their disposal all the information necessary to form an opinion about the value of the underlying *securities*. [**Note**: article 59 *CARD*]

2.2.14 R

[deleted]

2.2.15 R

[deleted]

Chapter 3

Listing applications: All securities

3

3.1 Application

3.1.1 R (2) This chapter applies to an *applicant* for the *admission* of *securities*.

3.2 Application for admission to listing

Location of official list

3.2.1 G The *FCA* will maintain the *official list* on its website.

Method of application

3.2.2 R An *applicant* for *admission* must apply to the *FCA* by:

(1) submitting, in final form:

(a) the documents described in LR 3.3 in the case of an application in respect of *equity shares*;

(b) the documents described in LR 3.4 in the case of an application in respect of *debt securities* or other *securities*;

(c) the documents described in LR 3.5 in the case of a block listing;

(2) submitting all additional documents, explanations and information as required by the *FCA*;

(3) submitting verification of any information in such manner as the *FCA* may specify; and

(4) paying the fee set out in FEES 3 by the required date.

3.2.3 G Before submitting the documents referred to in LR 3.2.2 R (1), an *applicant* should contact the *FCA* to agree the date on which the *FCA* will consider the application.

3.2.4 R All documents must be submitted to the Issuer Managementat the *FCA's* address.

Grant of an application for admission to listing

3.2.5 G The *FCA* will admit *securities* to *listing* if all relevant documents required by LR 3.2.2 R have been submitted to the *FCA*.

3.2.6 G When considering an application for *admission* to *listing*, the *FCA* may:

(1) carry out any enquiries and request any further information which it considers appropriate, including consulting with other regulators or exchanges;

(2) request that an *applicant*, or its specified representative answer questions and explain any matter the *FCA* considers relevant to the application for *listing*;

(3) take into account any information which it considers appropriate in relation to the *application* for *listing*;

(4) request that any information provided by the *applicant* be verified in such manner as the *FCA* may specify; and

(5) impose any additional conditions on the *applicant* as the *FCA* considers appropriate.

3.2.7 G The *admission* becomes effective only when the *FCA's* decision to admit the *securities* to *listing* has been announced by being either:

(1) disseminated by a *RIS*; or

(2) posted on a notice board designated by the *FCA* should the electronic systems be unavailable.

3.3 Shares

Application

3.3.1 R ■ LR 3.3.2 R to ■ LR 3.3.7 R apply to an *applicant* which is applying for a *listing* of its *shares* except for *preference shares* that are *specialist securities*.

Documents to be provided 48 hours in advance

3.3.2 R The following documents must be submitted, in final form, to the *FCA* by midday two *business days* before the *FCA* is to consider the application:

(1) a completed Application for Admission of Securities to the Official List;

(2) one of:

(a) the *prospectus*, or *listing particulars*, that has been approved by the *FCA*; or

(b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another *EEA State* is the *home Member State* for the *shares*; or

(c) [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;

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

(6) if a *prospectus* or *listing particulars* have not been produced, a copy of the *RIS* announcement detailing the number and type of *shares* 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 *FCA* 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

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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 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 *FCA* before 9 a.m. on the day the *FCA* is to consider the application:

(1) a completed Shareholder Statement, in the case of an *applicant* that is applying for a *listing* of a class of *shares* for the first time; or [**Note:** see ■ LR 8.4.3 R and ■ LR 8.4.9 R];

(2) a completed Pricing Statement, in the case of a *placing*, *open offer*, *vendor consideration placing*, *offer for subscription* of *equity shares* or an issue out of treasury of *equity shares* of a *class* already *listed*. [**Note:** see ■ LR 8.4.3 R and ■ LR 8.4.9 R].

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

3.3.4 R If written confirmation of the number of *shares* to be allotted pursuant to a board resolution cannot be submitted to the *FCA* by the deadline set out in ■ LR 3.3.2 R or the number of *shares* to be *admitted* is lower than the number notified under ■ LR 3.3.2 R, written confirmation of the number of *shares* to be allotted or *admitted* must be provided to the *FCA* by the *applicant* or its *sponsor* at least one hour before the *admission* to *listing* is to become effective.

3.3.4A R If the *FCA* has considered an application for *listing* and the *shares* the subject of the application are not all allotted and *admitted* following the initial allotment of the *shares* (for example, under an *offer for subscription*), further allotments of *shares* may be *admitted* if before 4pm on the day before *admission* is sought the *FCA* has been provided with:

(1) written confirmation of the number of *shares* allotted pursuant to a board resolution; and

(2) a copy of the *RIS* announcement detailing the number and type of *shares* and the circumstances of their issue.

Other documents to be submitted

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

Documents to be kept

3.3.6 R An *applicant* must keep copies of the following for six years after the *admission to listing*:

(1) any agreement to acquire any assets, business or *shares* in consideration for or in relation to which the company's *shares* are being issued;

(2) any letter, report, valuation, contract or other documents referred to in the *prospectus*, *listing particulars*, *circular* or other document issued in connection with those *shares*;

(3) the *applicant's constitution* as at the date of *admission*;

(4) the annual report and accounts of the *applicant* and of any guarantor, for each of the periods which form part of the *applicant's* financial record contained in the *prospectus* or *listing particulars*;

(5) any interim accounts made up since the date to which the last annual report and accounts were made up and prior to the date of *admission*;

(6) any temporary and definitive documents of title;

(7) in the case of an application in respect of *shares* issued pursuant to an *employees' share scheme*, the scheme document;

(8) where *listing particulars* or another document are published in connection with any scheme requiring court approval, any court order and the certificate of registration issued by the Registrar of Companies; and

(9) copies of board resolutions of the *applicant* allotting or issuing the *shares*.

3.3.7 R An *applicant* must provide to the *FCA* the documents set out in LR 3.3.6 R, if requested to do so.

3

3.4 Debt and other securities

Application - debt securities etc

3.4.1 R ■ LR 3.4.4 R to ■ LR 3.4.6 R 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*;

(4) [deleted]

(5) *convertible securities*;

(6) *miscellaneous securities*; and

(7) *preference shares* that are *specialist securities*.

Application - issuance programmes

3.4.2 R ■ LR 3.4.7 R to ■ LR 3.4.8 R apply to an *applicant* for the *admission* of a *debt securities* or *asset-backed securities* issuance programme.

Application - public sector issuers

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

Documents to be provided 48 hours in advance

3.4.4 R An *applicant* must submit, in final form, to the *FCA* by midday two *business days* before the *FCA* is to consider the application:

(1) a completed Application for Admission of Securities to the Official List;

(2) either:

(a) the *prospectus*, or *listing particulars* that has been approved by the *FCA*; or

(b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another *EEA State* is the *home Member State* for the *securities*;

(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 3.4.5 R]

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FCA's* website.

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 *FCA* by the deadline set out in ■ LR 3.4.4 R or, the number of *securities* to be admitted is lower than the number notified under ■ LR 3.4.4 R, written confirmation of the number of *securities* to be issued or admitted must be provided to the *FCA* by the *applicant* at least one hour before the *admission* to *listing* is to become effective.

Documents to be kept

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

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

3.4.7 R An *applicant* must comply with ■ LR 3.4.4 R to ■ LR 3.4.6 R with the following modifications:

(1) [deleted]

(2) if the *FCA* 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 *FCA*:

(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.

(c) [deleted]

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

3

Issuance programmes: final terms

3.4.8 R

(1) The *final terms* must be submitted in writing to the *FCA* as soon as possible after they have been agreed and no later than 2 p.m. on the day before *listing* is to become effective.

(2) The *final terms* may be submitted by:

(a) the *applicant*; or

(b) a duly authorised officer of the *applicant*.

(3) [deleted]

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

Exempt public sector issuers

3.4.9 R

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

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FCA's* website.

3.4.9A G

An application referred to in ■ LR 3.4.9 R should be made in accordance with the timetable referred to in ■ LR 3.4.8 R.

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 3.4.9 R, ■ LR 3.4.9A G and ■ LR 3.4.9B G 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 3.4.7 R, ■ LR 3.4.8 R and ■ LR 3.4.11 R to ■ LR 3.4.13 R apply to applications for *admission* to *listing* of *debt securities* by a *public sector issuer* other than one referred to in ■ LR 3.4.9 R.

3.4.11 R

An *applicant* referred to in ■ LR 3.4.10 R must submit the items set out in ■ LR 3.4.4 R to the *FCA* in final form by midday two *business days* before the *FCA* is to consider the application.

3.4.12 R

[deleted]

3.4.13 R

An *applicant* referred to in ■ LR 3.4.10 R must keep, for six years after the *admission to listing*, a copy of the items set out in ■ LR 3.3.6 R (1) to ■ LR 3.3.6 R (6) and in ■ LR 3.3.6 R (9).

3.5 Block listing

Application

3.5.1 R This section applies to an *applicant* that wishes to apply for *admission* of *securities* using a block listing.

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. Separately, the provisions of PR 1.2.2 R will need to be considered by the *applicant* when the *securities* that are the subject of the block listing are being issued.

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 *FCA* 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 *FCA* website.

3.5.5 R

(1) An *applicant* applying for *admission to listing* by way of a block listing must notify an *RIS* of the number and type of *securities* that are the subject of the block listing application and the circumstances of their issue.

(2) The notification in paragraph (1) must be made by 9 a.m. on the *day* the *FCA* is to consider the application.

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.

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

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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 3.5.6 R 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.

Chapter 4

Listing particulars for professional securities market and certain other securities: All securities

4.1 Application and Purpose

Application

4.1.1 R This chapter applies to an *issuer* that has applied for the *admission* of:

(1) *securities* specified in Schedule 11A of the *Act* (other than *securities* specified in paragraphs 2, 4 or 9 of that Schedule); or

(2) any other *specialist securities* for which a *prospectus* is not required under the *prospectus directive*.

Purpose

4.1.2 G (1) The purpose of this chapter is to require *listing particulars* to be prepared and published for *securities* that are the subject of an application for *listing* in the circumstances set out in ■ LR 4.1.1 R where a *prospectus* is not required under the *prospectus directive*.

Listing particulars to be approved and published

4.1.3 R An *issuer* must ensure that *listing particulars* for *securities* referred to in ■ LR 4.1.1 R are approved by the *FCA* and published in accordance with ■ LR 4.3.5 R.

Note: Under ■ LR 2.2.11 R, the *securities* will only be *listed* if *listing particulars* for the *securities* have been approved by the *FCA* and published.

4.2 Contents and format of listing particulars

General contents of listing particulars

4.2.1 G Section 80 (1) of the *Act* (general duty of disclosure in listing particulars) requires *listing particulars* submitted to the *FCA* to contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of:

(1) the assets and liabilities, financial position, profits and losses, and prospects of the *issuer* of the *securities*; and

(2) the rights attaching to the *securities*.

Summary

4.2.2 R (1) The *listing particulars* must contain a *summary* that complies with the requirements in section 87A(5) and (6) of the *Act* and ■ PR 2.1.4 EU to ■ PR 2.1.7 R (as if those requirements applied to the *listing particulars*).

(2) Paragraph (1) does not apply:

(a) in relation to *specialist securities* referred to in ■ LR 4.1.1R (2); or

(b) if, in accordance with ■ PR 2.1.3 R, no *summary* would be required in relation to the *securities*.

Format of listing particulars

4.2.3 R (1) The *listing particulars* must be in a format that complies with the relevant requirements in ■ PR 2.2 and the *PD Regulation* (as if those requirements applied to the *listing particulars*).

Minimum information to be included

4.2.4 R The following minimum information from the *PD Regulation* must be included in *listing particulars*:

(1) for an issue of bonds including bonds convertible into the *issuer's shares* or exchangeable into a third party *issuer's shares* or derivative *securities*, irrespective of the denomination of the issue, the minimum information required by the *schedules* applicable to debt and derivative *securities* with a denomination per unit of at least 100,000 euros;

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(2) the additional information required by the underlying share *building block* where relevant;

(3) for an issue of *asset-backed securities*, irrespective of the denomination per unit of the issue, the minimum information required by the *schedules* and *building blocks* applicable to *asset-backed securities* with a denomination per unit of at least 100,000 euros;

(4) for an issue of *certificates representing shares*, irrespective of the denomination per unit of the issue, the *schedule* applicable to depositary receipts over shares with a denomination per unit of at least 100,000 euros (except that item 13.2 (relating to profit forecasts) in Annex 10 and Annex 28 is not to apply);

(5) for an issue of *securities* by the government of a *non-EEA State* or a local or regional authority of a *non-EEA State*, the *schedule* applicable to *securities* issued by third countries and their regional and local authorities; and

(6) for all issues that are guaranteed, the information in the guarantee *building block*.

4.2.5 G For all other issues the *FCA* would expect issuers to follow the most appropriate *schedules* and *building blocks* in the *PD Regulation* to determine the minimum information to be included in *listing particulars*.

Incorporation by reference

4.2.6 R An *issuer* may incorporate information by reference in the *listing particulars* as if ■ PR 2.4 and the *PD Regulation* applied to the *listing particulars*.

Equivalent information

4.2.7 R An *issuer* may include equivalent information in *listing particulars* as if ■ PR 2.5.1 R applied to the *listing particulars*.

English language

4.2.8 R *Listing particulars* must be in English.

Omission of information

4.2.9 G Under section 82 of the *Act* (exemptions from disclosure) the *FCA* may authorise the omission from *listing particulars* of information on specified grounds.

4.2.10 R A request to the *FCA* to authorise the omission of specific information in a particular case must:

(1) be in writing from the *issuer*;

(2) identify the specific information concerned and the specific reasons for the omission; and

(3) state why in the *issuer's* opinion one or more of the grounds in section 82 of the *Act* applies.

4.2.11 R For the purposes of section 82(1)(c) of the *Act*, *specialist securities* are specified.

Responsibility for listing particulars

4.2.12 G Part 3 of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (SI 2001/2956) sets out the *persons* responsible for *listing particulars*. In particular, in those regulations:

(1) regulation 6 specifies who is generally responsible for *listing particulars*; and

(2) regulation 9 modifies the operation of regulation 6 in relation to *specialist securities*.

4.2.13 R (1) In the case of *listing particulars* for *specialist securities*:

(a) the *issuer* must state in the *listing particulars* that it accepts responsibility for the listing particulars;

(b) the *directors* may state in the *listing particulars* that they accept responsibility for the *listing particulars*; and

(c) other *persons* may state in the *listing particulars* that they accept responsibility for all or part of the *listing particulars* and in that case the statement by the *issuer* or *directors* may be appropriately modified.

(2) An *issuer* that is the government of a *non-EEA State* or a local or regional authority of a *non-EEA State* is not required under paragraph (1)(a) to state that it accepts responsibility for the *listing particulars*.

4.3 Approval and publication of listing particulars

Approval of listing particulars

4.3.1 R An application for approval of *listing particulars* or *supplementary listing particulars* must comply with the procedures in PR 3.1 (as if those procedures applied to the application), except that the applicant does not need to submit a completed form A.

4.3.2 R The *FCA* will approve *listing particulars* or *supplementary listing particulars* if it is satisfied that the requirements of the *Act* and this chapter have been complied with.

4.3.3 G The *FCA* will try to notify the applicant of its decision on an application for approval of *listing particulars* or *supplementary listing particulars* within the same time limits as are specified in section 87C of the *Act* (consideration of application for approval) for an application for approval of a *prospectus* or *supplementary prospectus*.

4.3.4 R An *issuer* must ensure that *listing particulars* or *supplementary listing particulars* are not published until they have been approved by the *FCA*.

Filing and publication of listing particulars etc

4.3.5 R An *issuer* must ensure that after *listing particulars* or *supplementary listing particulars* are approved by the *FCA*, the *listing particulars* or *supplementary listing particulars* are filed and published as if the relevant requirements in PR 3.2, the *PD Regulation* and Commission Delegated Regulation (EU) 2016/301 applied to them.

4.4 Miscellaneous

Supplementary listing particulars

4.4.1 G Section 81 of the *Act* (supplementary listing particulars) requires an *issuer* to submit *supplementary listing particulars* to the *FCA* for approval if at any time after *listing particulars* have been submitted to the *FCA* and before the commencement of dealings in the *securities* following their *admission* to the *official list*:

(1) there is a significant change affecting any matter contained in those particulars the inclusion of which was required by:

(a) section 80 of the *Act* (general duty of disclosure in listing particulars); or

(b) listing rules; or

(c) the *FCA*; or

(2) a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when the particulars were prepared.

4.4.2 R An *issuer* must ensure that after *supplementary listing particulars* are approved by the *FCA*, the *supplementary listing particulars* are filed and published as if the requirements in ■ PR 3.2, the *PD Regulation* and Commission Delegated Regulation (EU) 2016/301 applied to them.

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 *FCA*, 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.

Chapter 5

Suspending, cancelling and restoring listing and reverse takeovers: All securities

5.1 Suspending listing

FCA may suspend listing

5.1.1 R

(1) The *FCA* may suspend, with effect from such time as it may determine, the *listing* of any *securities* if the smooth operation of the market is, or may be, temporarily jeopardised or it is necessary to protect investors. [**Note**: article 18(1) *CARD*]

(2) An *issuer* that has the *listing* of any of its *securities* suspended must continue to comply with all *listing rules* applicable to it.

(3) If the *FCA* suspends the *listing* of any *securities*, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.

Examples of when FCA may suspend

5.1.2 G

Examples of when the *FCA* may suspend the *listing* of *securities* include (but are not limited to) situations where it appears to the *FCA* that:

(1) the *issuer* has failed to meet its continuing obligations for *listing*; or

(2) the *issuer* has failed to publish financial information in accordance with the *listing rules*; or

(3) the *issuer* is unable to assess accurately its financial position and inform the market accordingly; or

(4) there is insufficient information in the market about a proposed transaction; or

(5) the *issuer's securities* have been suspended elsewhere; or

(6) the *issuer* has appointed administrators or receivers, or is an *investment trust* and is winding up; or

(7) for a *securitised derivative* that relates to a single *underlying instrument*, the *underlying instrument* is suspended; or

(8) for a *securitised derivative* that relates to a basket of *underlying instruments*, one or more *underlying instruments* of the basket are suspended; or

(9) for a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *security* over which the *listed miscellaneous security* carries a right to buy or subscribe has been suspended.

5.1.3 G The *FCA* will not suspend the *listing* of a *security* to fix its price at a particular level.

Suspension at issuer's request

5.1.4 G An *issuer* that intends to request the *FCA* to suspend the *listing* of its *securities* will need to comply with ■ LR 5.3. The *FCA* will not suspend the *listing* if it is not satisfied that the circumstances justify the suspension.

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5.2 Cancelling listing

FCA may cancel listing

5.2.1 R The *FCA* may cancel the *listing* of *securities* if it is satisfied that there are special circumstances that preclude normal regular dealings in them. [**Note**: article 18(2) *CARD*]

Examples of when FCA may cancel

5.2.2 G Examples of when the *FCA* may cancel the *listing* of *securities* include (but are not limited to) situations where it appears to the *FCA* that:

(1) the *securities* are no longer admitted to trading as required by these *rules*; or

(2) the *issuer* no longer satisfies its continuing obligations for *listing*, for example if the percentage of *shares* in public hands falls below 25% or such lower percentage as the *FCA* may permit (the *FCA* may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or

(3) the *securities*' *listing* has been suspended for more than six months;

(4) the *securities* are *equity shares* with a *standard listing* issued by an *investment entity* where the *investment entity* no longer has a *premium listing* of *equity shares*.

5.2.3 G The *FCA* will generally seek to cancel the *listing* of an *issuer's equity shares* or *certificates representing equity securities* when the *issuer* completes a *reverse takeover*.

[**Note**: LR 5.6 contains further detail relating to *reverse takeovers*.]

Cancellation at issuer's request

5.2.4 R An *issuer* must satisfy the requirements applicable to it in LR 5.2.5 R to LR 5.2.11CR and LR 5.3 before the *FCA* will cancel the *listing* of its *securities* at its request.

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

Cancellation of listing of equity shares

5.2.5 R Subject to ■ LR 5.2.7 R, ■ LR 5.2.10 R, ■ LR 5.2.11A R and ■ LR 5.2.12 R, an *issuer* with a *premium listing*that wishes the *FCA* to cancel the *listing* of any of its *equity shares* with a *premium listing* must:

(1) send a *circular* to the holders of the *shares*. The *circular* must:

(a) comply with the requirements of ■ LR 13.3.1 R and ■ LR 13.3.2 R (contents of all circulars);

(b) be submitted to the *FCA* for approval prior to publication; and

(c) include the anticipated date of cancellation (which must be not less than 20 *business days* following the passing of the resolution referred to in paragraph (2));

(2) obtain, at a general meeting, the prior approval of a resolution for the cancellation from:

(a) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and

(b) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution;

(3) notify a *RIS*, at the same time as the *circular* is despatched to the relevant holders of the *shares*, of the intended cancellation and of the notice period and meeting; and

(4) notify a *RIS* of the passing of the resolution in accordance with ■ LR 9.6.18 R.

5.2.5A R [deleted]

(1) [deleted]

(2) [deleted]

5.2.6 R [deleted]

5.2.7 R ■ LR 5.2.5 R (2) will not apply where an *issuer* of *equity shares* notifies a *RIS*:

(1) that the financial position of the *issuer* or its *group* is so precarious that, but for the proposal referred to in ■ LR 5.2.7 R (2), there is no reasonable prospect that the *issuer* will avoid going into formal insolvency proceedings;

(2) that there is a proposal for a transaction, arrangement or other form of reconstruction of the *issuer* or its *group* which is necessary to ensure the survival of the *issuer* or its *group* and the continued *listing* would jeopardise the successful completion of the proposal;

(3) explaining;

(a) why the cancellation is in the best interests of those to whom the *issuer* or its *directors* have responsibilities (including the bodies of *securities* holders and creditors, taken as a whole); and

(b) why the approval of shareholders will not be sought prior to the cancellation of *listing*; and

(4) giving at least 20 *business days* notice of the intended cancellation.

5.2.7A R Where an *investment entity* no longer has a *premium listing* of *equity shares* it must apply under LR 5.2.8 R for *cancellation* of the *listing* of any other class of *listed equity shares*.

Requirements for cancellation of other securities

5.2.8 R An *issuer* that wishes the *FCA* to cancel the *listing* of *listed securities* (other than *equity shares* with a *premium listing*) 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 5.2.5 R (2).

5.2.9 R *Issuers* with *debt securities* falling under LR 5.2.8 R must also notify, in accordance with the terms and conditions of the *issue* of those *securities*, holders of those *securities* or a representative of the holders, such as a trustee, of intended cancellation of those *securities*, but the prior approval of the holders of those *securities* in a general meeting need not be obtained.

Cancellation in relation to takeover offers: offeror interested in 50% or less of voting rights

5.2.10 R LR 5.2.5 Rdoes not apply to the cancellation of *equity shares* with a *premium listing* in the case of a takeover offer if:

(1) the *offeror* or any *controlling shareholder* who is an *offeror* is interested in 50% or less of the voting rights of an *issuer* before announcing its firm intention to make its takeover offer;

(2) the *offeror* has by virtue of its shareholdings and acceptances of its takeover offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*; and

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

5.2.10A R For the purposes of LR 5.2.10 R (3), the offer document or *circular* must make clear that the notice period begins only when the *offeror* has announced that it has acquired or agreed to acquire *shares* representing 75% of the voting rights.

5.2.11 R The *issuer* must notify shareholders that the required 75% has been obtainedand that the notice period has commenced and of the anticipated date of cancellation, or the explanatory letter or other material accompanying the section 979 notice must state that the notice period has commenced and the anticipated date of cancellation.

Cancellation in relation to takeover offers: offeror interested in more than 50% of voting rights

5.2.11A R ■ LR 5.2.5 R does not apply to the cancellation of *equity shares* with a *premium listing* in the case of a takeover offer if:

(1) the *offeror* or any *controlling shareholder* who is an *offeror* is interested in more than 50% of the voting rights of an *issuer* before announcing its firm intention to make its takeover offer;

(2) the *offeror* has by virtue of its shareholdings and acceptances of its takeover offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*;

(3) the *offeror* has obtained acceptances of its takeover offer or acquired or agreed to acquire *shares* from *independent shareholders* that represent a majority of the voting rights held by the *independent shareholders* on the date its firm intention to make its takeover offer was announced; and

(4) the *offeror* has stated in the offer document or any subsequent *circular* sent to the holders of the *shares* that a notice period of not less than 20 *business days* prior to cancellation will commence either on the *offeror* obtaining the relevant shareholding and acceptances as described in ■ LR 5.2.11A R (2) to ■ (3) or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006.

5.2.11B R For the purposes of ■ LR 5.2.11A R (4), the offer document or *circular* must make clear that the notice period begins only when the *offeror* has announced that it has acquired or agreed to acquire *shares* representing 75% of the voting rights and, if relevant, has obtained acceptances of its takeover offer or acquired or agreed to acquire *shares* from *independent shareholders* that represent a majority of the voting rights held by the *independent shareholders*.

5.2.11C R The *issuer* must notify shareholders that the relevant thresholds described in ■ LR 5.2.11A R (2) to ■ (3) have been obtained and that the notice period has commenced and of the anticipated date of cancellation, or the explanatory letter or other material accompanying the section 979 notice must state that the notice period has commenced and the anticipated date of cancellation.

5.2.11D R [deleted]

Cancellation as a result of schemes of arrangement etc

5.2.12 R ■ LR 5.2.5 R and ■ LR 5.2.8 R do not apply to the cancellation of *equity shares* as a result of:

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(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, Building Societies Act 1986, Water Industry Act 1991, Banking Act 2009, Energy Act 2011 or the Investment Bank Special Administration Regulations 2011; or

(3) the appointment of an administrator under paragraphs 14 (appointment by holder of floating charge) or 22 (appointment by company or directors) of Schedule B1 to the Insolvency Act 1986; or

(4) a resolution for winding up being passed under section 84 of the Insolvency Act 1986; or

(5) the appointment of a provisional liquidator by the court under section 135 of the Insolvency Act 1986; or

(6) a company voluntary arrangement pursuant to Part 1 of the Insolvency Act 1986, subject to the time limits for the challenge of decisions made set out in Part 1 of the Insolvency Act 1986 having expired; or

(7) statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation having similar effect to those set out in (1) to (6).

5.2.13 G In determining whether the statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation have a similar effect to those set out in ■ LR 5.2.12R (1) to ■ LR 5.2.12R (6), the *FCA* will in particular have regard to whether those procedures require a court order, the approval of 75% of the shareholders entitled to vote on the resolution, or a formal declaration of the *overseas issuer's* insolvency or inability to pay its debts.

5.3 Requests to cancel or suspend

Information to be included in request to suspend or cancel

5.3.1 R A request by an *issuer* for the *listing* of its *securities* to be suspended or cancelled must be in writing and must include:

(1) the *issuer's* name;

(2) details of the *securities* to which it relates and the *RIEs* on which they are traded;

(3) a clear explanation of the background and reasons for the request;

(4) the date on which the *issuer* requests the suspension or cancellation to take effect;

(5) for a suspension, the time the *issuer* wants the suspension to take effect;

(6) if relevant, a copy of any *circular* or announcement or other document upon which the *issuer* is relying;

(7) if relevant, evidence of any resolution required under LR 5.2.5 R;

(8) if being made by an agent on behalf of the *issuer*, confirmation that the agent has the *issuer's* authority to make it;

(9) the name and contact details of the *person* at the *issuer* (or, if appropriate, an agent) with whom the *FCA* should liaise in relation to the request;

(10) if the *issuer* is making a conditional request, a clear statement of the applicable conditions;

(11) a copy of any announcement the *issuer* proposes to notify to a *RIS* that it is relying on in making its request to suspend or cancel; and

(12) a copy of any announcement the *issuer* proposes to notify to a *RIS* announcing the suspension or cancellation.

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 Chapter 3 of Part 28 of the

Companies Act 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) for a cancellation referred to in ■ LR 5.2.10 R or ■ LR 5.2.11A R an extract from, or a copy of, the offer document or relevant circular clearly showing the intention to cancel the offeree's *listing* and a copy of the announcement stating the date on which the cancellation was expected to take effect; and

(3) if a cancellation is to take place after a scheme of arrangement becomes effective under section 899 of the Companies Act 2006 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) documents which demonstrate adequately that the scheme will become effective on a specified date in the future.

5.3.3 G Announcements referred to in ■ LR 5.3.1 R (12) should be issued after the dealing notice issued on a *RIS* announcing the suspension or cancellation.

Timing of suspension requests

5.3.4 G A written request by an *issuer* to have the *listing* of its *securities* suspended should be made as soon as practicable. Suspension requests received for the opening of the market should allow sufficient time for the *FCA* to deal with the request before trading starts.

Timing of cancellation requests

5.3.5 R A written request by an *issuer* to have the *listing* of its *securities* cancelled must be made not less than 24 hours before the cancellation is expected to take effect.

5.3.6 G Cancellations will only be specified to take effect when the market opens on a specified day. An *issuer* should therefore ensure that all accompanying information has been provided to the *FCA* well before the date on which the *issuer* wishes the cancellation to take effect and at the very latest by 3 p.m. on the *business day* before it is to take effect. If the information is received after 3:00 p.m. on the day before the *issuer* wishes the cancellation to take effect, it will normally be specified to take effect at the start of the *business day* following the next day.

Withdrawing request

5.3.7 G (1) If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities*, it may withdraw its request at any time before the suspension or cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

(2) Even if an *issuer* withdraws its request, the *FCA* may still suspend or cancel the *listing* of the *securities* if it considers it is necessary to do so.

(3) If an *issuer* has published either a statement or a *circular* that states that the *issuer* is, or intends, to seek a suspension or cancellation and the *issuer* no longer intends to do so, it should, as soon as possible, notify a *RIS* with a statement to that effect.

Notice of cancellation or suspension

5.3.8 G If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities* under ■ LR 5.3.1 R and the *FCA* agrees to do so, the notification given by the *FCA* to the *issuer* will include the following information:

(1) the date on which the suspension or cancellation took effect or will take effect;

(2) details of the suspension or cancellation; and

(3) in relation to requests for suspension, details of the *issuer's* right to apply for the suspension of its *listed securities* to be cancelled.

5.4 Restoring listing

Revoking a cancellation of listing

5.4.1 G If an *issuer* has the *listing* of its *securities* cancelled, it may only have them readmitted to the *official list* by re-applying for their listing.

Restoring a listing that is suspended

5.4.2 R The *FCA* may restore the *listing* of any *securities* that have been suspended if it considers that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors. The *FCA* may restore the *listing* even though the *issuer* does not request it.

Requests to restore

5.4.3 G

(1) An *issuer* that has the *listing* of any of its *securities* suspended may request the *FCA* to have them restored.

(2) The request should be made sufficiently in advance of the time and date the *issuer* wishes the *securities* to be restored.

(3) Requests received for when the market opens should allow sufficient time for the *FCA* to deal with the request.

(4) The request may be an oral request. The *FCA* may require documentary evidence that the events that lead to the suspension are no longer current (for example, financial reports have been published or an appropriate announcement has been made) to process the request.

(5) Even if restoration is required urgently, it will normally take up to 30 minutes to be effected.

(6) The *FCA* will issue a dealing notice on a *RIS* announcing the restoration.

Refusal of request to restore

5.4.4 R The *FCA* will refuse a request to restore the *listing* of *securities* if it is not satisfied of the matters set out in LR 5.4.2 R.

Withdrawal of a request to restore securities

5.4.5 G

(1) If an *issuer* has requested the *FCA* to restore the *listing* of any *securities*, it may withdraw its request at any time while the *securities* are still suspended. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible.

(2) Even if a request to restore has been withdrawn, the *FCA* may restore the listing of *securities* if it believes the circumstances justify it.

Restoring listing of securitised derivatives

5.4.6 G

(1) If an *underlying instrument* is restored, the *securitised derivative's listing* will normally be restored.

(2) For a *securitised derivative* relating to a basket of *underlying instruments* that has been suspended, the *securitised derivative's listing* may be restored by the *FCA*, irrespective of whether or not the *underlying instrument* has been restored, if:

(a) the *issuer* of the *securitised derivative* confirms to the *FCA* that despite the relevant *underlying instrument(s)* suspension a market in the *securitised derivative* will continue to be made; and

(b) the *FCA* is satisfied that restoring the *securitised derivative* is not inconsistent with either the protection of investors or the smooth operation of the market.

5.4.7 G

For a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *miscellaneous security's* listing will be restored if the *security* over which the *miscellaneous security* carries a right to buy or subscribe is restored.

5.4A Transfer between listing categories: Equity shares

Application

5.4A.1 R This section applies to an *issuer* that wishes to transfer its category of *equity shares listing* from:

(1) a *standard listing* (*shares*) to a *premium listing (commercial company)*; or

(2) a *standard listing* (*shares*) to a *premium listing (investment company)*; or

(3) a *premium listing (commercial company)* to a *standard listing* (*shares*); or

(4) a *premium listing (investment company)* to a *premium listing (commercial company)*; or

(5) a *premium listing (commercial company)* to a *premium listing (investment company)*; or

(6) a *premium listing (investment company)* to a *standard listing* (*shares*).

5.4A.2 G An *issuer* will only be able to transfer a *listing* of its *equity shares* from a *premium listing (investment company)* to a *standard listing* (*shares*) if it has ceased to be an *investment entity* (for example if it has become a commercial company) or if it continues to have a *premium listing* of a class of *equity shares*.This is because ■ LR 14.1.1 R provides that ■ LR 14 does not apply to *equity shares* of an *investment entity* without a *premium listing* of *equity shares*.

Initial notification to FCA

5.4A.3 R (1) If an *issuer* wishes to transfer its category of *equity shares listing* it must notify the *FCA* of the proposal.

(2) The notification must be made as early as possible and in any event not less than 20 business days before it sends the *circular* required under ■ LR 5.4A.4 R (2)(a) or publishes the announcement required under ■ LR 5.4A.5 R (2).

(3) The notification must include:

(a) an explanation of why the *issuer* is seeking the transfer;

(b) if a *sponsor's* letter is not required under ■ LR 8.4.14R(1), an eligibility letter setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer;

(c) a proposed timetable for the transfer; and

(d) if an announcement is required to be published under ■ LR 5.4A.5R (2), a draft of that announcement.

Shareholder approval required in certain cases

5.4A.4 R

(1) This rule applies to a transfer of the *listing* of *equity shares* with a *premium listing* into or out of the category of *premium listing (investment company)* or a transfer of the *listing* of *equity shares* out of the category of *premium listing (commercial company)*.

(2) The *issuer* must:

(a) send a *circular* to the holders of the *equity shares*;

(b) notify a *RIS*, at the same time as the circular is despatched to the relevant holders of the *equity shares*, of the intended transfer and of the notice period and meeting date; and

(c) [deleted]

(d) notify a *RIS* of the passing of the resolution required under (3) below.

(3) (a) In the case of a transfer of the *listing* of *equity shares* with a *premium listing* into or out of the category of *premium listing (investment company)*, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; or

(b) in the case of a transfer of the *listing* of *equity shares* with a *premium listing (commercial company)* into the category of *standard listing (shares)*, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from:

(i) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and

(ii) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution.

Announcement required in other cases

5.4A.5 R

(1) This rule applies to any transfer of a *listing* of *equity shares* other than a transfer referred to in ■ LR 5.4A.4 R (1).

(2) The *issuer* must publish an announcement on a *RIS* giving notice of its intention to transfer its listing category.

Approval and contents of circular

5.4A.6 R The *circular* referred to in ■ LR 5.4A.4 R must:

(1) comply with the requirements of ■ LR 13.1, ■ LR 13.2 and ■ LR 13.3;

(2) be approved by the *FCA* before it is circulated or published; and

(3) include the anticipated transfer date (which must be not less than 20 business days after the passing of the resolution under ■ LR 5.4A.4 R).

Approval and contents of announcement

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5.4A.7 R The announcement referred to in ■ LR 5.4A.5 R (2) must:

(1) contain the same substantive information as would be required under ■ LR 13.1and ■ LR 13.3 if it were a *circular* but modified as necessary so it is clear that no shareholder vote is required; and

(2) include the anticipated transfer date (which must be not less than 20 business days after the date the announcement is published).

5.4A.8 R The announcement must be approved by the *FCA* before it is published.

Specific information required in circular or announcement

5.4A.9 G Information required under ■ LR 13.3.1R(1) (Contents of all circulars) to be included in the *circular* or announcement should include an explanation of:

(1) the background and reasons for the proposed transfer;

(2) any changes to the *issuer's* business that have been made or are proposed to be made in connection with the proposal;

(3) the effect of the transfer on the *issuer's* obligations under the *listing rules*;

(4) how the *issuer* will meet any new eligibility requirements, for example working capital requirements, that the *FCA* must be satisfied of under ■ LR 5.4A.12 R (3); and

(5) any other matter that the *FCA* may reasonably require.

Applying for the transfer

5.4A.10 R If an *issuer* has initially notified the *FCA* under ■ LR 5.4A.3 R it may apply to the *FCA* to transfer the *listing* of its *equity shares* from one category to another. The application must include:

(1) the *issuer's* name;

(2) details of the *equity shares* to which the transfer relates;

(3) the date on which the *issuer* wishes the transfer to take effect;

(4) a copy of any *circular*, announcement or other document on which the *issuer* is relying;

(5) if relevant, evidence of any resolution required under ■ LR 5.4A.4 R;

(6) if an agent is making the application on the *issuer's* behalf, confirmation that the agent has the *issuer's* authority to do so;

(7) the name and contact details of the person at the *issuer* (or, if appropriate an agent) with whom the *FCA* should liaise in relation to the application; and

(8) a copy of any announcement the *issuer* proposes to notify to a *RIS* informing the market that the transfer has taken place.

Issuer must comply with eligibility requirements

5.4A.11 R

(1) An *issuer* applying for a transfer of its *equity shares* must comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity shares* to the category of *listing* to which it wishes to transfer.

(2) For the purposes of applying the eligibility requirements referred to in (1) to a transfer then, unless the context otherwise requires, a reference in such a requirement:

(a) to the admission of *equity shares* is to be taken to be a reference to the transfer of the *equity shares*; and

(b) to a *prospectus* or *listing particulars* is to be taken to be a reference to the *circular* or announcement.

Approval of transfer

5.4A.12 R

If an *issuer* applies under ■ LR 5.4A.10 R, the *FCA* may approve the transfer if it is satisfied that:

(1) the *issuer* has complied with ■ LR 5.4A.4 R or ■ LR 5.4A.5 R (whichever is relevant);

(2) the 20 business day period referred to in ■ LR 5.4A.6 R or ■ LR 5.4A.7 R (whichever is relevant) has elapsed; and

(3) the *issuer* and the *equity shares* will comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity shares* to the category of *listing* to which it wishes to transfer.

5.4A.13 G

The *FCA* will not generally reassess compliance with eligibility requirements (for example ■ LR 6.7.1R(Working capital) if the *issuer* has previously been assessed by the *FCA* as meeting those requirements under its existing *listing* category when its *equity shares* were *listed*.

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When transfer takes effect

5.4A.14 R

(1) If the *FCA* approves a transfer of a *listing* then it must announce its decision on a *RIS*.

(2) The transfer becomes effective when the *FCA's* decision to approve is announced on the *RIS*.

(3) The *issuer* must continue to comply with the requirements of its existing category of *listing* until the decision is announced on the *RIS*.

(4) After the decision is announced the *issuer* must comply with the requirements of the category of *listing* to which it has transferred.

Directive obligations

5.4A.15 G

An *issuer* may take steps, in connection with a transfer, which require it to consider whether a *prospectus* is necessary, for example, if the *company* or its capital is reconstituted in a way that could amount to an *offer of transferable securities to the public*. The *issuer* and its advisers should consider whether directive obligations may be triggered.

Transfer as an alternative to cancellation

5.4A.16 G

There may be situations in which an *issuer's* business has changed over a period of time so that it no longer meets the requirements of the applicable *listing* category against which it was initially assessed for *listing*. In those situations, the *FCA* may consider cancelling the *listing* of the *equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category.

5.5 Miscellaneous

Decision-making procedures for suspension, cancellation etc

5.5.1 G The decision-making procedures that the *FCA* will follow when it cancels, suspends or refuses a request by an *issuer* to suspend, cancel or restore *listing* are set out in *DEPP* (Decision Procedure and Penalties).

Suspension, cancellation or restoration by overseas exchange or authority

5.5.2 R An *issuer* must inform the *FCA* if its listing has been suspended, cancelled or restored by an *overseas* exchange or *overseas* authority.

5.5.3 G

(1) The *FCA* will not automatically suspend, cancel or restore the *listing* of *securities* at the request of an *overseas* exchange or *overseas* authority (for example, if listing of a *listed issuer's securities* are suspended, cancelled or restored on its home exchange).

(2) The *FCA* will not normally suspend the *listing* of *securities* where there is a trading halt for the *security* on its home exchange.

(3) If a *listed issuer* requests a suspension, cancellation or restoration of the *listing* of its *securities*, after a suspension, cancellation or restoration on its home exchange, the *issuer* should send to the *FCA* written confirmation:

(a) that the suspension, cancellation or restoration of listing on its home exchange has become effective; or

(b) if it has not yet become effective, of the time and date it is proposed to become effective.

(4) If an *overseas* exchange or *competent authority* requests the *FCA* to suspend, cancel or restore the *listing* of *securities*, the *FCA* will, wherever practical, contact the *issuer* or its *sponsor* before it suspends, cancels or restores the *listing*. Therefore, *issuers* are encouraged to contact the *FCA* at the same time as they contact their home exchange.

(5) If the *FCA* is unable to contact the *issuer* or *sponsor*, it will suspend, cancel or restore the *listing* of the *securities* when it is satisfied that the listing of the relevant *securities* has been, or will be, suspended, cancelled or restored on their home exchange.

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5.6 Reverse takeovers

Application

5.6.1 R This section applies to an *issuer* with:

(1) a *premium listing*;

(2) a *standard listing (shares)*; or

(3) a *standard listing* of *certificates representing equity securities*.

Categories of reverse takeover to which this section does not apply

5.6.2 R ■ LR 5.6 does not apply where an *issuer* acquires the *shares* or *certificates representing equity securities* of a *target* with the same category of *listing* as the *issuer*.

Class 1 requirements

5.6.3 R Notwithstanding the effect of ■ LR 5.6.2 R, an *issuer* with a *premium listing* must in relation to a *reverse takeover* comply with the requirements of ■ LR 10.5 (Class 1 requirements) for that transaction.

Definitions

5.6.4 R A *reverse takeover* is a transaction, whether effected by way of a direct acquisition by the *issuer* or a subsidiary, an acquisition by a new *holding company* of the *issuer* or otherwise, of a business, a *company* or assets:

(1) where any *percentage ratio* is 100% or more; or

(2) which in substance results in a fundamental change in the business or in a change in board or voting control of the *issuer*.

When calculating the *percentage ratio*, the *issuer* must apply the *class tests* and ■ LR 10.2.10R (Aggregating transactions).

5.6.5 G For the purpose of ■ LR 5.6.4R (2), the *FCA* considers that the following factors are indicators of a fundamental change:

(1) the extent to which the transaction will change the strategic direction or nature of its business; or

(2) whether its business will be part of a different industry sector following the completion of the transaction; or

(3) whether its business will deal with fundamentally different suppliers and end users.

5.6.5A R A *shell company* is an *issuer* whose:

(1) assets consist solely or predominantly of cash or short-dated *securities*; or

(2) predominant purpose or objective is to undertake an acquisition or merger, or a series of acquisitions or mergers.

Requirement for a suspension

5.6.6 R A *shell company*, or in the case of a *shell company*with a *premium listing*, its *sponsor*, must contact the *FCA* as early as possible:

(1) before announcing a *reverse takeover* which has been agreed or is in contemplation, to discuss whether a suspension of *listing* is appropriate; or

(2) where details of the *reverse takeover* have leaked, to request a suspension.

5.6.7 G Examples of where the *FCA* will consider that a *reverse takeover* is in contemplation include situations where:

(1) the *shell company* has approached the *target's* board;

(2) the *shell company* has entered into an exclusivity period with a *target*; or

(3) the *shell company* has been given access to begin due diligence work (whether or not on a limited basis).

5.6.8 G Generally, when a *reverse takeover* between a *shell company* and a *target* is announced or leaked, there will be insufficient publicly available information about the proposed transaction and the *shell company* will be unable to assess accurately its financial position and inform the market accordingly. In this case, the *FCA* will often consider that suspension will be appropriate, as set out in ■ LR 5.1.2G (3) and ■ (4). However, if the *FCA* is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the *shell company* that a suspension is not required.

5.6.9 G ■ LR 5.6.10 G to ■ LR 5.6.18 R set out circumstances in which the *FCA* will generally be satisfied that a suspension is not required.

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Reverse takeover by a shell company: target admitted to a regulated market

5.6.10 G The *FCA* will generally be satisfied that there is sufficient information in the market about the propos ed transaction if:

(1) the *target* has *shares* or *certificates representing equity securities* admitted to a *regulated market*; and

(2) the *shell company* makes an announcement stating that the *target* has complied with the disclosure requirements applicable on that *regulated market* and providing details of where information disclosed pursuant to those requirements can be obtained.

5.6.11 R An announcement made for the purpose of ■ LR 5.6.10G (2) must be published by means of an *RIS*.

Reverse takeover by a shell company: target subject to the disclosure regime of another market

5.6.12 G The *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction if the *target* has *securities* admitted to an investment exchange or trading platform that is not a *regulated market* and the *shell company*:

(1) confirms, in a form acceptable to the *FCA*, that the disclosure requirements in relation to financial information and *inside information* of the investment exchange or trading platform on which the *target's securities* are admitted are not materially different from the *disclosure requirements*; and

(2) makes an announcement to the effect that:

(a) the *target* has complied with the disclosure requirements applicable on the investment exchange or trading platform to which its securities are admitted and provides details of where information disclosed pursuant to those requirements can be obtained; and

(b) there are no material differences between those disclosure requirements and the disclosure requirements under *DTR*.

5.6.13 R Where a *shell company* has a *premium listing*, a written confirmation provided for the purpose of ■ LR 5.6.12G (1) must be given by the *shell company's sponsor*.

5.6.14 R An announcement made for the purpose of ■ LR 5.6.12G (2) must be published by means of an *RIS*.

Reverse takeover by a shell company: target not subject to a public disclosure regime

5.6.15 G Where the *target* in a *reverse takeover* by a *shell company* is not subject to a public disclosure regime, or if the *target* has *securities* admitted on an investment exchange or trading platform that is not a *regulated market* but

the *shell company* is not able to give the confirmation and make the announcement contemplated by ■ LR 5.6.12 G, the *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction such that a suspension is not required where the *shell company* makes an announcement containing:

(1) financial information on the *target* covering the last three years. Generally, the *FCA* would consider the following information to be sufficient:

(a) profit and loss information to at least operating profit level;

(b) balance sheet information, highlighting at least net assets and liabilities;

(c) relevant cash flow information; and

(d) a description of the key differences between the *shell company's* accounting policies and the policies used to present the financial information on the *target*;

(2) a description of the *target* to include key non-financial operating or performance measures appropriate to the *target's* business operations and the information as required under ■ PR Appendix 3 Annex 1 item 12 (Trend information) for the *target*;

(3) a declaration that the *directors* of the *shell company* consider that the announcement contains sufficient information about the business to be acquired to provide a properly informed basis for assessing its financial position; and

(4) a declaration confirming that the *shell company* has made the necessary arrangements with the *target* vendors to enable it to keep the market informed without delay of any developments concerning the *target* that would be required to be released were the *target* part of the *shell company*.

5.6.16 R An announcement made for the purpose of ■ LR 5.6.15 G must be published by means of an *RIS*.

5.6.17 R Where a *shell company* has a *premium listing*, a *sponsor* must provide written confirmation to the *FCA* that in its opinion, it is reasonable for the *shell company* to provide the declarations described in ■ LR 5.6.15G (3) and ■ (4).

5.6.18 R Where the *FCA* has agreed that a suspension is not necessary as a result of an announcement made for the purpose of ■ LR 5.6.15 G the *shell company* must comply with the obligation under article 17(1) of the *Market Abuse Regulation* on the basis that the *target* already forms part of the enlarged *group*.

Cancellation of listing

5.6.19 G The *FCA* will generally seek to cancel the *listing* of an *issuer's equity shares* or *certificates representing equity securities* when the *issuer* completes a *reverse takeover*.

5.6.20 G ■ LR 5.6.23 G to ■ LR 5.6.29 G set out circumstances in which the *FCA* will generally be satisfied that a cancellation is not required.

5.6.21 R Where the *issuer's listing* is cancelled following completion of a *reverse takeover*, the *issuer* must re-apply for the *listing* of the *shares* or *certificates representing equity securities* and satisfy the relevant requirements for *listing*, except that for an *issuer* with a *premium listing*, ■ LR 6.2.1R(3) and ■ LR 6.2.4R(2) will not apply in relation to the *issuer's* accounts.

5.6.22 G Notwithstanding ■ LR 5.6.21 R, financial information provided in relation to the *target* will need to satisfy ■ LR 6.2.1R(3) and ■ LR 6.2.4R(2).

Acquisitions of targets from different listing categories: issuer maintaining its listing category

5.6.23 G Where an *issuer* acquires the *shares* or *certificates representing equity securities* of a *target* with a different *listing* category from its own and the *issuer* wishes to maintain its existing *listing* category, the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

(1) the *issuer* will continue to be eligible for its existing *listing* category following completion of the transaction;

(2) the *issuer* provides an eligibility letter setting out how the *issuer* as enlarged by the acquisition satisfies each *listing rule* requirement that is relevant to it being eligible for its existing *listing* category; and

(3) the *issuer* makes an announcement or publishes a *circular* explaining:

(a) the background and reasons for the acquisition;

(b) any changes to the acquiring *issuer's* business that have been made or are proposed to be made in connection with the acquisition;

(c) the effect of the transaction on the acquiring *issuer's* obligations under the *listing rules*;

(d) (where appropriate) how the acquiring *issuer* will continue to meet the eligibility requirements referred to in ■ LR 5.6.21 R; and

(e) any other matter that the *FCA* may reasonably require.

5.6.24 R An announcement or circular published for the purpose of ■ LR 5.6.23 G must be published by means of an *RIS*.

5.6.25 R An eligibility letter prepared for the purposes of ■ LR 5.6.23 G must be provided to the *FCA* not less than 20 *business days* prior to the announcement of the transaction referred to in ■ LR 5.6.24 R.

5.6.26 R Where an *issuer* has a *premium listing*, the eligibility letter provided for the purposes of ■ LR 5.6.23 G must be provided by a *sponsor*.

Acquisitions of targets from different listing categories: issuer changing listing category

5.6.27 G The *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if the *target* is *listed* with a different *listing* category from that of the *issuer* and the *issuer* wishes to transfer its *listing* to a different *listing* category in conjunction with the acquisition and the *issuer* as enlarged by the relevant acquisition complies with the relevant requirements of ■ LR 5.4A to transfer to a different *listing* category.

5.6.28 G An *issuer* wishing to transfer a *listing* of its *equity shares* from a *premium listing (investment company)* to a *standard listing (shares)* should note ■ LR 5.4A.2 G which sets out limitations resulting from the application of ■ LR 14.1.1 R (application of the *listing rules* to a *company* with or applying for a *standard listing* of *shares*).

5.6.29 G Where an issuer is applying ■ LR 5.4A in order to avoid a cancellation as contemplated by ■ LR 5.6.27 G, the *FCA* will normally waive the requirement for shareholder approval under ■ LR 5.4A.4R (2)(c) where the *issuer* is obtaining separate shareholder approval for the acquisition.

Chapter 6

Additional requirements for premium listing (commercial company)

6.1 Application

6.1.1 R This chapter applies to an *applicant* for the *admission* of *equity shares* to *premium listing (commercial company)* except where:

the *applicant* meets the following conditions:

it has an existing *premium listing (commercial company)* of *equity shares*;

it is applying for the *admission* of *equity shares* of the same *class* as the *shares* that have been admitted to *premium listing*; and

it is not entering into a transaction classified as a *reverse takeover*; or

the following conditions are met:

a *company* has an existing *premium listing (commercial company)* of *equity shares*;

the *applicant* is a new holding company of the *company* in (a); and

the *company* in (a) is not entering into a transaction classified as a *reverse takeover*.

Applicant must satisfy requirements in this chapter

6.1.2 G An *applicant* to whom this chapter applies must satisfy the requirements in this chapter (in addition to those in ■ LR 2).

6.2 Historical financial information requirements

Content of historical financial information

6.2.1 R An *applicant* must have published or filed historical financial information that:

(1) covers at least three years;

[**Note**: article 44 of the *CARD*]

(2) represents at least 75% of the *applicant's* business for the period in (1);

(3) unless ■ LR 5.6.21R applies, has a latest balance sheet date that is not more than:

(a) six months before the date of the *prospectus* or *listing particulars* for the relevant *shares*; and

(b) nine months before the date the *shares* are *admitted to listing*; and

(4) includes the consolidated accounts for the *applicant* and all its *subsidiary undertakings*.

6.2.2 G (1) In determining what amounts to 75% of the *applicant's* business for the purpose of ■ LR 6.2.1R(2), the *FCA* will consider the size, in aggregate, of all of the acquisitions that the *applicant* has entered into during the period required by ■ LR 6.2.1R(1) and up to the date of the *prospectus* or *listing particulars*, relative to the size of the *applicant* as enlarged by the acquisitions.

(2) In ascertaining the size of the acquisitions relative to the *applicant* for the purposes of ■ LR 6.2.1R(2), the *FCA* will take into account factors such as the assets, profitability and market capitalisation of the businesses.

(3) The figures used should be the latest available for the acquired entity and the *applicant* as enlarged by the acquisition or acquisitions.

6.2.3 R Where an *applicant* has made an acquisition or series of acquisitions such that its own consolidated financial information is insufficient to meet the 75% requirement in ■ LR 6.2.1R(2), there must be historical financial information relating to the acquired entity or entities which has been published or filed and that:

(1) covers the period from at least three years prior to the date under ■ LR 6.2.1R(3) up to the earlier of:

(a) the date in ■ LR 6.2.1R(3); or

(b) the date of acquisition by the *applicant*;

(2) is prepared and presented in a form that is consistent with the accounting policies adopted in the financial information required by ■ LR 6.2.1R; and

in aggregate with its own historical financial information represents at least 75% of the enlarged applicant's business for the period in ■ LR 6.2.1R(1).

Audit requirements for historical financial information

6.2.4 R The historical financial information in ■ LR 6.2.1R and ■ LR 6.2.3R must:

(1) have been audited or reported on in accordance with the standards acceptable under item 20.1 of Annex I of the *PD Regulation*; and

(2) not be subject to a *modified report*, unless the circumstances set out in ■ LR 6.2.5G apply.

6.2.5 G The *FCA* may accept that ■ LR 6.2.4R(2) has been satisfied where a *modified report* is present only as a result of:

(1) the presence of an emphasis-of-matter paragraph which arises in any of the earlier periods required by ■ LR 6.2.1R and the opinion on the final period is unmodified; or

(2) the opinion on the historical financial information for the final period under ■ LR 6.2.1R includes an emphasis-of-matter paragraph with regard to going concern and ■ LR 6.7.1R (Working capital) is complied with.

6.2.6 R An *applicant* must:

(1) take all reasonable steps to ensure that the *person* providing the opinion in ■ LR 6.2.4R(1) is independent of it; and

(2) obtain written confirmation from the *person* providing the opinion in ■ LR 6.2.4R(1) that it complies with guidelines on independence issued or approved by its national accountancy or auditing bodies.

6.3 Revenue earning track record requirement

6.3.1 R The historical financial information required under ■ LR 6.2.1R and ■ LR 6.2.3R must:

demonstrate that the *applicant* has a revenue earning track record; and

put prospective investors in a position to make an informed assessment of the business for which *admission* is sought.

6.3.2 G (1) The purpose of ■ LR 6.2.1R(2), ■ LR 6.2.3R, and ■ LR 6.3.1R is to ensure that the *applicant* has representative financial information throughout the period required by ■ LR 6.2.1R(1) and ■ LR 6.2.3R and to assist prospective investors to make a reasonable assessment of what the future prospects of the *applicant's* business might be. Investors are then able to consider the *applicant's* historical financial information in light of its particular competitive advantages, the outlook for the sector in which it operates and the general macro economic climate.

(2) The *FCA* may consider that an *applicant* does not have representative historical financial information and that its *equity shares* are not eligible for a *premium listing* if a significant part or all of the *applicant's* business has one or more of the following characteristics:

(a) a business strategy that places significant emphasis on the development or marketing of products or services which have not formed a significant part of the *applicant's* historical financial information;

(b) the value of the business on *admission* will be determined, to a significant degree, by reference to future developments rather than past performance;

the relationship between the value of the business and its revenue or profit-earning record is significantly different from those of similar companies in the same sector;

(d) there is no record of consistent revenue, cash flow or profit growth throughout the period of the historical financial information;

(e) the *applicant's* business has undergone a significant change in its scale of operations during the period of the historical financial information or is due to do so before or after *admission*;

(f) it has significant levels of research and development expenditure or significant levels of capital expenditure.

6.4 Independent business

6.4.1 R An *applicant* must demonstrate that it carries on an independent business as its main activity.

6.4.2 G ■ LR 6.4.1R is intended to ensure that the protections afforded to *holders* of *equity shares* by the *premium listing* requirements are meaningful.

6.4.3 G Factors that may indicate that an *applicant* does not satisfy ■ LR 6.4.1R include situations where:

(1) a majority of the revenue generated by the *applicant's* business is attributable to business conducted directly or indirectly with one *person* or *group*;

(2) or the *applicant* cannot demonstrate that it has access to financing other than from one *person* or *group*; or

(3) the *applicant* does not have:

(a) strategic control over the commercialisation of its products; or

(b) strategic control over its ability to earn revenue; or

(c) freedom to implement its business strategy.

6.5 Controlling shareholders

6.5.1 R An *applicant* with a *controlling shareholder* must demonstrate that, despite having a *controlling shareholder*, the *applicant* is able to carry on an independent business as its main activity.

6.5.2 G ■ LR 6.5.1R is intended to ensure that the protections afforded to *holders* of *equity shares* by the *premium listing* requirements are meaningful.

6.5.3 G Factors that may indicate that an *applicant* does not satisfy the requirement in ■ LR 6.5.1R (even where the agreement in ■ LR 6.5.4R is in place) include:

(1) an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *controlling shareholder* or a member of a *controlling shareholder's group*; or

(2) a *controlling shareholder* (or any *associate* thereof) appears to be able to influence the operations of the *applicant* outside its normal governance structures or via material shareholdings in one or more significant *subsidiary undertakings*; or

(3) a *controlling shareholder* appears to be able to exercise improper influence over the *applicant*; or

(4) an *applicant* cannot demonstrate that it has access to financing other than from a *controlling shareholder* (or an *associate* thereof).

6.5.4 R An *applicant* with a *controlling shareholder* upon *admission* must have in place a written and legally binding agreement with its *controlling shareholder* which is intended to ensure that the *controlling shareholder* complies with undertakings that:

(1) transactions and arrangements with the *controlling shareholder* (and/or any of its *associates*) will be conducted at arm's length and on normal commercial terms;

(2) neither the *controlling shareholder* nor any of its *associates* will take any action that would have the effect of preventing the *applicant* from complying with its obligations under the *listing rules*; and

(3) neither the *controlling shareholder* nor any of its *associates* will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the *listing rules*.

6.5.5 R An *applicant* with more than one *controlling shareholder* is not required to enter into a separate agreement with each *controlling shareholder* if:

(1) the *applicant* reasonably considers, in light of its understanding of the relationship between the relevant *controlling shareholders*, that a *controlling shareholder* can procure the compliance of another *controlling shareholder* and that *controlling shareholder's associates* with the undertakings in ■ LR 6.5.4R; and

(2) the agreement, which contains the undertakings in ■ LR 6.5.4R, entered into with the relevant *controlling shareholder* also contains:

(a) a provision in which the *controlling shareholder* agrees to procure the compliance of a non-signing *controlling shareholder* and its associates with the undertakings in ■ LR 6.5.4R; and

(b) the name of such non-signing *controlling shareholder*.

6.6 Control of the business

6.6.1 R An *applicant* must demonstrate that it exercises operational control over the business it carries on as its main activity.

6.6.2 G ■ LR 6.6.1R is intended to ensure that the protections afforded to holders of *holders* of *equity shares* by the *premium listing* requirements are meaningful.

6.6.3 G Factors that may indicate that an *applicant* does not satisfy the requirement in ■ LR 6.6.1R include where the *applicant's* business consists principally of holding *shares* in entities that it does not control, including entities where the *applicant*:

(1) owns a minority holding of *shares*; or

(2) is only able to exercise negative control; or

(3) exercises control subject to contractual arrangements which could be altered without the *applicant's* agreement or could result in a temporary or permanent loss of control.

6.7 Working capital

6.7.1 R An *applicant* must satisfy the *FCA* that it and its *subsidiary undertakings* (if any) have sufficient working capital available for the *group's* requirements for at least the next 12 months from the date of publication of the *prospectus* or *listing particulars* for the *shares* that are being admitted.

6.8 Warrants or options to subscribe

6.8.1 R The total of all issued *warrants* to subscribe for *equity shares* or *options* to subscribe for *equity shares* must not exceed 20% of the issued *equity share capital* (excluding *treasury shares*) of the *applicant* as at the time of issue of the *warrants* or *options*.

6.8.2 R For the purpose of the 20% limit in LR 6.8.1R, rights under *employees' share schemes* are not included.

6.9 Constitutional arrangements

6.9.1 R An *applicant* must have in place a constitution that allows it to comply with the *listing rules*, in particular:

(1) LR 9.2.21R to vote on matters relevant to *premium listing*; and

(2) for an *applicant* with a *controlling shareholder*, LR 9.2.2ER and LR 9.2.2FR concerning the election and re-election of *independent directors*.

Pre-emption rights

6.9.2 R If the law of the country of its incorporation does not confer on *shareholders* rights which are at least equivalent to LR 9.3.11R, an *overseas company* applying for a *premium listing* must:

(1) ensure its constitution provides for rights which are at least equivalent to the rights provided in LR 9.3.11R (as qualified by LR 9.3.12R); and

(2) be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.

6.10 Specialist companies: mineral companies

6.10.1 R Where a *mineral company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with the minimum three-year period required in LR 6.2.1R(1) because it has been operating for a shorter period:

(1) the *mineral company* must have published or filed historical financial information since the inception of its business; and

(2) the following apply to the *mineral company* only with regard to the period for which it has published or filed historical financial information pursuant to (1):

(a) LR 6.2.1R(2), LR 6.2.1R(3) and LR 6.2.1R(4) (content of historical financial information); and

(b) LR 6.2.4R and LR 6.2.6R (audit requirements for historical financial information).

6.10.2 R LR 6.3.1R (revenue earning track record) does not apply to a *mineral company* that applies for the *admission* of its *equity shares* to a *premium listing*.

6.10.3 R (1) This *rule* applies if the *mineral company* applies for the *admission* of its *equity shares* to *premium listing* and cannot comply with LR 6.6.1R (control of business) because the *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.

(2) The *mineral company* must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources.

6.11 Specialist companies: scientific research based companies

6.11.1 R Where a *scientific research based company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with the minimum three-year period required in LR 6.2.1R(1) because it has been operating for a shorter period:

(1) the *scientific research based company* must have published or filed historical financial information since the inception of its business; and

(2) the following apply to the *scientific research based company* only with regard to the period for which it has published or filed historical financial information under (1):

(a) LR 6.2.1R(2), LR 6.2.1R(3) and LR 6.2.1R(4) (content of historical financial information); and

(b) LR 6.2.4R and LR 6.2.6R (audit requirements for historical financial information).

6.11.2 R If the *scientific research based company* does not comply with either LR 6.2.1R(1) (minimum period for historical financial information) or LR 6.3.1R (revenue earning track record), it must:

(1) demonstrate its ability to attract funds from sophisticated investors prior to the marketing at the time of *listing*;

(2) intend to raise at least £10 million pursuant to a marketing at the time of *listing*;

(3) have a capitalisation, before the marketing at the time of *listing*, of at least £20 million (based on the issue price and excluding the value of any *equity shares* which have been issued in the six months before *listing*);

(4) have as its primary reason for *listing* the raising of finance to bring identified products to a stage where they can generate significant revenues; and

(5) demonstrate that it has a three year record in laboratory research and development including:

(a) details of patents granted or details of progress of patent applications; and

(b) the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.

6.12 Specialist companies: property companies

6.12.1 R Where a *property company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with ■ LR 6.3.1R because it does not have a revenue earning track record:

(1) the *property company* must demonstrate that it has three years of development of its real estate assets represented by increases of the gross asset value of its real estate assets:

(a) evidenced by the historical financial information required by ■ LR 6.2.1R; and

(b) supported by a published *property valuation report*; or

(2) the *property company* must demonstrate that 75% of the gross asset value of an *applicant's* real estate assets, as supported by a published *property valuation report*, are revenue generating at the point in time when the application for *admission* of the *equity shares* to a *premium listing* is made.

6.12.2 G For the purposes of ■ LR 6.12.1R, the *property valuation report* should be published in the *applicant's prospectus*.

6.12.3 R Where a *property company* is relying on ■ LR 6.12.1R(2) and cannot comply with ■ LR 6.2.1R(1) because it has been operating for a shorter period:

(1) the *property company* must have published or filed historical financial information since the inception of its business; and

(2) the following apply to the *property company* only with regard to the period for which it has published or filed historical financial information under (1):

(a) ■ LR 6.2.1R(2), ■ LR 6.2.1R(3) and ■ LR 6.2.1R(4) (content of historical financial information); and

(b) ■ LR 6.2.4R and ■ LR 6.2.6R (audit requirements for historical financial information).

6.13 Externally managed companies

6.13.1 R An *applicant* must satisfy the *FCA* that:

(1) the discretion of its board to make strategic decisions on behalf of the *applicant* has not been limited or transferred to a *person* outside the *applicant's group*; and

(2) its board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *applicant's group*.

6.13.2 G In considering whether an *applicant* has satisfied LR 6.13.1R, the *FCA* will consider, among other things, whether the board of the *applicant* consists solely of *non-executive directors* and whether significant elements of the strategic decision-making of or planning for the *applicant* take place outside the *applicant's group*, for example with an *external management company*.

6.14 Shares in public hands

6.14.1 R Where an *applicant* is applying for the *admission* of a *class* of *equity shares* to *premium listing*, 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*.

[**Note:** article 48 of the *CARD*]

6.14.2 R For the purposes of LR 6.14.1R:

(1) account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states;

(2) a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands; and

(3) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[**Note:** article 48 of the *CARD*]

6.14.3 R For the purposes of LR 6.14.1R and LR 6.14.2R, *shares* are not held in public hands if they are:

(1) held, directly or indirectly by:

(a) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

(b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

(c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or

(d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or

(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;

(2) subject to a lock-up period of more than 180 calendar days.

[**Note:** article 48 of the *CARD*]

6.14.4 G When calculating the number of *shares* for the purposes of ■ LR 6.14.3R(1)(e), holdings of *investment managers* in the same *group* where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the *group* to which the *investment manager* belongs will be disregarded.

6.14.5 G

(1) The *FCA* may modify ■ LR 6.14.1R 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.

[**Note:** article 48 of the *CARD*]

(2) In considering whether to grant a modification, the *FCA* may take into account the following specific factors:

(a) *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*;

the number and nature of the public shareholders; and

(c) in relation to *premium listing (commercial companies)*, whether the expected market value of the *shares* in public hands at *admission* exceeds £100 million.

6.15 Shares of a non-EEA company

6.15.1 R The *FCA* will not admit *shares* of an *applicant* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

[**Note:** article 51 of the *CARD*]

Chapter 7

Listing Principles and Premium Listing Principles

7.1 Application and purpose

Application

7.1.1 R

(1) The Listing Principles in ■ LR 7.2.1 R apply to every *listed company* in respect of all its obligations arising from the *listing rules*, *disclosure requirements*, *transparency rules* and *corporate governance rules*.

(2) In addition to the Listing Principles referred to in (1), the Premium Listing Principles in ■ LR 7.2.1A R apply to every *listed company* with a *premium listing* of *equity shares* in respect of all its obligations arising from the *listing rules*, *disclosure requirements*, *transparency rules* and *corporate governance rules*.

Purpose

7.1.2 G

The purpose of the Listing Principles and the Premium Listing Principles is to ensure that *listed companies* pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets.

7.1.3 G

The Listing Principles and, if applicable, the Premium Listing Principles are designed to assist *listed companies* in identifying their obligations and responsibilities under the *listing rules*, *disclosure requirements*, *transparency rules* and corporate governance rules. The Listing Principles and Premium Listing Principles should be interpreted together with relevant *rules* and *guidance* which underpin the Listing Principles and the Premium Listing Principles.

7.1.4 G

■ DEPP 6 (Penalties) and ■ EG 7 set out *guidance* on the consequences of breaching a Listing Principle or, if applicable, a Premium Listing Principle.

7.2 The Listing and Premium Listing Principles

7.2.1 R The Listing Principles are as follows:

Listing Principle 1	A *listed company* must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.
Listing Principle 2	A *listed company* must deal with the *FCA* in an open and co-operative manner.
Principle 3	[deleted]
Principle 4	[deleted]
Principle 5	[deleted]
Principle 6	[deleted]

7.2.1A R The Premium Listing Principles are as follows:

Premium Listing Principle 1	A *listed company* must take reasonable steps to enable its *directors* to understand their responsibilities and obligations as *directors*.
Premium Listing Principle 2	A *listed company* must act with integrity towards the holders and potential holders of its premium listed shares.
Premium Listing Principle 3	All *equity shares* in a class that has been admitted to *premium listing* must carry an equal number of votes on any shareholder vote.
Premium Listing Principle 4	Where a *listed company* has more than one class of *equity shares admitted* to *premium listing*, the aggregate voting rights of the shares in each class should be broadly proportionate to the relative interests of those classes in the equity of the *listed company*.
Premium Listing Principle 5	A *listed company* must ensure that it treats all holders of the same class of its listed equity shares that are in the same position equally in respect of the rights attaching to those listed equity shares.
Premium Listing Principle 6	A *listed company* must communicate information to holders and potential holders of its listed equity shares in such a way as to avoid the creation of a false market in those listed equity shares.

Guidance on the Listing and Premium Listing Principles

7.2.2 G Listing Principle 1 is intended to ensure that *listed companies* have adequate procedures, systems and controls to enable them to comply with their obligations under the *listing rules*, *disclosure requirements*, *transparency rules* and *corporate governance rules*. In particular, the *FCA* considers that *listed companies* should place particular emphasis on ensuring that they have adequate procedures, systems and controls in relation to, where applicable:

(1) identifying whether any obligations arise under ■ LR 10 (Significant transactions) and LR 11 (Related party transactions); and

(2) the timely and accurate disclosure of information to the market.

7.2.3 G Timely and accurate disclosure of information to the market is a key obligation of *listed companies*. For the purposes of Listing Principle 1, a *listed company* should have adequate systems and controls to be able to:

(1) ensure that it can properly identify information which requires disclosure under the *listing rules*, *disclosure requirements*, *transparency rules* or *corporate governance rules* in a timely manner; and

(2) ensure that any information identified under (1) is properly considered by the *directors* and that such a consideration encompasses whether the information should be disclosed.

7.2.4 G In assessing whether the voting rights attaching to different classes of premium listed shares are proportionate for the purposes of Premium Listing Principle 4, the *FCA* will have regard to the following non-exhaustive list of factors:

(1) the extent to which the rights of the classes differ other than their voting rights, for example with regard to dividend rights or entitlement to any surplus capital on winding up;

(2) the extent of dispersion and relative liquidity of the classes; and/or

(3) the commercial rationale for the difference in the rights.

Chapter 8

Sponsors: Premium listing

8.1 Application

Sponsors and applicants

8.1.1 R A *sponsor* must comply with:

(1) LR 8.3 (Role of a sponsor: general);

(2) LR 8.4 (Role of a sponsor: transactions);

(3) LR 8.6 (Criteria for approval as a sponsor); and

(4) LR 8.7 (Supervision of sponsors).

8.1.1A R A *person* applying for approval as a *sponsor* must comply with LR 8.6 (Criteria for approval as a sponsor).

Listed companies and applicants

8.1.2 R A *company* with, or applying for, a *premium listing* must comply with LR 8.2 (When a sponsor must be appointed or its guidance obtained) and LR 8.5 (Responsibilities of listed companies).

8.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

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

(1) is required to submit any of the following documents to the *FCA* in connection with an application for *admission* of *equity shares* to *premium listing*:

(a) a *prospectus*, *supplementary prospectus* or *equivalent document*; or

(b) a certificate of approval from another competent authority; or

(c) a summary document as required by ■ PR 1.2.3R (8); or

(d) *listing particulars* referred to in ■ LR 15.3.3 R or ■ LR 16.3.4 R or *supplementary listing particulars*; or

(2) is required to submit to the *FCA* a *class 1 circular* for approval; or

(3) is required to submit to the *FCA* a *circular* that proposes a reconstruction or a refinancing which is required by ■ LR 9.5.12 R to include a working capital statement; or

(4) is required to submit to the *FCA*a *circular* for the proposed purchase of own *shares*: which is required by ■ LR 13.7.1R (2) to include a working capital statement; or

[**Note**: This does not include a *circular* issued by a *closed-ended investment company*.]

(5) is required to do so by the *FCA* because it appears to the *FCA* that there is, or there may be, a breach of the *listing rules*, the *disclosure requirements* or the *transparency rules* by the *listed company*; or

(6) is required by ■ LR 11.1.10R (2)(b) to provide a *listed company* with a confirmation that the terms of the proposed *related party transaction* are fair and reasonable; or

(7) is required to submit to the *FCA* a *related party circular* which is required by ■ LR 13.6.1R (5) to include a statement by the board that the transaction or arrangement is fair and reasonable; or

(8) is required by ■ LR 8.4.3R (4) to submit to the *FCA* a letter from a *sponsor* in relation to the *applicant's* eligibility; or

(9) is required to make an announcement or request a suspension in connection with a *reverse takeover* under ■ LR 5.6.6 R; or

(10) provides to the *FCA* a disclosure regime confirmation in connection with a *reverse takeover* under ■ LR 5.6.12 G (1); or

(11) makes a disclosure announcement in connection with a *reverse takeover* under ■ LR 5.6.15 G that contains a declaration described in ■ LR 5.6.15 G (3) or ■ LR 5.6.15 G (4); or

(12) submits to the *FCA* a letter in relation to the *issuer's* eligibility in connection with a *reverse takeover* under ■ LR 5.6.23 G (2); or

(13) provides confirmation to the *FCA* of its severe financial difficulty for the purposes of ■ LR 10.8.3G (2); or

(14) is required to provide an assessment of the appropriateness of an investment exchange or *multilateral trading facility* under ■ LR 13.5.27B R; or

(15) is required to provide a written opinion to the *FCA* under ■ LR 11 Annex 1 (8) (Joint investment arrangements).

8.2.1A R A *company* must appoint a *sponsor* where it applies to transfer its category of *equity shares' listing* from:

(1) a *standard listing (shares)* to a *premium listing (commercial company)*; or

(2) a *standard listing (shares)* to a *premium listing (investment company)*; or

(3) a *premium listing (investment company)* to a *premium listing (commercial company)*; or

(4) a *premium listing (commercial company)* to a *premium listing (investment company)*.

Other transactions where a company with a premium listing must obtain a sponsor's guidance

8.2.2 R If a *company* with a *premium listing* is proposing to enter into a transaction which due to its size or nature could amount to a *class 1 transaction* or a *reverse takeover* it must obtain the guidance of a *sponsor* to assess the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

8.2.3 R If a company with a *premium listing* is proposing to enter into a transaction which is, or may be, a *related party transaction* it must obtain the guidance of a *sponsor* in order to assess the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

8.3 Role of a sponsor: general

Responsibilities of a sponsor

8.3.1 R A *sponsor* must in relation to a *sponsor service*:

(1) referred to in ■ LR 8.2.1R (1) to ■ (4), ■ LR 8.2.1R (11), ■ LR 8.2.1A R and, where relevant ■ LR 8.2.1R (5), provide assurance to the *FCA* when required that the responsibilities of the *company* with or applying for a *premium listing* of its *equity shares* under the *listing rules* have been met;

(1A) provide to the *FCA* any explanation or confirmation in such form and within such time limit as the *FCA* reasonably requires for the purposes of ensuring that the *listing rules* are being complied with by a *company* with or applying for a *premium listing* of its *equity shares*; and

(2) guide the *company* with or applying for a *premium listing* of its *equity shares* in understanding and meeting its responsibilities under the *listing rules*, the *disclosure requirements* and the *transparency rules*.

8.3.1A R A *sponsor* must, for so long as it provides a *sponsor service*:

(1) take such reasonable steps as are sufficient to ensure that any communication or information it provides to the *FCA* in carrying out the *sponsor service* is, to the best of its knowledge and belief, accurate and complete in all material respects; and

(2) as soon as possible provide to the *FCA* any information of which it becomes aware that materially affects the accuracy or completeness of information it has previously provided.

8.3.1B G Where a *sponsor* provides information to the *FCA* which is or is based on information it has received from a third party, in assessing whether a *sponsor* has complied with its obligations in ■ LR 8.3.1AR (1) the *FCA* will have regard, amongst other things, to whether a *sponsor* has appropriately used its own knowledge, judgment and expertise to review and challenge the information provided by the third party.

8.3.2 G The *sponsor* will be the main point of contact with the *FCA* for any matter referred to in ■ LR 8.2. The *FCA* expects to discuss all issues relating to a transaction and any draft or final document directly with the *sponsor*.

However, in appropriate circumstances, the *FCA* will communicate directly with the *company* with or applying for a *premium listing* of its *equity shares*, or its advisers.

8.3.2A G A *sponsor* remains responsible for complying with ■ LR 8.3 even where a *sponsor* relies on the *company* with or applying for a *premium listing* of its *equity shares* or a third party when providing an assurance or confirmation to the *FCA*.

Principles for sponsors: due care and skill

8.3.3 R A *sponsor* must in relation to a *sponsor service* act with due care and skill.

Principles for sponsors: duty regarding directors of listed companies

8.3.4 R Where, in relation to a *sponsor service*, a *sponsor* gives any guidance or advice to a *listed company* or *applicant* on the application or interpretation of the *listing rules* or *disclosure requirements* and *transparency rules*, the *sponsor* must take reasonable steps to satisfy itself that the *director* or *directors* of the *listed company* understand their responsibilities and obligations under the *listing rules* and *disclosure requirements* and *transparency rules*.

Principles for sponsors: relations with the FCA

8.3.5 R A *sponsor* must at all times (whether in relation to a *sponsor service* or otherwise):

(1) deal with the *FCA* in an open and co-operative way; and

(2) deal with all enquiries raised by the *FCA* promptly.

(3) [deleted]

8.3.5A R If, in connection with the provision of a *sponsor service*, a *sponsor* becomes aware that it, or a *company* with or applying for a *premium listing* of its *equity shares* is failing or has failed to comply with its obligations under the *listing rules*, the *disclosure requirements* or the *transparency rules*, the *sponsor* must promptly notify the *FCA*.

8.3.5B R A *sponsor* must, in relation to a *sponsor service*, act with honesty and integrity.

8.3.6 R

(1) [deleted]

(2) [deleted]

(3) [deleted]

8.3.7 G

(1) [deleted]

(2) [deleted]

Principles for sponsors: identifying and managing conflicts

8.3.7A G The purpose of ■ LR 8.3.7B R to ■ LR 8.3.12A G is to ensure that conflicts of interest do not adversely affect:

(1) the ability of a *sponsor* to perform its functions properly under this chapter; or

(2) market confidence in *sponsors*.

8.3.7B R A *sponsor* must take all reasonable steps to identify conflicts of interest that could adversely affect its ability to perform its functions properly under this chapter.

8.3.8 G In identifying conflicts of interest, *sponsors* should also take into account circumstances that could:

(1) create a perception in the market that a sponsor may not be able to perform its functions properly; or

(2) compromise the ability of a *sponsor* to fulfil its obligations to the *FCA* in relation to the provision of a *sponsor service*.

8.3.9 R A *sponsor* must take all reasonable steps to put in place and maintain effective organisational and administrative arrangements that ensure conflicts of interest do not adversely affect its ability to perform its functions properly under this chapter.

8.3.10 G Disclosure of a conflict of interest will not usually be considered to be an effective organisational or administrative arrangement for the purpose of ■ LR 8.3.9 R.

8.3.11 R If, in relation to a *sponsor service*, a *sponsor* is not reasonably satisfied that its organisational and administrative arrangements will ensure that a conflict of interest will not adversely affect its ability to perform its functions properly under this chapter, it must decline or cease to provide the *sponsor services*.

8.3.12 G ■ LR 8.3.11 R recognises that there will be some conflicts of interest that cannot be effectively managed. Providing *sponsor services* in those cases could adversely affect both a *sponsor's* ability to perform its functions and market confidence in the *sponsor* regime. If in doubt about whether a conflict can be effectively managed a *sponsor* should discuss the issue with the *FCA* before it decides if it can provide a *sponsor service*.

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

Principles for sponsors: acting for another sponsor

8.3.13 G [deleted]

Principles for sponsors: joint sponsors

8.3.14 R If a *listed company* or *applicant* appoints more than one *sponsor* to provide a *sponsor service* then:

(1) the appointment does not relieve either of the appointed *sponsors* of their obligations under ■ LR 8; and

(2) the *sponsors* are each responsible for complying with the obligations under ■ LR 8 .

8.3.15 G If a *listed company* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*, the *FCA* expects the *sponsors* to co-operate with each other in relation to the *sponsor service*, including by establishing arrangements for the sharing of information as appropriate having regard to the *sponsor service*.

8.4 Role of a sponsor: transactions

Application for admission

8.4.1 R ■ LR 8.4.2 R to ■ LR 8.4.4 G apply in relation to an application for *admission* of *equity shares* to *premium listing* if an *applicant* does not have *equity shares* already admitted to *premium listing* , the conditions in ■ LR 6.1.1R(1) or ■ LR 6.1.1R(2) do not apply and, in connection with the application, the *applicant* is required to submit to the *FCA*:

(1) a *prospectus* , *supplementary prospectus*or *equivalent document* ; or

(2) a certificate of approval from another competent authority; or

(3) a summary document under ■ PR 1.2.3R (8); or

(4) *listing particulars* or *supplementary listing particulars* under ■ LR 15.3.3 R or ■ LR 16.3.4 R.

8.4.2 R A *sponsor* must not submit to the *FCA* an application on behalf of an *applicant*, in accordance with ■ LR 3, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

(1) the *applicant* has satisfied all requirements of the *listing rules* relevant to an application for *admission to listing*;

(2) the *applicant* has satisfied all applicable requirements set out in the *prospectus rules* unless the *home Member State* of the *applicant* is not, or will not be, the *United Kingdom*;

(3) the *directors* of the *applicant* have established procedures which enable the *applicant* to comply with the *listing rules* and the *disclosure requirements* and *transparency rules* on an ongoing basis;

(4) the *directors* of the *applicant* have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the *applicant* and its *group*; and

(5) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement which demonstrates that ■ LR 6.7.1R is satisfied.

New applicants: procedure

8.4.3 R A *sponsor* must:

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

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

(2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9 a.m. on the day the *FCA* is to consider the application;

(3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering:

(a) the application for *listing*; and

(b) whether the *admission* of the *equity shares* would be detrimental to investors' interests;

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

(4) submit a letter to the *FCA* setting out how the *applicant* satisfies the criteria in LR 2 (Requirements for listing - all securities), LR 6 (Additional requirements for premium listing (commercial company)) and, if applicable, LR 15 or LR 16, no later than when the first draft of the *prospectus* or *listing particulars* is submitted (or, if the *FCA* 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 *FCA*).

[**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 *FCA's* website.]

8.4.4 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 *FCA* that the board of the *applicant* has allotted the*equity shares*.

[**Note:** see LR 3.3.4 R]

8.4.5 R (1) [deleted]

(2) [deleted]

(3) [deleted]

8.4.6 R

(1) [deleted]

(a) [deleted]

(b) [deleted]

(2) [deleted]

Application for admission: further issues

8.4.7 R

LR 8.4.8 R to LR 8.4.10 G apply in relation to an application for *admission* of *equity shares* of an *applicant* that has *equity shares* already *listed* or in circumstances in which LR 6.1.1R(1) or LR 6.1.1R(2) applies.

8.4.8 R

A *sponsor* must not submit to the *FCA* an application on behalf of an *applicant*, in accordance with LR 3 (Listing applications), unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

(1) the *applicant* has satisfied all requirements of the *listing rules* relevant to an application for *admission to listing*;

(2) the *applicant* has satisfied all applicable requirements set out in the *prospectus rules* unless the *home Member State* of the *applicant* is not, or will not be, the *United Kingdom*; and

(3) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required to be included in the *applicant's prospectus* or *listing particulars* and submitted to the *FCA* in accordance with LR 3.3.2R(2).

Further issues: procedure

8.4.9 R

A *sponsor* must:

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

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

(2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9 a.m. on the day the *FCA* is to consider the application; and

(3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the application for *listing* have been disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FCA*.

[**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 *FCA*'s website.]

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 *FCA* the number of *equity shares* to be allotted or admitted. [**Note:** see ■ LR 3.3.4 R]

Class 1 circulars, refinancing and purchase of own equity shares

8.4.11 R ■ LR 8.4.12 R to ■ LR 8.4.13 R apply in relation to transactions involving an *issuer* with a *premium listing* of *equity shares* that is required to submit to the *FCA* for approval:

(1) a *class 1 circular*; or

(2) a *circular* that proposes a reconstruction or a re-financing which does not constitute a *class 1 transaction*; or

(3) a *circular* for the proposed purchase of own *shares*:

(a) which does not constitute a *class 1 circular*; and

(b) is required by ■ LR 13.7.1R (2) to include a working capital statement.

8

8.4.12 R A *sponsor* must not submit to the *FCA*, on behalf of a *listed company*, a *circular* regarding a transaction set out in ■ LR 8.4.11 R for approval, unless the *sponsor* has come to a reasonable opinion, after having made due and careful enquiry, that:

(1) the *listed company* has satisfied all requirements of the *listing rules* relevant to the production of a *class 1 circular* or other *circular*;

(2) the transaction will not have an adverse impact on the *listed company's* ability to comply with the *listing rules* or the *disclosure requirements* and *transparency rules*; and

(3) the *directors* of the *listed company* have a reasonable basis on which to make the working capital statement required by ■ LR 9.5.12 R, ■ LR 13.4.1 R or ■ LR 13.7.1 R.

Circulars: procedure

8.4.13 R A *sponsor* acting on a transaction falling within ■ LR 8.4.11 R must:

(1) submit a completed Sponsor's Declaration for the Production of a Circular to the *FCA* on the day the *circular* is to be approved by the *FCA* and prior to the time the *circular* is approved;

(2) submit a completed Pricing Statement, if applicable, to the *FCA* by 9 a.m on the day the *FCA* is to consider the application; and

(3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the transaction have been disclosed with sufficient prominence in the documentation or otherwise in writing to the *FCA*.

[**Note:** The Sponsor's Declaration for the Production of a Circular and the Pricing Statement forms can be found on the UKLA section of the *FCA's* website.]

Applying for transfer between listing categories

8.4.14 R In relation to a proposed transfer under ■ LR 5.4A, if a *sponsor* is appointed in accordance with ■ LR 8.2.1A R, it must:

(1) submit a letter to the *FCA* setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer, by no later than when the first draft of the *circular* or announcement required under ■ LR 5.4A is submitted;

(2) submit a completed Sponsor's Declaration for a Transfer of Listing to the *FCA* for the proposed transfer on the day the *circular* or announcement is to be approved by the *FCA* and before it is approved; and

(3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the transfer between *listing* categories have been disclosed with sufficient prominence in the *circular* or announcement referred to in ■ LR 5.4A or otherwise in writing to the *FCA*.

[**Note**: The Sponsor's Declaration for a Transfer of Listing can be found on the UKLA section of the *FCA* website.]

8.4.15 R A *sponsor* must not submit to the *FCA* on behalf of an *issuer* a final *circular* or announcement for approval or a Sponsor's Declaration for a Transfer of Listing, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

(1) the *issuer* satisfies all eligibility requirements of the *listing rules* that are relevant to the new category to which it is seeking to transfer;

(2) the *issuer* has satisfied all requirements relevant to the production of the *circular* required under ■ LR 5.4A.4 R or the announcement required under ■ LR 5.4A.5 R (whichever is relevant);

(3) the *directors* of the *issuer* have established procedures which enable the *issuer* to comply with the *listing rules*, the *disclosure requirements* and the *transparency rules* on an ongoing basis;

(4) the *directors* of the *issuer* have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the *issuer* and its *group*; and

(5) the *directors* of the *issuer* have a reasonable basis on which to make the working capital statement (if any) required in connection with the transfer.

8.4.16 R ■ LR 8.4.15R (3), ■ LR 8.4.15R (4) and ■ LR 8.4.15R (5) do not apply in relation to an *issuer* that was required to meet these requirements under its existing *listing* category.

Reverse takeovers

8.4.17 R A *sponsor* acting on a *reverse takeover* where the *issuer* decides to make a disclosure announcement under ■ LR 5.6.15 G must:

(1) submit to the *FCA* under ■ LR 5.6.17 R a completed Sponsor's Declaration for a Reverse Takeover Announcement;

(2) not submit to the *FCA* the Sponsor's Declaration for a Reverse Takeover Announcement unless it has come to a reasonable opinion, after having made due and careful enquiry, that it is reasonable for the *issuer* to provide the declarations described in ■ LR 5.6.15 G (3) and ■ LR 5.6.15 G (4); and

(3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering a proposed disclosure announcement under ■ LR 5.6.15 G have been disclosed with sufficient prominence in the announcement or otherwise in writing to the *FCA*.

[**Note**: The Sponsor's Declaration for a Reverse Takeover Announcement can be found on the UKLA section of the *FCA* website.]

8.5 Responsibilities of listed companies

Notifications to FCA

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

8.5.2 R

(1) A *listed company* or *applicant* must notify the *FCA* in writing immediately of the resignation or dismissal of any *sponsor* that it had appointed.

(2) In the case of a dismissal, the reasons for the dismissal must be included in the notification.

(3) The notification must be copied to the *sponsor*.

Listed company appoints more than one sponsor

8.5.3 R Where a *listed company* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*, the *company* must:

(1) ensure that one *sponsor* takes responsibility for contact with the *FCA* in respect of administrative arrangements for the *sponsor service*; and

(2) inform the *FCA* promptly, in writing, of the name and contact details of the *sponsor* taking responsibility under (1).

8.5.4 R [deleted]

8.5.5 G [deleted]

Cooperation with sponsors

8.5.6 R In relation to the provision of a *sponsor service*, a *company* with or applying for a *premium listing* of its *equity shares* must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with ■ LR 8.

8.6 Criteria for approval as a sponsor

List of sponsors

8.6.1 G The *FCA* will maintain a *list of sponsors* on its website.

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 Sponsor Supervision Team at the *FCA's* address:

(1) a completed Sponsor Firm Application Form; and

(2) [deleted]

(3) the application fee set out in ■ FEES 3.

[**Note:** The Sponsor's Firm Application Form can be found on the UKLA section of the *FCA's* website.]

8.6.3 R A *person* wanting to provide *sponsor services* and be included on the *list of sponsors* must also submit:

(1) all additional documents, explanations and information as required by the *FCA*; and

(2) verification of any information in such a manner as the *FCA* may specify.

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

(1) carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators;

(2) request that the applicant or its specified representative answer questions and explain any matter the *FCA* considers relevant to the application; and

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

(4) [deleted]

[**Note:** The decision-making procedures that the *FCA* will follow when itconsiders whether to refuse an application for approval as a *sponsor* are set out in *DEPP*.]

Criteria for approval as a sponsor

8.6.5 R The *FCA* will approve a *person* as a *sponsor* only if it is satisfied that the *person* :

(1) is an *authorised person* or a *member* of a *designated professional body*;

(2) is competent to provide*sponsor services* in accordance with ■ LR 8; and

(3) has appropriate systems and controls in place to carry out its role as a *sponsor* in accordance with ■ LR 8.

8.6.5A R The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide at the time of granting a *sponsor's* approval.

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 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 certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or

(2) the *person* applying to be a *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *person* applying to be a *sponsor* proposes to undertake.

[**Note:** A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

8.6.5C G Where a *person* wishes to apply for approval as a *sponsor* to provide a limited range of *sponsor services*, it may do so on the basis that the *FCA* will impose a limitation or restriction on its approval (in accordance with section 88 of the *Act*). In such circumstances, the *FCA* will assess whether the *person* satisfies ■ LR 8.6.5R (2) and ■ LR 8.6.5R (3) taking into consideration the *sponsor services* to which the approval, as formally limited or restricted by the *FCA*, will relate.

Continuing obligations

8.6.6 R A *sponsor* must comply, at all times, with the criteria set out in ■ LR 8.6.5 R.

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) for a *person* applying for approval as a *sponsor*, within three years of the date of its application; and

(b) for a *sponsor*, within the previous three years; and

(2) a sufficient number of *employees* with the skills, knowledge and expertise necessary for it to:

(a) provide *sponsor services* in accordance with ■ LR 8.3;

(b) understand:

(i) the *rules*, *guidance* and *ESMA* publications directly relevant to *sponsor services*;

(ii) the procedural requirements and processes of the *FCA*;

(iii) the due diligence process required in order to provide *sponsor services* in accordance with ■ LR 8.3 and ■ LR 8.4;

(iv) the responsibilities and obligations of a *sponsor* in ■ LR 8; and

(v) specialist industry sectors, if relevant to the *sponsor services* it provides or intends to provide; and

(c) be able to comply with the key contact requirements in ■ LR 8.6.19 R.

8.6.7A G To determine whether a *sponsor* or a *person* applying for approval as a *sponsor* is able to satisfy ■ LR 8.6.7R (1)(a), the *FCA* may consider whether any of the *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 years.

8.6.7B G In exceptional circumstances, the *FCA* may consider dispensing with, or modifying, the requirement in ■ LR 8.6.7R (1) in accordance with ■ LR 1.2.1 R.

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

(1) the nature, scale and complexity of its business;

(2) the diversity of its operations;

(3) the volume and size of transactions it undertakes;

(4) the volume and size of transactions it anticipates undertaking in the following year; and

(5) the degree of risk associated with the transactions it undertakes or anticipates undertaking in the following year.

8.6.7D G Notwithstanding ■ LR 8.6.7C G, when considering whether a *sponsor* satisfies ■ LR 8.6.7R (2)(c) the *FCA* expects a *sponsor* to have no less than two *employees* who are able to satisfy the key contact requirements in ■ LR 8.6.19R (2).

8.6.8 G

(1) [deleted]

(2) [deleted]

(3) [deleted]

8.6.9 G

(1) [deleted]

(2) [deleted]

(a) [deleted]

(b) [deleted]

(3) [deleted]

8.6.9A G [deleted]

8.6.9B G In assessing whether a *sponsor* or a *person* applying for approval as a *sponsor* can demonstrate it is competent in the areas required under ■ LR 8.6.7R (2), the *FCA* may also take into account, where relevant, the guidance or advice on the *listing rules* or *disclosure requirements* and *transparency rules* the sponsor or *person* has given in circumstances other than in providing *sponsor services*.

8.6.10 R [deleted]

8.6.11 G [deleted]

Systems and controls: general

8.6.12 R A *sponsor* or a *person* applying for approval as a *sponsor* will not satisfy ■ LR 8.6.5R (3) unless it has in place:

(1) clear and effective reporting lines for the provision of *sponsor services* (including clear and effective management responsibilities);

(1A) effective systems and controls which require *employees* with management responsibilities for the provision of *sponsor services* to understand and apply the requirements of ■ LR 8;

(2) effective systems and controls for the appropriate supervision of *employees* engaged in the provision of *sponsor services* by the *sponsor*;

(3) effective systems and controls for compliance with all applicable *listing rules* at all times, including when performing *sponsor services*;

(4) [deleted]

(5) [deleted]

(6) effective systems and controls which require appropriate staffing arrangements for providing each *sponsor service* in line with the principles for *sponsors* in ■ LR 8.3;

(7) effective systems and controls for *employees* engaged in the provision of *sponsor services* to receive appropriate guidance and training to provide each sponsor service in line with the principles for *sponsors* in ■ LR 8.3;

(8) effective systems and controls to identify and manage conflicts of interest;

(9) effective systems and controls for compliance with each of the requirements in ■ LR 8.6.7R (2)(b); and

(10) systems and controls which comply with the requirements of ■ LR 8.6.16A R (Record management).

8.6.13 G When considering a *sponsor's* ability to comply with ■ LR 8.6.12 R, the *FCA* will consider a variety of factors, including:

(1) the nature, scale and complexity of its business;

(2) the diversity of its operations;

(3) the volume and size of the transactions it undertakes;

(4) the volume and size of the transactions it anticipates undertaking in the following year; and

(5) the degree of risk associated with the transactions it undertakes or anticipates undertaking in the following year.

Systems and controls: conflicts of interest

8.6.13A G A *sponsor* will generally be regarded as having appropriate systems and controls for identifying and managing conflicts if it has in place effective policies and procedures:

(1) to ensure that decisions taken on managing conflicts of interest are taken by appropriately senior staff and on a timely basis;

(2) to monitor whether arrangements put in place to manage conflicts are effective; and

(3) to ensure that individuals within the *sponsor* are appropriately trained to enable them to identify, escalate and manage conflicts of interest.

(4) [deleted]

8.6.13B G The policies and procedures referred to in ■ LR 8.6.13A G are distinct from the actual organisational and administrative arrangements that a *sponsor* is required to put in place and maintain under ■ LR 8.3.9 R to manage specific conflicts.

8.6.14 G [deleted]

8.6.15 R [deleted]

8.6.16 G [deleted]

(1) [deleted]

(2) [deleted]

(3) [deleted]

(a) [deleted]

(b) [deleted]

(c) [deleted]

(4) [deleted]

Systems and controls: record management

8.6.16A R A *sponsor* must have effective arrangements to create and retain for six years accessible records which are sufficient to be capable of demonstrating that it has provided *sponsor services* and otherwise complied with its obligations under ■ LR 8 including:

(1) where a declaration is to be submitted to the *FCA*:

(a) under ■ LR 8.4.3R (1), ■ LR 8.4.9R (1), ■ LR 8.4.13R (1), ■ LR 8.4.14R (2) or ■ LR 8.4.17 R; or

(b) pursuant to an appointment under ■ LR 8.2.1R (5);

the basis of each declaration given;

(2) where any opinion, assurance or confirmation is provided by a *sponsor* to the *FCA* or a *company* with or applying for a *premium listing* in relation to a *sponsor service*, the basis of that opinion, assurance or confirmation;

(3) where a *sponsor* provides guidance to a *company* with or applying for a *premium listing* pursuant to ■ LR 8.2.2 R, ■ LR 8.2.3 R or ■ LR 8.3.1R (2), the basis upon which the guidance is given and upon which any judgments or opinions underlying the guidance have been made or given; and

(4) the steps taken to comply with its obligations under ■ LR 8.3.7B R, ■ LR 8.3.9 R , ■ LR 8.3.11 R and ■ LR 8.6.6 R.

8.6.16B G Records should:

(1) be capable of timely retrieval; and

(2) include material communications which relate to the provision of *sponsor services*, including any advice or guidance given to a *company* with or applying for a *premium listing* in relation to their responsibilities under the *listing rules*, the *disclosure requirements* and the *transparency rules*.

8.6.16C G In considering whether a *sponsor* has satisfied the requirements regarding sufficiency of records in ■ LR 8.6.16A R, the *FCA* will consider whether the records would enable a person with general knowledge of the sponsor regime but no specific knowledge of the actual *sponsor service* undertaken to understand and verify the basis upon which material judgments have been made throughout the provision of the *sponsor service*.

8.6.17 R [deleted]

8.6.18 R [deleted]

Key contact

8.6.19 R For each *sponsor service* requiring the submission of a *document* to the *FCA* or contact with the *FCA*, a *sponsor* must:

(1) at the time of submission or on first making contact with the *FCA*notify the *FCA*of the name and contact details of a key contact within the *sponsor* for that matter; and

(2) ensure that its keycontact :

(a) has sufficient knowledge about the *listed company* or *applicant* and the proposed matterto be able to answer queries from the *FCA* about it;

(b) is available to answer queries from the *FCA* on any business day between 7am and 6pm;

(c) is authorised to make representations to the *FCA* for and on behalf of the *sponsor*;

(d) possesses technical knowledge of *rules*, *guidance* and *ESMA* publications directly relevant to the *sponsor service*; and

(e) understands the responsibilities and obligations of the *sponsor* under ■ LR 8 in relation to the *sponsor service*.

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.

8.7 Supervision of sponsors

8.7.1 G The *FCA* expects to have an open, co-operative and constructive relationship with a *sponsor* to enable it to have a broad picture of the *sponsor's* activities and its ability to satisfy the criteria for approval as a *sponsor* as set out in LR 8.6.5 R.

Requirement to provide information

8.7.1A R

(1) The *FCA* may by notice in writing given to a *sponsor* require it to provide specified documents or specified information to the *FCA*.

(2) The *sponsor* must as soon as practicable provide to the *FCA* any documents or information that it has been required to provide under (1).

(3) This rule applies only to documents or information reasonably required by the *FCA* in connection with the performance of its functions in relation to a *sponsor* or a *company* that has appointed a *sponsor*.

Supervisory tools

8.7.2 G The *FCA* uses a variety of tools to monitor whether a *sponsor*:

(1) continues to satisfy the criteria for approval as a *sponsor* as set out in LR 8.6.5 R; and

(2) remains in compliance with all applicable *listing rules*.

8.7.2A R The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide at any time following the grant of a *sponsor's* approval.

8.7.2B G Situations when the *FCA* may impose restrictions or limitations on the services a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:

(1) the *sponsor* has no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or

(2) the *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *sponsor* is undertaking or proposing to undertake.

[**Note:** A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

8.7.3 G *FCA* staff, after notifying the *sponsor*, may make supervisory visits to a *sponsor* on a periodic and an ad hoc basis.

8.7.4 G The *FCA* will give reasonable notice to a *sponsor* of requests for meetings or requests for access to a *sponsor's* documents and records.

Requests from other regulators

8.7.5 G The *FCA*, on behalf of other regulators, may request information from a *sponsor* or pass information on to other regulators to enable such regulators to discharge their functions.

Fees

8.7.6 R A *sponsor* must pay the annual fee set out in ■ FEES 4 in order to remain on the *list of sponsors*.

Annual notifications

8.7.7 R A *sponsor* must provide to the *FCA* on or after the first *business day* of January in each year but no later than the last *business day* of January in each year:

(1) written confirmation that it continues to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R; and

(1A) for each of the criteria in that rule, evidence of the basis upon which it considers that it meets that criterion.

(2) [deleted]

(3) [deleted]

(4) [deleted]

8.7.7A R Written confirmation must be provided by submitting a completed Sponsor Annual Notification Form to the *FCA* at the *FCA's* address.

[**Note:** The Sponsor Annual Notification Form can be found on the UKLA section of the *FCA's* website.]

General notifications

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

(1) (a) the *sponsor* ceases to satisfy the criteria for approval as a *sponsor* set out in ■ LR 8.6.5 R or becomes aware of any matter which, in

its reasonable opinion, would be relevant to the *FCA* in considering whether the *sponsor* continues to comply with ■ LR 8.6.6 R; or

(b) the *sponsor* becomes aware of any fact or circumstance relating to the *sponsor* or any of its employees engaged in the provision of *sponsor services* by the *sponsor* which, in its reasonable opinion, would be likely to adversely affect market confidence in *sponsors*; or

(2) the *sponsor*, or any of its *employees* engaged in the provision of *sponsor services* by the *sponsor*, are:

(a) convicted of any offence involving fraud, theft or other dishonesty; or

(b) the subject of a bankruptcy proceeding, a receiving order or an administration order; or

(3) any of its *employees* engaged in the provision of *sponsor services* by the *sponsor* are disqualified by a court from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*; or

(4) the *sponsor*, or any of its *employees* engaged in the provision of *sponsor services* by the *sponsor*, are subject to any public criticism, regulatory intervention or disciplinary action:

(a) by the *FCA*; or

(b) by any *designated professional body*; or

(c) by any body that is comparable to the *FCA* or a *designated professional body*; or

(d) under any comparable legislation in any jurisdiction outside the *United Kingdom*; or

(5) the *sponsor* resigns or is dismissed by a *listed company* or *applicant*, giving details of any relevant facts or circumstances;

(6) the *sponsor* changes its name; or

(7) [deleted]

(8) a *listed company* or *applicant* denies the *sponsor* access to documents or information that have been the subject of a reasonable request by the *sponsor*; or

(9) it identifies or otherwise becomes aware of any material deficiency in the *sponsor's* systems and controls; or

(10) there is intended to be a change of control of the *sponsor*, any restructuring of the *sponsor's group*, or a re-organisation of or a substantial change to the *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*, or

(11) there is expected to be a change in the financial position of the *sponsor* or any of its *group companies* that would be likely to adversely affect the *sponsor's* ability to perform *sponsor services* or otherwise comply with ■ LR 8.

8.7.8A R Where a *sponsor* is of the opinion that notwithstanding the circumstances giving rise to a notification obligation under ■ LR 8.7.8 R, it continues to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ LR 8.6.6 R, it must include in its notification to the *FCA* a statement to that effect and the basis for its opinion.

8.7.9 G General notifications may be made in the first instance by telephone, but must be confirmed promptly in writing.

8.7.10 G Written notifications should be sent to the Sponsor Supervision Team at the *FCA's* address.

8.7.11 R [deleted]

8.7.12 R [deleted]

8.7.13 R [deleted]

8.7.14 R [deleted]

8.7.15 G [deleted]

Non-delegation of sponsor functions

8.7.16 R A *sponsor* must not delegate any of its functions as such, or permit another *person* to perform those functions,

8.7.17 R

(1) [deleted]

(2) [deleted]

8.7.18 R [deleted]

8.7.19 R [deleted]

Discipline of sponsors

8.7.20 G *EG* sets out the *FCA's* policy on when and how it will use its disciplinary powers, including in relation to a *sponsor*.A *statutory notice* may be required under section 88B of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.

Cancellation of a sponsor's approval at the sponsor's request

8.7.21 G A *sponsor* that intends to request the *FCA* to cancel its approval as a *sponsor* should comply with ■ LR 8.7.22 R.

8.7.21A G Examples of when a *sponsor* should submit a cancellation request pursuant to ■ LR 8.7.22 R include, but are not limited to:

(1) situations where the *sponsor* ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ LR 8.6.6 R and, following a notification made under ■ LR 8.7.8 R, there are no ongoing discussions with the *FCA* which could lead to the conclusion that the sponsor remains eligible; or

(2) where there is a change of control of the *sponsor* or any restructuring of the *sponsor's group* that will result in *sponsor services* being provided by a different *person*, in which case the *person* that is intended to provide the *sponsor services* should apply for approval as a *sponsor* under ■ LR 8.6 before it provides any *sponsor services*.

8.7.22 R A request by a *sponsor* for its approval as a *sponsor* to be cancelled must be in writing and must include:

(1) the *sponsor's* name;

(2) a clear explanation of the background and reasons for the request;

(3) the date on which the *sponsor* requests the cancellation to take effect;

(4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and

(5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

8.7.23 G A *sponsor* may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

8.7.24 G (1) [deleted]

(2) [deleted]

Suspension of a sponsor's approval at the sponsor's request

8.7.25 R A request by a *sponsor* for its approval as a *sponsor* to be suspended must be in writing and must include:

(1) the *sponsor's* name;

(2) a clear explanation of the background and reasons for the request;

(3) the date on which the *sponsor* requests the suspension to take effect;

(4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and

(5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

8.7.26 G A *sponsor* may withdraw its request at any time before the suspension takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

8.7.26A G A *sponsor* may wish to consider submitting a suspension request under ■ LR 8.7.25 R where the *sponsor*:

(1) ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ LR 8.6.6 R;

(2) has notified the *FCA* in accordance with ■ LR 8.7.8 R;

(3) is having ongoing discussions with the *FCA* regarding remedial action; and

(4) is undertaking remedial action which may result in the *sponsor* being able to satisfy the ongoing criteria for approval in accordance with ■ LR 8.6.6 R.

Sponsors: advancing the FCA's operational objectives

8.7.27 G The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide or suspend a *sponsor's* approval under section 88E of the *Act* if the *FCA* considers it desirable to do so in order to advance one or more of its *operational objectives*.

[**Note:** A *statutory notice* may be required under section 88F of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

Chapter 9

Continuing obligations

9.1 Preliminary

Application

9.1.1	R	This chapter applies to a *company* that has a *premium listing* of *equity shares*.
9.1.2	R	[deleted]
9.1.2A	G	[deleted]
9.1.3	R	[deleted]
9.1.4	R	[deleted]

9.2 Requirements with continuing application

Admission to trading

9.2.1 R A *listed company* must comply with ■ LR 2.2.3 R at all times.

9.2.2 R A *listed company* must inform the *FCA* in writing as soon as possible if it has:

(1) requested a *RIE* to admit or re-admit any of its *listed equity shares* to trading; or

(2) requested a *RIE* to cancel or suspend trading of any of its *listed equity shares*; or

(3) been informed by a *RIE* that trading of any of its *listed equity shares* will be cancelled or suspended.

Independent business

9.2.2A R (1) A *listed company* must carry on an independent business as its main activity at all times.

(2) [deleted]

9.2.2AA G ■ LR 6.4.3G provides *guidance* on factors that may indicate that a *listed company* is not carrying on an independent business.

Controlling shareholders

9.2.2AB R A *listed company* with a *controlling shareholder* must demonstrate that, despite having a *controlling shareholder*, the *listed company* is still able to carry on an independent business as its main activity at all times.

9.2.2AC G ■ LR 6.5.3G provides *guidance* on factors that may indicate that a *listed company* with a *controlling shareholder* is not carrying on an independent business.

9.2.2AD R Where a *listed company* has a *controlling shareholder*, it must have in place at all times:

(1) a written and legally binding agreement which is intended to ensure that the *controlling shareholder* complies with the undertakings in ■ LR 6.5.4R; and

(2) a constitution that allows the election and re-election of *independent directors* to be conducted in accordance with ■ LR 9.2.2ER and ■ LR 9.2.2FR (election provisions).

9.2.2B R In order to comply with ■ LR 9.2.2ADR(1), where a *listed company* will have more than one *controlling shareholder*, the *listed company* will not be required to enter into a separate agreement with each *controlling shareholder* if:

(1) the *listed company* reasonably considers, in light of its understanding of the relationship between the relevant *controlling shareholders*, that a *controlling shareholder* can procure the compliance of another *controlling shareholder* and that *controlling shareholder's associates* with the undertakings in ■ LR 6.5.4R; and

(2) the agreement, which contains the undertakings in ■ LR 6.5.4R, entered into with the relevant controlling shareholder also contains:

(a) a provision in which the *controlling shareholder* agrees to procure the compliance of a non-signing *controlling shareholder* and its *associates* with the undertakings in ■ LR 6.5.4R; and

(b) the names of any such non-signing *controlling shareholder*.

9.2.2C R Where as a result of changes in ownership or control of a *listed company*, a *person* becomes a *controlling shareholder* of the *listed company*, the *listed company* will be allowed:

(1) a period of not more than 6 months from the event that resulted in that *person* becoming a *controlling shareholder* to comply with ■ LR 9.2.2ADR(1); and

(2) in the case of a *listed company* which did not previously have a *controlling shareholder*, until the date of the next annual general meeting of the *listed company*, other than an annual general meeting for which notice:

(a) has already been given; or

(b) is given within a period of 3 months from the event that resulted in that *person* becoming a *controlling shareholder*;

to comply with ■ LR 9.2.2ADR(2).

9.2.2D G In complying with ■ LR 9.2.2ADR(2), a *listed company* may allow an existing *independent director* who is being proposed for re-election (including any such *director* who was appointed by the board of the *listed company* until the next annual general meeting) to remain in office until any resolution required by ■ LR 9.2.2F R has been voted on.

9.2.2E R Where ■ LR 9.2.2ADR applies, the election or re-election of any *independent director* by shareholders must be approved by:

(1) the shareholders of the *listed company*; and

(2) the *independent shareholders* of the *listed company*.

9.2.2F R Where ■ LR 9.2.2E R applies, if the election or re-election of an *independent director* is not approved by both the shareholders and the *independent shareholders* of the *listed company*, but the *listed company* wishes to propose that *person* for election or re-election as an *independent director*, the *listed company* must propose a further resolution to elect or re-elect the proposed *independent director* which:

(1) must not be voted on within a period of 90 days from the date of the original vote;

(2) must be voted on within a period of 30 days from the end of the period set out in (1); and

(3) must be approved by the shareholders of the *listed company*.

9.2.2G R A *listed company* must comply with the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) at all times.

9.2.2H G In addition to the annual confirmation required to be included in a *listed company's* annual financial report under ■ LR 9.8.4R (14), the *FCA* may request information from a *listed company* under ■ LR 1.3.1 R (3) to confirm or verify that an undertaking in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) or a procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) contained in an agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) is being or has been complied with.

Control of business

9.2.2I R A *listed company* must exercise operational control over the business it carries on as its main activity at all times.

9.2.2J G ■ LR 6.6.3G provides *guidance* on factors that may indicate that a *listed company* is not exercising operational control over the business it carries on as its main activity.

9.2.2K R

(1) This *rule* applies where a *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.

(2) The *mineral company* is not required to comply with ■ LR 9.2.2IR where it can demonstrate the factors set out in ■ LR 6.10.3R(2).

9.2.3 R [deleted]

9.2.4 R [deleted]

Compliance with the disclosure requirements and transparency rules

9.2.5 G A *listed* company, whose *equity shares* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider the obligations under the *disclosure requirements*.

9.2.6 R A *listed company* that is not already required to comply with the obligations referred to under article 17 of the *Market Abuse Regulation* must comply with those obligations as if it were an *issuer* for the purposes of the *disclosure requirements* and *transparency rules* subject to article 22 of the *Market Abuse Regulation*.

9.2.6A G A *listed company*, whose *equity shares* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).

9.2.6B R A *listed company* that is not already required to comply with the *transparency rules* (or with corresponding requirements imposed by another *EEA Member State*) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.

9.2.7 R

(1) (2) [deleted]

9.2.8 R [deleted]

9.2.8A G [deleted]

9.2.9 G [deleted]

9.2.10 R [deleted]

Contact details

9.2.11 R A *listed company* must ensure that the *FCA* is provided with up to date contact details of at least one appropriate person nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules* and the *disclosure requirements* and *transparency rules*.

9.2.12 G The contact person referred to in ■ LR 9.2.11 R will be expected to be:

(1) knowledgeable about the *listed company* and the *listing rules* applicable to it;

(2) capable of ensuring that appropriate action is taken on a timely basis; and

(3) contactable on *business days* between the hours of 7 a.m. to 7 p.m.

Sponsors

9.2.13 G A *listed company* should consider its notification obligations under ■ LR 8.5.

9.2.13A R In relation to the provision of a *sponsor service*, a *company* with a *premium listing* of its *equity shares* must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with ■ LR 8.

9.2.14 R [deleted]

Shares in public hands

9.2.15 R A *listed company* must comply with ■ LR 6.14.1R to ■ LR 6.14.3R at all times.

9.2.15A G Where the *FCA* has modified ■ LR 6.14.1R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the *FCA* considers that in practice the market for the *shares* is not operating properly, the *FCA* may revoke the modification in accordance with ■ LR 1.2.1 R (4).

9.2.16 R

9.2.17 G

Publication of unaudited financial information

9.2.18 R (1) This *rule* applies to a *listed company* that has published:

(a) any unaudited financial information in a *class 1 circular* or a *prospectus*; or

(b) any *profit forecast* or *profit estimate*.

(2) The first time a *listed company* publishes financial information as required by ■ DTR 4.1 after the publication of the unaudited financial information, *profit forecast* or *profit estimate*, it must:

(a) reproduce that financial information, *profit forecast* or *profit estimate* in its next annual report and accounts;

(b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (2)(a); and

(c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (2)(b) and those reproduced under paragraph (2)(a).

9.2.19 G ■ LR 9.2.18 R does not apply to:

(1) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*; or

(2) any preliminary statements of annual results or half-yearly or quarterly reports that are reproduced with the unaudited financial information.

Externally managed companies

9.2.20 R An *issuer* must at all times ensure that the discretion of its board to make strategic decisions on behalf of the *company* has not been limited or transferred to a *person* outside the *issuer's group*, and that the board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *issuer's group*.

Voting on matters relevant to premium listing

9.2.21 R Where the provisions of ■ LR 5.2, ■ LR 5.4A, ■ LR 9.4, ■ LR 9.5, ■ LR 10, ■ LR 11, ■ LR 12 or ■ LR 15 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *listed company's shares* that have been *admitted* to *premium listing*. Where the provisions of ■ LR 5.2.5 R (2), ■ LR 5.4A.4 R (3)(b)(ii) or ■ LR 9.2.2E R require that the resolution must in addition be approved by the *independent shareholders*, only *independent shareholders* who hold the *listed company's shares* that have been *admitted* to *premium listing* can vote.

9.2.22 G The *FCA* may modify the operation of ■ LR 9.2.21 R in exceptional circumstances, for example to accommodate the operation of:

(1) special share arrangements designed to protect the national interest;

(2) dual listed company voting arrangements; and

(3) voting rights attaching to *preference shares* or similar *securities* that are in arrears.

Notifications to the FCA: notifications regarding continuing obligations

9.2.23 R A *listed company* must notify the *FCA* without delay if it does not comply with any continuing obligation set out in ■ LR 9.2.2A R, ■ LR 9.2.2ABR, ■ LR 9.2.2ADR, ■ LR 9.2.2E R, ■ LR 9.2.2F R, ■ LR 9.2.15 R or ■ LR 9.2.21 R.

Notifications to the FCA: notifications regarding compliance with independence provisions

9.2.24 R A *listed company* must notify the *FCA* without delay if:

(1) it no longer complies with ■ LR 9.2.2G R;

(2) it becomes aware that an undertaking in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has

not been complied with by the *controlling shareholder* or any of its *associates*; or

(3) it becomes aware that a procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) contained in an agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has not been complied with by a *controlling shareholder*.

Notifications to the FCA: notifications regarding LR 9.8.4AR

9.2.25 R A *listed company* must notify the *FCA* without delay if its annual financial report contains a statement of the kind specified under ■ LR 9.8.4A R.

Inability to comply with continuing obligations

9.2.26 G Where a *listed company* is unable to comply with a continuing obligation set out in ■ LR 9.2, it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2 G (2) and ■ LR 5.4A.16 G.

9.3 Continuing obligations: holders

9.3.1 R [deleted]

9.3.2 G [deleted]

9.3.3 R [deleted]

9.3.4 R [deleted]

9.3.5 R [deleted]

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) [deleted]

(2) provides for at least three-way voting on all resolutions intended to be proposed (except that it is not necessary to provide proxy forms with three-way voting on procedural resolutions); and

(3) [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 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 mustalso allow votes to be cast for or against (or for shareholders

to abstain from voting on) the re-election of the retiring *directors* individually.

9.3.8 R [deleted]

Sanctions

9.3.9 R Where a *listed company* has taken a power in its *constitution* to impose sanctions on a shareholder who is in default in complying with a notice served under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares):

(1) sanctions may not take effect earlier than 14 days after service of the notice;

(2) for a shareholding of less than 0.25% of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the only sanction the *constitution* may provide for is a prohibition against attending meetings and voting;

(3) for a shareholding of 0.25% or more of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the *constitution* may provide:

(a) for a prohibition against attending meetings and voting;

(b) for the withholding of the payment of dividends (including *shares* issued in lieu of dividend) on the *shares* concerned; and

(c) for the placing of restrictions on the transfer of *shares*, provided that restrictions on transfer do not apply to a sale to a genuine unconnected third party (such as through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer); and

(4) any sanctions imposed in accordance with paragraph (2) or (3) above must cease to apply after a specified period of not more than seven days after the earlier of:

(a) receipt by the *issuer* of notice that the shareholding has been sold to an unconnected third party through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer; and

(b) due compliance, to the satisfaction of the *issuer*, with the notice under section 793.

9.3.10 G An *overseas company* with a *premium listing* is not required to comply with LR 9.3.9 R.

Pre-emption rights

9.3.11 R A *listed company* proposing to issue *equity securities* for cash or to sell *treasury shares* that are *equity shares* for cash must first offer those *equity securities* in proportion to their existing holdings to:

(1) existing holders of that class of *equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and

(2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.

9.3.12 R ■ LR 9.3.11 R does not apply to:

(1) a *listed company* incorporated in the *United Kingdom* if a disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section 570(Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 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

(2) a *listed company* undertaking a *rights issue* or *open offer* provided the disapplication of pre-emption rights is with respect to:

(a) *equity securities* representing fractional entitlements; or

(b) *equity securities* which the *company* considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of a territory other than its country of incorporation unless that territory is the *United Kingdom*; or

(3) a *listed company* selling *treasury shares* for cash to an *employee share scheme*; or

(4) an *overseas company* with a *premium listing* if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC or article 33 of Directive 2012/30/EU 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

(5) an *open-ended investment company*.

9.4 Documents requiring prior approval

Employees share schemes and long-term incentive plans

9.4.1 R

(1) This *rule* applies to the following schemes of a *listed company* incorporated in the *United Kingdom* and of any of its *major subsidiary undertaking* (even if that *major subsidiary undertaking* is incorporated or operates overseas):

(a) an *employees' share scheme* if the scheme involves or may involve the issue of new *shares* or the transfer of *treasury shares*; and

(b) a *long-term incentive scheme* in which one or more *directors* of the *listed company* is eligible to participate.

(2) The *listed company* must ensure that the *employees' share scheme* or *long-term incentive scheme* is approved by an ordinary resolution of the shareholders of the *listed company* in general meeting before it is adopted.

9.4.2 R

■ LR 9.4.1 R does not apply to the following *long-term incentive schemes*:

(1) an arrangement where participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are eligible to participate in the arrangement (provided that all or substantially all *employees* are not *directors* of the *listed company*); and

(2) an arrangement where the only participant is a *director* of the *listed company* (or an individual whose appointment as a *director* of the *listed company* is being contemplated) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual.

9.4.3 R

For a scheme referred to in ■ LR 9.4.2R (2), the following information must be disclosed in the first annual report published by the *listed company* after the date on which the relevant individual becomes eligible to participate in the arrangement:

(1) all of the information prescribed in ■ LR 13.8.11 R;

(2) the name of the sole participant;

(3) the date on which the participant first became eligible to participate in the arrangement;

(4) an explanation of why the circumstances in which the arrangement was established were unusual;

(5) the conditions to be satisfied under the terms of the arrangement; and

(6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

Discounted option arrangements

9.4.4 R

(1) This *rule* applies to the grant to a *director* or *employee* of a *listed company* or of any *subsidiary undertaking* of a *listed company* of an option to subscribe, warrant to subscribe or other similar right to subscribe for *shares* in the capital of the *listed company* or any of its *subsidiary undertakings*.

(2) A *listed company* must not, without the prior approval by an ordinary resolution of the shareholders of the *listed company* in a general meeting, grant the option, warrant or other right if the price per *share* payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:

(a) the market value of the *share* on the date when the exercise price is determined; or

(b) the market value of the *share* on the *business day* before that date; or

(c) the average of the market values for a number of dealing days within a period not exceeding 30 *days* immediately before that date.

9.4.5 R

LR 9.4.4 R does not apply to the grant of an option to subscribe, warrant to subscribe or other similar right to subscribe for *shares* in the capital of a *listed company* or any of its *subsidiary undertakings*:

(1) under an *employees' share scheme* if participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are entitled to participate in the scheme; or

(2) following a take-over or reconstruction, in replacement for and on comparable terms with options to subscribe, warrants to subscribe or other similar rights to subscribe held immediately before the take-over or reconstruction for *shares* in either a *company* of which the *listed company* thereby obtains control or in any of that *company's subsidiary undertakings*.

9.5 Transactions

Rights issue

9.5.1 R For a placing of rights arising from a *rights issue* before the official start of dealings, a *listed company* must ensure that:

(1) the placing relates to at least 25% of the maximum number of *equity securities* offered;

(2) the placees are committed to take up whatever is placed with them;

(3) the price paid by the placees does not exceed the price at which the *equity securities*which are the subject of the *rights issue* are offered by more than one half of the calculated premium over that offer price (that premium being the difference between the offer price and the theoretical ex-rights price); and

(4) the *equity securities* which are the subject of the *rights issue* are of the same *class* as the *equity securities* already *listed*.

9.5.2 G The *FCA* may modify ■ LR 9.5.1R (1) to allow the placing to relate to less than 25% if it is satisfied that requiring at least 25% would be detrimental to the success of the issue.

9.5.3 G In a *rights issue*, the *FCA* may list the *equity securities* at the same time as they are admitted to trading in nil paid form. On the *equity securities* being paid up and the allotment becoming unconditional, the *listing* will continue without any need for a further application to list fully paid *securities*.

9.5.4 R If existing *shareholders* do not take up their rights to subscribe in a *rights issue*:

(1) the *listed company* must ensure that the *equity securities*to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed 5.00, the proceeds may be retained for the *company's* benefit; and

(2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

9.5.5 R A *listed company* must ensure that for a *rights issue* the following are notified to a *RIS* as soon as possible:

(1) the issue price and principal terms of the issue; and

(2) the results of the issue and, if any rights not taken up are sold, details of the sale, including the date and price per *share*.

9.5.6 R A *listed company* must ensure that the offer relating to a *rights issue* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

Open offers

9.5.7 R A *listed company* must ensure that the timetable for an *open offer* is approved by the *RIE* on which its *equity securities* are traded.

9.5.7A R A *listed company* must ensure that the *open offer* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

9.5.8 R A *listed company* must ensure that in relation to communicating information on an *open offer*:

(1) if the offer is subject to shareholder approval in general meeting the announcement must state that this is the case; and

(2) the *circular* dealing with the offer must not contain any statement that might be taken to imply that the offer gives the same entitlements as a *rights issue* unless it is an offer with a compensatory element.

9.5.8A R If existing *shareholders* do not take up their rights to subscribe in an *open offer* with a compensatory element:

(1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed £5, the proceeds may be retained for the *company's* benefit; and

(2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

9.5.8B R A *listed company* must ensure that for a subscription in an *open offer* with a compensatory element the following are notified to a *RIS* as soon as possible:

(1) the offer price and principal terms of the offer; and

(2) the results of the offer and, if any *securities* not taken up are sold, details of the sale, including the date and price per *share*.

Vendor consideration placing

9.5.9 R A *listed company* must ensure that in a *vendor consideration placing* all vendors have an equal opportunity to participate in the placing.

Discounts not to exceed 10%

9.5.10 R

(1) If a *listed company* makes an *open offer*, *placing*, *vendor consideration placing*, *offer for subscription* of *equity shares* or an issue out of treasury (other than in respect of an employees' share scheme) of a *class* already *listed*, the price must not be at a discount of more than 10% to the middle market price of those *shares* at the time of announcing the terms of the offer for an *open offer* or *offer for subscription* of *equity shares* or at the time of agreeing the placing for a *placing* or *vendor consideration placing*.

(2) In paragraph (1), the middle market price of *equity shares* means the middle market quotation for those *equity shares* as derived from the daily official list of the *London Stock Exchange* or any other publication of an *RIE* showing quotations for *listed securities* for the relevant date.

(2A) If a *listed company* makes an *open offer*, *placing*, *vendor consideration placing* or *offer for subscription* of *equity shares* during the trading day it may use an appropriate on-screen intra-day price derived from another market.

(3) Paragraph (1) does not apply to an offer or placing at a discount of more than 10% if:

(a) the terms of the offer or placing at that discount have been specifically approved by the issuer's shareholders; or

(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 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption).

(4) The *listed company* must notify a *RIS* as soon as possible after it has agreed the terms of the offer or placing.

9.5.10A G On each occasion that the *listed company* plans to use an on-screen intra-day price it should discuss the source of the price in advance with the *FCA*. The *FCA* may be satisfied that there is sufficient justification for its use if the alternative market has an appropriate level of liquidity and the source is one that is widely accepted by the market.

Offer for sale or subscription

9.5.11 R A *listed company* must ensure that for an *offer for sale* or an *offer for subscription* of *equity securities*:

(1) letters of allotment or acceptance are all issued simultaneously and numbered serially (and, where appropriate, split and certified by the *listed company's* registrars);

(2) if the *equity securities* may be held in uncertificated form, there is equal treatment of those who elect to hold the *equity securities* in certificated form and those who elect to hold them in uncertificated form;

(3) letters of regret are posted at the same time or not later than three *business days* after the letters of allotment or acceptance; and

(4) if a letter of regret is not posted at the same time as letters of allotment or acceptance, a notice to that effect is inserted in a national newspaper, to appear on the morning after the letters of allotment or acceptance are posted.

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) The requirement for a working capital statement set out in paragraph (1) does not apply to a *closed-ended investment fund*.

(3) The working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 3 of the *PD Regulation* and on the basis that the reconstruction or the re-financing has taken place.

Fractional entitlements

9.5.13 R

If, for an issue of *equity securities* (other than an issue in lieu of dividend), a shareholders entitlement includes a fraction of a *security*, a *listed company* must ensure that the fraction is sold for the benefit of the holder except that if its value (net of expenses) does not exceed 5.00 it may be sold for the *company's* benefit. Sales of fractions may be made before *listing* is granted.

Further issues

9.5.14 R

When *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one month of the allotment. [**Note:** Article 64 *CARD*]

Temporary documents of title (including renounceable documents)

9.5.15 R

A *listed company* must ensure that any temporary document of title (other than one issued in global form) for an *equity security*:

(1) is serially numbered;

(2) states where applicable:

(a) the name and address of the first holder and names of joint holders (if any);

(b) for a fixed income *security*, the amount of the next payment of interest or dividend;

(c) the pro rata entitlement;

(d) the last date on which transfers were or will be accepted for registration for participation in the issue;

(e) how the *securities* rank for dividend or interest;

(f) the nature of the document of title and proposed date of issue;

(g) how fractions (if any) are to be treated; and

(h) for a *rights issue*, the time, being not less than 10 *business days*calculated in accordance with ■ LR 9.5.6 R, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and

(3) if renounceable:

(a) states in a heading that the document is of value and negotiable;

(b) advises holders of *equity securities* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;

(c) states that where all of the *securities* have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;

(d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;

(e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;

(f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and

(g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

9.5.16 R A *listed company* must ensure that any definitive document of title for an *equity share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraphs (5) and (7)):

(1) the authority under which the *listed company* is constituted and the country of incorporation and registered number (if any);

(2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);

(3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;

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

(5) the date of the certificate;

(6) [deleted]

(7) for *equity shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

9.6 Notifications

Copies of documents

9.6.1 R A *listed company* must forward to the *FCA* for publication through the *document viewing facility*, two copies of all circulars, notices, reports or other documents to which the *listing rules* apply at the same time as they are issued.

9.6.2 R A *listed company* must forward to the *FCA*, for publication through the *document viewing facility*, two copies of all resolutions passed by the *listed company* other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting.

9.6.3 R

(1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under LR 9.6.1 R or LR 9.6.2 R unless the full text of the document is provided to the *RIS*.

(2) A notification made under paragraph (1) must set out where copies of the relevant document can be obtained.

Notifications relating to capital

9.6.4 R A *listed company* must notify a RIS as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:

(1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;

(2) [deleted]

(3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that class outstanding following the redemption;

(4) any extension of time granted for the currency of temporary documents of title; and

(5) [deleted]

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

9.6.5 R [deleted]

9.6.6 R Where the *securities* are subject to an underwriting agreement a *listed company* may, at its discretion and subject to the obligations in article 17 of the *Market Abuse Regulation*, delay notifying a *RIS* as required by ■ LR 9.6.4R (6) for up to two *business days* until the obligation by the underwriter to take or procure others to take *securities* is finally determined or lapses. In the case of an issue or offer of *securities* which is not underwritten, notification of the result must be made as soon as it is known.

9.6.7 R [deleted]

9.6.8 R [deleted]

9.6.9 G [deleted]

9.6.10 G [deleted]

Notification of board changes and directors' details

9.6.11 R A *listed company* must notify a *RIS* of any change to the board including:

(1) the appointment of a new *director* stating the appointees name and whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility of the position;

(2) the resignation, removal or retirement of a *director* (unless the *director* retires by rotation and is re-appointed at a general meeting of the *listed company's* shareholders);

(3) important changes to the role, functions or responsibilities of a *director*; and

(4) the effective date of the change if it is not with immediate effect;

as soon as possible and in any event by the end of the *business day* following the decision or receipt of notice about the change by the *company*.

9.6.12 R If the effective date of the board change is not yet known, the notification required by ■ LR 9.6.11 R should state this fact and the *listed company* should notify a *RIS* as soon as the effective date has been decided.

9.6.13 R A *listed company* must notify a *RIS* of the following information in respect of any new *director* appointed to the board as soon as possible following the decision to appoint the *director* and in any event within five *business days* of the decision:

(1) details of all directorships held by the *director* in any other publicly quoted *company* at any time in the previous five years, indicating whether or not he is still a *director*;

(2) any unspent convictions in relation to indictable offences;

(3) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where the *director* was an executive *director* at the time of, or within the 12 months preceding, such events;

(4) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the *director* was a partner at the time of, or within the 12 months preceding, such events;

(5) details of receiverships of any asset of such *person* or of a partnership of which the *director* was a partner at the time of, or within the 12 months preceding, such event; and

(6) details of any public criticisms of the *director* by statutory or regulatory authorities (including *designated professional bodies*) and whether the *director* has ever been disqualified by a court from acting as a *director* of a *company* or from acting in the management or conduct of the affairs of any *company*.

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*.

9.6.15 G If no information is required to be disclosed pursuant to LR 9.6.13 R, the notification required by LR 9.6.13 R should state this fact.

Notification of lock-up arrangements

9.6.16 R A *listed company* must notify a *RIS* as soon as possible of information relating to the disposal of *equity shares* under an exemption allowed in the lock-up arrangements disclosed in accordance with the *PD Regulation*.

9.6.17 R A *listed company* must notify a *RIS* as soon as possible of the details of any variation in the lock-up arrangements disclosed in accordance with the *PD Regulation* or any subsequent announcement.

Notification of shareholder resolutions

9.6.18 R A *listed company* must notify a *RIS* as soon as possible after a general meeting of all resolutions passed by the *company* other than resolutions concerning ordinary business passed at an annual general meeting.

Change of name

9.6.19 R A *listed company* which changes its name must, as soon as possible:

(1) notify a *RIS* of the change, stating the date on which it has taken effect;

(2) inform the *FCA* in writing of the change; and

(3) where the *listed company* is incorporated in the *United Kingdom*, send the *FCA* a copy of the revised certificate of incorporation issued by the Registrar of Companies.

Change of accounting date

9.6.20 R A *listed company* must notify a *RIS* as soon as possible of:

(1) any change in its accounting reference date; and

(2) the new accounting reference date.

9.6.21 R A *listed company* must prepare and publish a second interim report in accordance with ■ DTR 4.2 if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.

9.6.22 G The second interim report must be prepared and published in respect of either:

(1) the period up to the old accounting reference date; or

(2) the period up to a date not more than six months prior to the new accounting reference date.

9.7A Preliminary statement of annual results, and statement of dividends

Preliminary statement of annual results

9.7A.1 R If a *listed company* prepares a preliminary statement of annual results:

(1) the statement must be published as soon as possible after it has been approved by the board;

(2) the statement must be agreed with the *company's* auditors prior to publication;

(3) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;

(4) the statement must give details of the nature of any likely modification or emphasis-of-matter paragraph that may be contained in the auditors' report required to be included with the annual financial report; and

(5) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

Statement of dividends

9.7A.2 R A *listed company* must notify a *RIS* as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on *listed equity* or to withhold any dividend or interest payment on *listed securities* giving details of:

(1) the exact net amount payable per *share*;

(2) the payment date;

(3) the record date (where applicable); and

(4) any foreign income dividend election, together with any income tax treated as paid at the lower rate and not repayable.

Omission of information

9.7A.3 G The *FCA* may authorise the omission of information required by ■ LR 9.7A.1 R or ■ LR 9.7A.2 R if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the *listed company*, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the *shares*.

9.8 Annual financial report

[**Note**: ■ LR 9.8 does not apply to a *listed company* with a financial year ending before 30 September 2013, or to a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013. As set out in ■ LR TR 11, a *listed company* with a financial year ending before 30 September 2013, or a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013, must instead comply with the requirements set out in ■ LR App 2.]

9.8.1 R [deleted]

9.8.2 R [deleted]

9.8.3 R [deleted]

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) a statement of the amount of interest capitalised by the *group* during the period under review with an indication of the amount and treatment of any related tax relief;

(2) any information required by ■ LR 9.2.18 R (Publication of unaudited financial information);

(3) [deleted]

(4) details of any long-term incentive schemes as required by ■ LR 9.4.3 R;

(5) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;

(6) where a *director* has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review;

(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 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;

(8) the information required by paragraph (7) must be given for any unlisted *major subsidiary undertaking* of the *company*;

(9) where a *listed company* has listed shares in issue and is a *subsidiary undertaking* of another *company*, details of the participation by the *parent undertaking* in any placing made during the period under review;

(10) details of any *contract of significance* subsisting during the period under review:

(a) to which the *listed company*, or one of its *subsidiary undertakings*, is a party and in which a *director* of the *listed company* is or was materially interested; and

(b) between the *listed company*, or one of its *subsidiary undertakings*, and a *controlling shareholder*;

(11) details of any contract for the provision of services to the *listed company* or any of its *subsidiary undertakings* by a *controlling shareholder*, subsisting during the period under review, unless:

(a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and

(b) it is not a *contract of significance*;

(12) details of any arrangement under which a shareholder has waived or agreed to waive any dividends;

(13) where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review; and

(14) a statement made by the board:

(a) that the *listed company* has entered into any agreement required under ■ LR 9.2.2ADR(1); or

(b) where the *listed company* has not entered into an agreement required under ■ LR 9.2.2ADR(1):

(i) a statement that the *FCA* has been notified of that non-compliance in accordance with ■ LR 9.2.23 R; and

(ii) a brief description of the background to and reasons for failing to enter into the agreement that enables shareholders

to evaluate the impact of non-compliance on the *listed company*; and

(c) that:

(i) the *listed company* has complied with the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) during the period under review;

(ii) so far as the *listed company* is aware, the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) have been complied with during the period under review by the *controlling shareholder* or any of its *associates*; and

(iii) so far as the *listed company* is aware, the procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) included in any agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has been complied with during the period under review by a *controlling shareholder*; or

(d) where an undertaking in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) or a procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) included in any agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has not been complied with during the period under review:

(i) a statement that the *FCA* has been notified of that non-compliance in accordance with ■ LR 9.2.24 R; and

(ii) a brief description of the background to and reasons for failing to comply with the relevant undertaking or procurement obligation that enables shareholders to evaluate the impact of non-compliance on the *listed company*.

9.8.4A R Where an *independent director* declines to support a statement made under ■ LR 9.8.4R (14)(a) or ■ (c), the statement must record this fact.

9.8.4B G Where a *listed company's* annual financial report contains a statement of the type referred to in ■ LR 9.8.4R (14)(b) or ■ (d), the *FCA* may still take any action it considers necessary in relation to the underlying breach by the *listed company* of ■ LR 9.2.2ADR(1) or ■ LR 9.2.2G R.

9.8.4C R The *listed company's* annual financial report must include the information required under ■ LR 9.8.4 R in a single identifiable section, unless the annual financial report includes a cross reference table indicating where that information is set out.

9.8.5 G A *listed company* need not include with the annual report and accounts details of waivers of dividends of less than 1% of the total value of any dividend provided that some payment has been made on each *share* of the relevant *class* during the relevant calendar year.

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 interests (in respect of which transactions are notifiable to the company under article 19 of the *Market Abuse Regulation*) of each *person* who is a *director* of the *listed company* as at the end of the period under review including:

(a) all changes in the 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 interests of each *director*.

Interests of each *director* includes the interests of *connected persons* of which the *listed company* is, or ought upon reasonable enquiry to become, aware.

(2) a statement showing the interests disclosed to the *listed company* in accordance with ■ DTR 5 as at the end of the period under review and:

(a) all interests disclosed to the *listed company* in accordance with ■ DTR 5 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 no interests have been disclosed to the *listed company* in accordance with ■ DTR 5 in the period described in (a), a statement that no changes have been disclosed to the *listed company*.

(3) statements by the *directors* on:

(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in provision C.1.3 of the *UK Corporate Governance Code*); and

(b) their assessment of the prospects of the *company* (containing the information set out in provision C.2.2 of the *UK Corporate Governance Code*);

prepared in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Reporting Council in September 2014;

(4) a statement setting out:

(a) details of any shareholders authority for the purchase, by the *listed company* of its own *shares* that is still valid at the end of the period under review;

(b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such *shares* purchased, or proposed to be purchased, by the *listed company* during the period under review;

(c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or

options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc); and

(d) in the case of sales of *treasury shares* for cash made otherwise than through the market, or in connection with an *employees' share scheme*, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the *listed company's securities* (or to all holders of a relevant class of its *securities*) on the same terms, particulars of the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;

(5) a statement of how the *listed company* has applied the Main Principles set out in the *UK Corporate Governance Code*, in a manner that would enable shareholders to evaluate how the principles have been applied;

(6) a statement as to whether the *listed company* has:

(a) complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code*; or

(b) not complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code* and if so, setting out:

(i) those provisions, if any it has not complied with;

(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and

(iii) the *company's* reasons for non-compliance; and

(7) a report to the shareholders by the Board which contains the informationset out in ■ LR 9.8.8 R.

9.8.6A G

(1) The effect of ■ LR 9.8.6R (1) is that a *listed company* is required to set out a 'snapshot' of the total interests of a *director* and his or her *connected persons*, as at the end of the period under review (including certain information to update it as at a date not more than a month before the date of the notice of the annual general meeting). The interests that need to be set out are limited to those in respect of which transactions fall to be notified under the notification requirement for PDMRs in article 19 of the *Market Abuse Regulation*. *Persons* who are *directors* during, but not at the end of, the period under review need not be included.

(2) A *listed company* unable to compile the statement in ■ LR 9.8.6R (1) from information already available to it may need to seek the relevant information, or confirmation, from the *director* himself, including that in relation to *connected persons*, but would not be expected to obtain information directly from *connected persons*.

9.8.7 R An *overseas company* with a *premium listing* must include in its annual report and accounts the information in ■ LR 9.8.6R (5), ■ LR 9.8.6R (6) and ■ LR 9.8.8 R.

9.8.7A R

(1) An *overseas company* with a *premium listing* that is not required to comply with requirements imposed by another *EEA State* that correspond to ■ DTR 7.2 (Corporate governance statements) must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.

(2) An *overseas company* with a *premium listing* which complies with ■ LR 9.8.7 R will be taken to satisfy the requirements of ■ DTR 7.2.2 R and ■ DTR 7.2.3 R, but (unless it is required to comply with requirements imposed by another *EEA State* that correspond to ■ DTR 7.2) must comply with all of the other requirements of ■ DTR 7.2 as if it were an *issuer* to which that section applies.

Report to shareholders

9.8.8 R The report to the shareholders by the Board required by ■ LR 9.8.6R (7) must contain details of the unexpired term of any *director*'s service contract of a *director* proposed for election or re-election at the forthcoming annual general meeting, and, if any *director* proposed for election or re-election does not have a *directors*' service contract, a statement to that effect.

9

Information required by law

9.8.9 G The requirements of ■ LR 9.8.6R (6) relating to corporate governance are additional to the information required by law to be included in the *listed company's* annual report and accounts.

Auditors report

9.8.10 R A *listed company* must ensure that the auditors review each of the following before the annual report is published:

(1) ■ LR 9.8.6R (3) (statements by the *directors* regarding going concern and longer-term viability); and

(2) the parts of the statement required by ■ LR 9.8.6R (6) (corporate governance) that relate to the following provisions of the *UK Corporate Governance Code*:

(a) C.1.1;

(b) C.2.1 and C.2.3; and

(c) C.3.1 to C.3.8.

9.8.11 R [deleted]

9.8.12 R [deleted]

Strategic report with supplementary information

9.8.13 R Any strategic report with supplementary information provided to shareholders by a *listed company* as permitted under section 426 of the Companies Act 2006, must disclose:

(1) earnings per share; and

(2) the information required for a strategic report set out in or under the Companies Act 2006 and the supplementary material required under section 426A of the Companies Act 2006.

THE MODEL CODE (R)

Table: The Model Code [deleted]

Chapter 10

Significant transactions: Premium listing

10.1 Preliminary

Application

10.1.1 R This chapter applies to a *company* that has a *premium listing*.

Purpose

10.1.2 G The purpose of this chapter is to ensure that shareholders of *companies* with *equity shares listed*:

(1) are notified of certain transactions entered into by the *listed company*; and

(2) have the opportunity to vote on larger proposed transactions.

Meaning of "transaction"

10.1.3 R In this chapter (except where specifically provided to the contrary) a reference to a transaction by a *listed company*:

(1) (subject to paragraphs (3),(4) and (5)) includes all agreements (including amendments to agreements) entered into by the *listed company* or its *subsidiary undertakings*;

(2) includes the grant or acquisition of an option as if the option had been exercised except that, if exercise is solely at the *listed company's* or *subsidiary undertaking's* discretion, the transaction will be classified on exercise and only the consideration (if any) for the option will be classified on the grant or acquisition;

(3) excludes a transaction in the ordinary course of business;

(4) excludes an issue of *securities*, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the *listed company* or of its *subsidiary undertakings*; and

(5) excludes any transaction between the *listed company* and its wholly-owned *subsidiary* undertaking or between its wholly-owned *subsidiary undertakings*.

10.1.4 G This chapter is intended to cover transactions that are outside the ordinary course of the *listed company's* business and may change a *security* holder's economic interest in the *company's* assets or liabilities (whether or not the change in the assets or liabilities is recognised on the *company's* balance sheet).

10.1.5 G In assessing whether a transaction is in the ordinary course of a *company's* business under this chapter, the *FCA* will have regard to the size and incidence of similar transactions which the *company* has entered into. The *FCA* may determine that a transaction is not in the ordinary course of business because of its size or incidence.

10.2 Classifying transactions

Classifying transactions

10.2.1 G A transaction is classified by assessing its size relative to that of the *listed company* proposing to make it. The comparison of size is made by using the *percentage ratios* resulting from applying the *class test* calculations to a transaction. The *class tests* are set out in ■ LR 10 Annex 1 (and modified or added to for specialist companies under ■ LR 10.7).

10.2.2 R Except as otherwise provided in this chapter, transactions are classified as follows:

(1) [deleted]

(2) *Class 2 transaction*: a transaction where any *percentage ratio* is 5% or more but each is less than 25%; and

(3) *Class 1 transaction*: a transaction where any *percentage ratio* is 25% or more.

(4) [deleted]

10.2.2A G If an *issuer* is proposing to enter into a transaction classified as a *reverse takeover* it should consider ■ LR 5.6.

10.2.3 R [deleted]

Indemnities and similar arrangements

10.2.4 R (1) Any agreement or arrangement with a party (other than a wholly owned *subsidiary undertaking* of the *listed company*):

(a) under which a *listed company* agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by or on behalf of that party, whether or not on a contingent basis;

(b) which is exceptional; and

(c) under which the maximum liability is either unlimited, or is equal to or exceeds an amount equal to 25% of the average of the *listed company's* profits (as calculated for classification purposes) for the last three financial years (losses should be taken as nil profit and included in this average);

is to be treated as a *class 1 transaction*.

(2) Paragraph (1) does not apply to a *break fee arrangement* (see ■ LR 10.2.6A R, ■ LR 10.2.6B G and ■ LR 10.2.7 R which deal with *break fee arrangements*).

10.2.5 G For the purposes of ■ LR 10.2.4R (1), the *FCA* considers the following indemnities not to be exceptional:

(1) those customarily given in connection with sale and purchase agreements;

(2) those customarily given to underwriters or placing agents in an underwriting or placing agreement;

(3) those given to advisers against liabilities to third parties arising out of providing advisory services; and

(4) any other indemnity that is specifically permitted to be given to a *director* or auditor under the Companies Act 2006.

10.2.6 G If the calculation under ■ LR 10.2.4R (1) produces an anomalous result, the *FCA* may disregard the calculation and modify that *rule* to substitute other relevant indicators of the size of the indemnity or other arrangement given, for example 1% of market capitalisation.

Break fee arrangements

10.2.6A R An arrangement is a *break fee arrangement* if the purpose of the arrangement is that a compensatory sum will become payable by a *listed company* to another party (or parties) to a proposed transaction if the proposed transaction fails or is materially impeded and there is no independent substantive commercial rationale for the arrangement.

10.2.6B G

(1) The following arrangements will meet the definition of *break fee arrangements* in ■ LR 10.2.6A R (although this list is not intended to be exhaustive): 'no shop' and 'go shop' type provisions, which require payment of a sum to a party in the event the seller finds an alternative purchaser; a requirement to pay another party's wasted costs in the event a transaction fails; non refundable deposits.

(2) In contrast, payments in the nature of damages (whether liquidated or unliquidated) for a breach of an obligation with an independent substantive commercial rationale, for example the typical business protection covenants that will apply between exchange and completion of a share or asset acquisition agreement or co-operation and information access obligations relating to obtaining merger or other clearances, are not *break fee arrangements*.

10.2.7 R

(1) Sums payable pursuant to *break fee arrangements* in respect of a transaction are to be treated as a *class 1 transaction* if the total value of those sums exceeds:

(a) if the *listed company* is being acquired, 1% of the value of the *listed company* calculated by reference to the offer price; and

(b) in any other case, 1% of the market capitalisation of the *listed company*.

(1A) The total value of sums payable pursuant to *break fee arrangements* for the purpose of paragraph (1) is the sum of:

(a) any amounts paid or payable pursuant to *break fee arrangements* in relation to the same transaction or in relation to the same target assets or business in the 12 months prior to the date the most recent arrangements were agreed unless those arrangements were approved by shareholders; and

(b) the aggregate of the maximum amounts payable pursuant to *break fee arrangements* in relation to the transaction;

save that if the arrangements are such that a particular sum will only become payable in circumstances in which another sum does not, the lower sum may be left out of the calculation of the total value.

(2) For the purposes of paragraph (1)(a):

(a) the 1% limit is to be calculated on the basis of the fully diluted *equity share capital* of the *listed company*;

(b) any VAT payable is to be taken into account in determining whether the 1% limit would be exceeded (except to the extent that the VAT is recoverable by the *listed company*); and

(c) for a securities exchange offer, the value of the *listed company* is to be fixed by reference to the value of the offer at the time the transaction is announced (and is not to be taken as fluctuating as a result of subsequent movements in the price of the consideration securities after the announcement).

Issues by major subsidiary undertakings

10.2.8 R If:

(1) a *major subsidiary undertaking* of a *listed company* issues *equity shares* for cash or in exchange for other *securities* or to reduce indebtedness;

(2) the issue would dilute the *listed company's* percentage interest in the *major subsidiary undertaking*; and

(3) the economic effect of the dilution is equivalent to a disposal of 25% or more of the aggregate of the gross assets or profits (after the deduction of all charges except taxation) of the *group*;

the issue is to be treated as a *class 1 transaction*.

10.2.9 R ■ LR 10.2.8 R does not apply if the *major subsidiary undertaking* is itself a *listed company*.

Aggregating transactions

10.2.10 R

(1) Transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification if:

(a) they are entered into by the *company* with the same *person* or with *persons* connected with one another;

(b) they involve the acquisition or disposal of *securities* or an interest in one particular *company*; or

(c) together they lead to substantial involvement in a business activity which did not previously form a significant part of the *company's* principal activities.

(2) Paragraph (1) does not apply in relation to a *break fee arrangement* (see ■ LR 10.2.6A R, ■ LR 10.2.6B G and ■ LR 10.2.7 R which deal with *break fee arrangements*).

(3) If under this *rule* aggregation of transactions results in a requirement for shareholder approval, then that approval is required only for the latest transaction.

10.2.11 G

The *FCA* may modify these *rules* to require the aggregation of transactions in circumstances other than those specified in ■ LR 10.2.10 R.

Note: If an *issuer* is proposing to enter into a transaction that could be a *Class 1 transaction* or *reverse takeover* it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of ■ LR 10.

10.3

10.3.1 R [deleted]

10.3.2 R [deleted]

10.4 Class 2 requirements

Notification of class 2 transactions

10.4.1 R

(1) A *listed company* must notify a *RIS* as soon as possible after the terms of a *class 2 transaction* are agreed.

(2) The notification must include:

(a) details of the transaction, including the name of the other party to the transaction;

(b) a description of the business carried on by, or using, the net assets the subject of the transaction;

(c) the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration);

(d) the value of the gross assets the subject of the transaction;

(e) the profits attributable to the assets the subject of the transaction;

(f) the effect of the transaction on the *listed company* including any benefits which are expected to accrue to the *company* as a result of the transaction;

(g) details of any service contracts of proposed *directors* of the *listed company*;

(h) for a disposal, the application of the sale proceeds;

(i) for a disposal, if *securities* are to form part of the consideration received, a statement whether the *securities* are to be sold or retained; and

(j) details of key individuals important to the business or *company* the subject of the transaction.

Supplementary notification

10.4.2 R

(1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under LR 10.4.1 R, it becomes aware that:

(a) there has been a significant change affecting any matter contained in that earlier notification; or

(b) a significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.

(2) The supplementary notification must give details of the change or new matter and also contain a statement that, except as disclosed,

there has been no significant change affecting any matter contained in the earlier notification and no other significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.

(3) In paragraphs (1) and (2), significant means significant for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the *listed company* and the rights attaching to any *securities* forming part of the consideration. It includes a change in the terms of the transaction that affects the *percentage ratios* and requires the transaction to be reclassified into a higher category.

10.5 Class 1 requirements

Notification and shareholder approval

10.5.1 R A *listed company* must, in relation to a *class 1 transaction*:

(1) comply with the requirements of LR 10.4 (Class 2 requirements) for the transaction;

(2) send an explanatory *circular* to its shareholders and obtain their prior approval in a general meeting for the transaction; and

(3) ensure that any agreement effecting the transaction is conditional on that approval being obtained.

Note: LR 13 sets out requirements for the content and approval of *class 1 circulars*.

Material change to terms of transaction

10.5.2 R If, after obtaining shareholder approval but 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 R in relation to the transaction.

10.5.3 G The *FCA* 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.

Supplementary circulars

10.5.4 R

(1) If a *listed company* becomes aware of a matter described in (2) after the publication of a *circular* that seeks shareholder approval for a transaction expressly requiring a vote by the *listing rules*, but before the date of a general meeting, it must, as soon as practicable:

(a) advise the *FCA* of the matters of which it has become aware; and

(b) send a supplementary *circular* to holders of its *listed equity shares* providing an explanation of the matters referred to in (2).

(2) The matters referred to in (1) are

(a) a material change affecting any matter the *listed company* is required to have disclosed in a *circular*; or

(b) a material new matter which the *listed company* would have been required to disclose in the *circular* if it had arisen at the time of its publication.

(3) The *listed company* must have regard to ■ LR 13.3.1R (3) when considering the materiality of any change or new matter under ■ LR 10.5.4R (2).

10.5.5 G ■ LR 13 applies in relation to a supplementary *circular*. It may be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed equity shares* at least 7 days prior to the convened shareholder meeting as required by ■ LR 13.1.9 R.

10.6 [deleted]

10.6.1	R	[deleted]
10.6.1A	G	[deleted]
10.6.2	G	[deleted]
10.6.3	G	[deleted]

10.7 Transactions by specialist companies

Classification of transactions by listed property companies

10.7.1 R ■ LR 10 Annex 1 is modified as follows in relation to acquisitions or disposals of *property* by a *listed property company*:

(1) for the purposes of paragraph 2R(1) (the gross assets test), the assets test is calculated by dividing the transaction consideration by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;

(2) for the purposes of paragraph 2R(1) (the gross assets test), if the transaction is an acquisition of land to be developed, the assets test is calculated by dividing the transaction consideration and any financial commitments relating to the development by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;

(3) for the purposes of paragraph 2R(2), the gross assets of a *listed property company* are, at the option of the *company*:

(a) the aggregate of the *company's* share capital and reserves (excluding minority interests);

(b) the book value of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts); or

(c) the published valuation of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts);

(4) for the purposes of paragraph 4R(1) (the profits test), profits means the *net annual rent*;

(5) paragraph 5R (the consideration test) does not apply but instead the test in ■ LR 10.7.2 R applies; and

(6) paragraph 7R (the gross capital test) applies to disposals as well as acquisitions of *property*.

10.7.2 R (1) In addition to the tests in ■ LR 10 Annex 1, if the transaction is an acquisition of *property* by a *listed property company* and any of the consideration is in the *equity shares* of that *company*, the *listed company* must determine the *percentage ratios* that result from the calculations under the test in (2).

(2) The share capital test is calculated by dividing the number of consideration *shares* to be issued by the number of *equity shares* in issue (excluding *treasury shares*).

10.7.3 R ■ LR 10 does not apply to the acquisition or disposal by a *listed property company* of a *property* in the ordinary course of business which:

(1) for an acquisition, will be classified as a current asset in the *company's* published accounts; or

(2) for a disposal, was so classified in the *company's* published accounts.

10.7.4 G ■ LR 10 may apply to subsequent transfers of *property* assets from current to fixed assets or from fixed to current assets in the accounts of a *property company*.

Classification of transactions by listed mineral companies

10.7.5 R (1) In addition to the tests in ■ LR 10 Annex 1, a *listed mineral company* undertaking a transaction involving significant *mineral resources* or rights to significant *mineral resources* must determine the *percentage ratios* that result from the calculations under the test in paragraph (2).

(2) The reserves test is calculated by dividing the volume or amount of the *proven reserves* and *probable reserves* to be acquired or disposed of by the volume or amount of the aggregate *proven reserves* and *probable reserves* of the *mineral company* making the acquisition or disposal.

10.7.6 G If the *mineral resources* are not directly comparable, the *FCA* may modify ■ LR 10.7.5R (2) to permit valuations to be used instead of amounts or volumes.

10.7.7 R When calculating the size of a transaction under ■ LR 10 Annex 1 and ■ LR 10.7.5 R, account must be taken of any associated transactions or loans effected or intended to be effected, and any contingent liabilities or commitments.

Classification of transactions by listed scientific research based companies

10.7.8 G A *listed scientific research based company* undertaking a transaction should consult the *FCA* at an early stage to determine whether industry specific tests are required instead of or in addition to the *class tests* in ■ LR 10 Annex 1.

10.8 Miscellaneous

Class 1 disposals by companies in severe financial difficulty

10.8.1 G

(1) A *listed company* in severe financial difficulty may find itself with no alternative but to dispose of a substantial part of its business within a short time frame to meet its ongoing working capital requirements or to reduce its liabilities. Due to time constraints it may not be able to prepare a *circular* and convene an extraordinary general meeting to obtain prior shareholder approval.

(2) The *FCA* may modify the requirements in LR 10.5 to prepare a *circular* and to obtain shareholder approval for such a disposal, if the *company*:

(a) can demonstrate that it is in severe financial difficulty; and

(b) satisfies the conditions in LR 10.8.2 G to LR 10.8.6 G.

(3) An application to modify LR 10.5 should be brought to the *FCA's* attention at the earliest available opportunity and at least five clear *business days* before the terms of the disposal are agreed.

10.8.2 G

The *listed company* should demonstrate to the *FCA* that it could not reasonably have entered into negotiations earlier to enable shareholder approval to be sought.

10.8.3 G

The following documents should be provided in writing to the *FCA*:

(1) confirmation from the *listed company* that:

(a) negotiation does not allow time for shareholder approval;

(b) all alternative methods of financing have been exhausted and the only option remaining is to dispose of a substantial part of their business;

(c) by taking the decision to dispose of part of the business to raise cash, the directors are acting in the best interests of the *company* and shareholders as a whole and that unless the disposal is completed receivers, administrators or liquidators are likely to be appointed; and

(d) if the disposal is to a *related party*, that the disposal by the company to the *related party* is the only available option in the current circumstances.

(2) confirmation from the *company's sponsor* that, in its opinion and on the basis of information available to it, the *company* is in severe financial difficulty and that it will not be in a position to meet its obligations as they fall due unless the disposal takes place according to the proposed timetable;

(3) confirmation from the *persons* providing finance stating that further finance or facilities will not be made available and that unless the disposal is effected immediately, current facilities will be withdrawn; and

(4) an announcement that complies with ■ LR 10.8.4 G and ■ LR 10.8.5 G.

10.8.4 G An announcement should be notified to a *RIS* no later than the date the terms of the disposal are agreed and should contain:

(1) all relevant information required to be notified under ■ LR 10.4.1 R;

(2) the name of the acquirer and the expected date of completion of the disposal;

(3) full disclosure about the continuing groups prospects for at least the current financial year;

(4) a statement that the *directors* believe that the disposal is in the best interests of the *company* and shareholders as a whole. The *directors* should also state that if the disposal is not completed the *company* will be unable to meet its financial commitments as they fall due and consequently will be unable to continue to trade resulting in the appointment of receivers, liquidators or administrators;

(5) a statement incorporating the details of all the confirmations provided to the *FCA* in ■ LR 10.8.3 G;

(6) details of any financing arrangements (either current or future) if they are contingent upon the disposal being effected;

(7) if the disposal is to a *related party*, then a statement as set out in LR 13.6.1R(5) must be given;

(8) a statement by the *listed company* that in its opinion the working capital available to the continuing group is sufficient for the groups present requirements, that is, for at least 12 months from the date of the announcement, or, if not, how it is proposed to provide the additional working capital thought by the *company* to be necessary.

10.8.5 G The announcement should contain any further information that the *company* and its *sponsors* consider necessary. This should incorporate historical price sensitive information, which has already been published in relation to the disposal along with any further information required to be disclosed under articles 17 and 18 of the *Market Abuse Regulation*.

10.8.6 G (1) The *FCA* will wish to examine the documents referred to in ■ LR 10.8.3 G (including the *RIS* announcement) before it grants the modification and before the announcement is released.

(2) The documents should ordinarily be lodged with the *FCA*:

(a) in draft form at least five clear *business days* before the terms of the transaction are agreed; and

(b) in final form on the day on which approval is sought.

10.8.7 G In relation to the *listed company's* financial position, articles 17 and 18 of the *Market Abuse Regulation* continue to apply while the *company* is seeking a modification.

10.8.8 G The *directors* should also consider whether the *listed company's* financial situation is such that they should request the suspension of its *listing* pending publication of an announcement and clarification of its financial position.

Joint ventures

10.8.9 G

(1) When a *listed company* enters into a joint venture it should consider how this chapter applies.

(2) It is common, when entering into a joint venture, for the partners to include exit provisions in the terms of the agreement. These typically give each partner a combination of rights and obligations to either sell their own holding or to acquire their partner's holding should certain triggering events occur.

(3) If the *listed company* does not retain sole discretion over the event which requires them to either purchase the joint venture partner's stake or to sell their own, ■ LR 10.1.3R (2) requires this obligation to be classified at the time it is agreed as though it had been exercised at that time. Further, if the consideration to be paid is to be determined by reference to the future profitability of the joint venture or an independent valuation at the time of exercise, this consideration will be treated as being uncapped. If this is the case, the initial agreement will be classified in accordance with ■ LR 10 Annex 1 5R (3) and (3A) at the time it is entered into.

(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.

(5) Where an *issuer* enters into a joint venture exit arrangement which takes the form of a put or call option and exercise of the option is solely at the discretion of the other party to the arrangement, the transaction should be classified at the time it is agreed as though the option had been exercised at that time.

The Class Tests

Class tests

1G This Annex sets out the following *class tests*:

(1) the gross assets test;

(2) the profits test;

(3) the consideration test; and

(4) the gross capital test.

The Gross Assets test

2R (1) The assets test is calculated by dividing the gross assets the subject of the transaction by the gross assets of the *listed company*.

(2) The gross assets of the *listed company* means the total non-current assets, plus the total current assets, of the *listed company*.

(3) For:

(a) an acquisition of an interest in an undertaking which will result in consolidation of the assets of that undertaking in the accounts of the listed company; or

(b) a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the *listed company*;

the gross assets the subject of the transaction means the value of 100% of that undertakings assets irrespective of what interest is acquired or disposed of.

(4) For an acquisition or disposal of an interest in an undertaking which does not fall within paragraph (3), the gross assets the subject of the transaction means:

(a) for an acquisition, the consideration together with liabilities assumed (if any); and

(b) for a disposal, the assets attributed to that interest in the listed company's accounts.

(5) If there is an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the consideration or, if greater, the book value of those assets as they will be included in the *listed company's* balance sheet.

(6) If there is a disposal of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets in the *listed company's* balance sheet.

3G The *FCA* may modify paragraph 2R to require, when calculating the assets the subject of the transaction, the inclusion of further amounts if contingent assets or arrangements referred to in LR 10.2.4 R (indemnities and similar arrangements) are involved.

The Profits test

4R (1) The profits test is calculated by dividing the profits attributable to the assets the subject of the transaction by the profits of the *listed company*.

(2) For the purposes of paragraph (1), profits means:

(a) profits after deducting all charges except taxation; and

(b) for an acquisition or disposal of an interest in an undertaking referred to in paragraph 2R (3)(a) or (b) of this Annex, 100% of the profits of the undertaking (irrespective of what interest is acquired or disposed of).

(3) If the acquisition or disposal of the interest will not result in consolidation or deconsolidation of the *target* then the profits test is not applicable.

4AG The amount of loss is relevant in calculating the impact of a proposed transaction under the profits test. A *listed company* should include the amount of the losses of the *listed company* or *target* i.e. disregard the negative when calculating the test.

The Consideration test

5R (1) The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the ordinary shares (excluding *treasury shares*) of the *listed company*.

(2) For the purposes of paragraph (1):

(a) the consideration is the amount paid to the contracting party;

(b) if all or part of the consideration is in the form of *securities* to be traded on a market, the consideration attributable to those *securities* is the aggregate market value of those *securities*; and

(c) if deferred consideration is or may be payable or receivable by the *listed* company in the future, the consideration is the maximum total consideration payable or receivable under the agreement.

(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*.

(3A) If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a transaction where all *percentage ratios* are less than 5%) the transaction is to be treated as a *class 2 transaction*.

(4) For the purposes of sub-paragraph (2)(b), the figures used to determine consideration consisting of:

(a) *securities* of a *class* already *listed*, must be the aggregate market value of all those *securities* on the last *business day* before the announcement; and

(b) a new *class* of *securities* for which an application for *listing* will be made, must be the expected aggregate market value of all those *securities*.

(5) For the purposes of paragraph (1), the figure used to determine market capitalisation is the aggregate market value of all the ordinary *shares* (excluding *treasury shares*) of the *listed company* at the close of business on the last *business day* before the announcement.

6G The *FCA* may modify paragraph 5R to require the inclusion of further amounts in the calculation of the consideration. For example, if the purchaser agrees to discharge any liabilities, including the repayment of inter-company or third party debt, whether actual or contingent, as part of the terms of the transaction.

The Gross Capital test

7R (1) The gross capital test is calculated by dividing the gross capital of the company or business being acquired by the gross capital of the *listed company*.

(2) The test in paragraph (1) is only to be applied for an acquisition of a *company* or business.

(3) For the purposes of paragraph (1), the gross capital of the *company* or business being acquired means the aggregate of:

(a) the consideration (as calculated under paragraph 5R of this Annex);

(b) if a *company*, any of its *shares* and *debt securities* which are not being acquired;

(c) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and

(d) any excess of current liabilities over current assets.

(4) For the purposes of paragraph (1), the gross capital of the *listed company* means the aggregate of:

(a) the market value of its *shares* (excluding *treasury shares*) and the issue amount of the *debt security*;

(b) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and

(c) any excess of current liabilities over current assets.

(5) For the purposes of paragraph (1):

(a) figures used must be, for *shares* and *debt security* aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those *shares* (or if not available before the announcement, their nominal value) and the issue amount of the *debt security*; and

(b) for *shares* and *debt security* aggregated for the purposes of paragraph (3)(b), any *treasury shares* held by the *company* are not to be taken into account.

Figures used to classify assets and profits

8R (1) For the purposes of calculating the tests in this Annex, except as otherwise stated in paragraphs (2) to (6), figures used to classify assets and profits, must be the figures shown in the latest published audited consolidated accounts or, if a *listed company* has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.

(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.

(3) (a) The figures of the *listed company* must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completed transactions which have been notified to a *RIS* under LR 10.4 or LR 10.5.

(b) The figures of the target company or business must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completedtransactions which would have been a *class 2 transaction* or greater when classified against the target as a whole.

(4) Figures on which the auditors are unable to report without modification must be disregarded.

(5) When applying the *percentage ratios* to an acquisition by a *company* whose assets consist wholly or predominantly of cash or short-dated *securities*, the cash and short-dated *securities* must be excluded in calculating its assets and market capitalisation.

(6) The principles in this paragraph also apply (to the extent relevant) to calculating the assets and profits of the target company or business.

9G The *FCA* may modify paragraph 8R(4) in appropriate cases to permit figures to be taken into account.

Anomalous results

10G If a calculation under any of the *class tests* produces an anomalous result or if a calculation is inappropriate to the activities of the *listed company*, the *FCA* may modify the relevant *rule* to substitute other relevant indicators of size, including industry specific tests.

Adjustments to figures

11G Where a *listed company* wishes to make adjustments to the figures used in calculating the class tests pursuant to 10G they should discuss this with the *FCA* before the class tests crystallise.

The Profits Test: Anomalous Results

12R Paragraph 13R applies to a *company* that has a *premium listing* of *equity shares* where:

(1) the calculation under the profits test produces a *percentage ratio* of 25% or more and this result is anomalous; and

(2) the transaction is not a *related party transaction*.

13R A *company* that has a *premium listing* of *equity shares* may:

(1) where each of the other applicable *percentage ratios* are less than 5%, disregard the profits test for the purposes of classifying the transaction; or

(2) make the following adjustments to the calculation under the profits test:

(a) where any of the following costs are genuinely one-off costs, the figures used to classify profits of the *listed company*, or the target company or business, may be adjusted for:

(i) costs incurred by the *listed company*, or target company or business, in connection with the *listed company*, or target company or business' initial public offering; or

(ii) closure costs incurred by the *listed company*, or target company or business, that are not part of an on-going restructuring that will occur over more than one financial period;

(b) where a *listed company*, or target company or business, has completed an initial public offering, the figures used to classify profits of the *listed company*, or target company or business, may be adjusted for interest charges incurred under private ownership prior to completion of the initial public offering provided that these interest charges:

(i) have been incurred under facilities that were repaid as part of the initial public offering capital restructuring; and

(ii) are substituted in the calculation of the profits test with the interest charges that would have been incurred under the new facilities for the relevant period.

14G Any adjustments made in accordance with paragraph 13R(2) should be applied equally to both the *listed company*, and target company or business, where applicable, to ensure a like-for-like comparison is being undertaken.

15G A *company* that has a *premium listing* of *equity shares* does not have to consult the *FCA* in accordance with paragraph 10G or 11G before relying on paragraph 13R.

Chapter 11

Related party transactions: Premium listing

11.1 Related party transactions

Application

11.1.1 R This chapter applies to a *company* that has a *premium listing*.

11.1.1A R Where a *company* has a *premium listing* and:

(1) it is not in compliance with:

(a) the provisions in LR 9.2.2AR (2)(a) ; or

(b) LR 9.2.2G R; or

(2) it becomes aware that a *controlling shareholder* or any of its *associates* is not in compliance with an undertaking in LR 6.5.4R or LR 9.2.2AR (2)(a);

(3) it becomes aware that a procurement obligation (as set out in LR 6.5.5R(2)(a) or LR 9.2.2BR (2)(a) contained in an agreement entered into under LR 6.5.4R or LR 9.2.2AR (2)(a) has not been complied with by a *controlling shareholder*; or

(4) an *independent director* declines to support a statement made under LR 9.8.4R (14)(a) or LR 9.8.4R (14)(c);

LR 11.1.1C R applies.

11.1.1B G In exceptional circumstances, the *FCA* may consider dispensing with or modifying the application of LR 11.1.1A R, in accordance with LR 1.2.1 R.

11.1.1C R The *company* cannot rely on any of the following provisions in relation to a transaction or arrangement with or for the benefit of the relevant *controlling shareholder* or any *associate* of that *controlling shareholder*:

(1) the concessions specified in LR 11.1.5R (1), LR 11.1.5R (2) and LR 11.1.5R (3) in relation to transactions or arrangements in the ordinary course of business;

(2) LR 11.1.6 R; and

(3) LR 11.1.10 R.

11.1.1D G If the *FCA* considers that it would be appropriate to do so, the *FCA* may dispense with or modify the application of ■ LR 11.1.1CR (1), in accordance with ■ LR 1.2.1 R.

11.1.1E R Where a *company* that has a *premium listing* has been subject to the provisions of ■ LR 11.1.1A R, ■ LR 11.1.1C R will continue to apply to the *company* until the publication of an annual financial report which:

(1) contains the statements required under ■ LR 9.8.4R (14)(a) and ■ LR 9.8.4R (14)(c); and

(2) does not contain a statement made under ■ LR 9.8.4A R.

Purpose

11.1.2 G (1) This chapter sets out safeguards that apply to:

(a) transactions and arrangements between a *listed company* and a *related party*; and

(b) transactions and arrangements between a *listed company* and any other *person* that may benefit a *related party*.

(2) The safeguards are intended to prevent a *related party* from taking advantage of its position and also to prevent any perception that it may have done so.

Transaction

11.1.3 R A reference in this chapter:

(1) to a transaction or arrangement by a *listed company* includes a transaction or arrangement by its *subsidiary undertaking*; and

(2) to a transaction or arrangement is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction or the entering into of the arrangement.

Definition of "related party"

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

(1) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder*; or

(2) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* of the *listed company* or of any other *company* which is (and, if he has ceased to be such, was while he was a *director* or *shadow director* of such other *company*) its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking* of its *parent undertaking*; or

(3) [deleted]

(4) a *person exercising significant influence*; or

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

Definition of "substantial shareholder"

11.1.4A R In *LR*, a "*substantial shareholder*" means 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*). For the purposes of calculating voting rights, the following voting rights are to be disregarded:

(1) 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*); or

(2) any voting rights which a *person* may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:

(a) underwriting the issue or sale of *securities*; or

(b) placing *securities*, where the *person* provides a firm commitment to acquire any *securities* which it does not place; or

(c) acquiring *securities* from existing shareholders or the *issuer* pursuant to an agreement to procure third-party purchases of *securities*;

and where the conditions in (i) to (iv) are satisfied:

(i) the activities set out in (2)(a) to (c) are performed in the ordinary course of business;

(ii) the *securities* to which the voting rights attach are held for a consecutive period of 5 *trading days* or less, beginning with the first *trading day* on which the *securities* are held;

(iii) the voting rights are not exercised within the period the *securities* are held; and

(iv) no attempt is made directly or indirectly by the *firm* to intervene in (or attempt to intervene in) or exert (or attempt to exert) influence on the management of the *issuer* within the period the *securities* are held.

Definition of "related party transaction"

11.1.5 R In *LR*, a "*related party transaction*" means:

(1) a transaction (other than a transaction in the ordinary course of business) between a *listed company* and a *related party*; or

(2) an arrangement (other than an arrangement in the ordinary course of business) pursuant to which a *listed company* and a *related party* each invests in, or provides finance to, another undertaking or asset; or

(3) any other similar transaction or arrangement (other than a transaction in the ordinary course of business) between a *listed company* and any other *person* the purpose and effect of which is to benefit a *related party*.

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

Transactions to which this chapter does not apply

11.1.6 R LR 11.1.7 R to LR 11.1.10 R do not apply to a *related party transaction* if it is a transaction or arrangement:

(1) of a kind referred to in paragraph 1 or 1A of LR 11 Annex 1 (a small transaction or a transaction the terms of which were agreed before a person became a related party); or

(2) of a kind referred to in paragraphs 2 to 9 of LR 11 Annex 1 and does not have any unusual features.

Note: If an *issuer* is proposing to enter into a transaction that could be a *related party transaction* it is required under LR 8 to obtain the guidance of a *sponsor* to assess the potential application of LR 11.

11

Requirements for related party transactions

11.1.7 R If a *listed company* enters into a *related party transaction*, the *listed company* must:

(1) make a notification in accordance with LR 10.4.1 R (Notification of class 2 transactions) that contains the details required by that *rule* and also:

(a) the name of the *related party*; and

(b) details of the nature and extent of the *related party's* interest in the transaction or arrangement;

(2) send a *circular* to its shareholders containing the information required by LR 13.3 and LR 13.6;

(3) obtain the approval of its shareholders for the transaction or arrangement either:

(a) before it is entered into; or

(b) if the transaction or arrangement is expressed to be conditional on that approval, before it is completed; and

(4) ensure that the *related party*:

(a) does not vote on the relevant resolution; and

(b) takes all reasonable steps to ensure that the *related party's associates* do not vote on the relevant resolution.

11.1.7A R If, after obtaining shareholder approval but before the completion of a *related party transaction*, there is a material change to the terms of the transaction, the *listed company* must comply again separately with ■ LR 11.1.7 R in relation to the transaction.

11.1.7B G The *FCA* 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.

11.1.7C R A *listed company* must comply with ■ LR 10.5.4 R in relation to a *related party transaction*.

11.1.8 G If a meeting of the *listed company* has been called to approve a transaction or arrangement and, after the date of the notice of meeting but before the meeting itself, a party to that transaction or arrangement has become a *related party*, then to comply with ■ LR 11.1.7 R the *listed company* should:

(1) ensure that the *related party* concerned does not vote on the relevant resolution and that the *related party* takes all reasonable steps to ensure that its *associates* do not vote on the relevant resolution; and

(2) send a further *circular*, for receipt by shareholders at least one clear *business day* before the last time for lodging proxies for the meeting, containing any information required by ■ LR 13.3 (Contents of all circulars) and ■ LR 13.6 (Related party circulars) that was not contained in the original *circular* with the notice of meeting.

11.1.9 G ■ LR 11.1.7 R and ■ LR 11.1.8 G will apply to the variation or novation of an existing agreement between the *listed company* and a *related party* whether or not, at the time the original agreement was entered into, that party was a *related party*.

Modified requirements for smaller related party transactions

11.1.10 R (1) This *rule* applies to a *related party transaction* if each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%.

(2) Where this rule applies, ■ LR 11.1.7 R does not apply but instead the *listed company* must:

(a) [deleted]

(b) before entering into the transaction or arrangement, obtain written confirmation from a *sponsor* that the terms of the proposed transaction or arrangement with the *related party* are fair and reasonable as far as the shareholders of the *listed company* are concerned; and

(c) as soon as possible upon entering into the transaction or arrangement, make an *RIS* announcement which sets out:

(i) the identity of the *related party*;

(ii) the value of the consideration for the transaction or arrangement;

(iii) a brief description of the transaction or arrangement;

(iv) the fact that the transaction or arrangement fell within ■ LR 11.1.10 R; and

(v) any other relevant circumstances.

Aggregation of transactions in any 12 month period

11.1.11 R

(1) If a *listed company* enters into transactions or arrangements with the same *related party* (and any of its *associates*) in any 12 month period and the transactions or arrangements have not been approved by shareholders the transactions or arrangements, including transactions or arrangements falling under ■ LR 11.1.10 R, or small *related party transactions* under ■ LR 11 Annex 1.1R (1), must be aggregated.

(2) If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with ■ LR 11.1.7 R in respect of the latest transaction or arrangement.

Note: ■ LR 13.6.1R (8) requires details of each of the transactions or arrangements being aggregated to be included in the circular.

(3) If transactions or arrangements that are small transactions under ■ LR 11 Annex 1 paragraph 1 are aggregated under paragraph (1) of this *rule* and for the aggregated small transactions each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%, the *listed company* must comply with:

(a) ■ LR 11.1.10R (2)(b) in respect of the latest small transaction; and

(b) ■ LR 11.1.10R (2)(a) and ■ LR 11.1.10R (2)(c) in respect of the aggregated small transactions.

Transactions to which related party transaction rules do not apply

Small transaction

1 A transaction or arrangement where each of the applicable *percentage ratios* is equal to or less than 0.25%.

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) the take up by a *related party* of new *securities* or *treasury shares* under its entitlement in a pre-emptive offering;

(2) an issue of new *securities* made under the exercise of conversion or subscription rights attaching to a listed class of *securities*.

Employees' share schemes and long-term incentive schemes

3 The:

(1) receipt of any asset (including cash or *securities* of the *listed company* or any of its *subsidiary undertakings*) by a *director* of the *listed company*, its *parent undertaking* or any of its *subsidiary undertakings*; or

(2) grant of an option or other right to a *director* of the *listed company*, its *parent undertaking*, or any of its *subsidiary undertakings* to acquire (whether or not for consideration) any asset (including cash or new or existing *securities* of the *listed company* or any of its *subsidiary undertakings*); or

(3) provision of a gift or loan to the trustees of an employee benefit trust to finance the provision of assets as referred to in (1) or (2);

in accordance with the terms of an *employees' share scheme* or a *long-term incentive scheme*.

Credit

4 A grant of credit (including the lending of money or the guaranteeing of a loan):

(1) to the *related party* on normal commercial terms;

(2) to a *director* for an amount and on terms no more favourable than those offered to employees of the group generally; or

(3) by the *related party* on normal commercial terms and on an unsecured basis.

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;

(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(whether for a *director* of the *listed company* or for a *director* of any of its *subsidiary undertakings*); or

(c) a loan or assistance to a *director* by a *listed company* or any of its *subsidiary undertakings* if the terms of the loan or assistance are in accordance with those specifically permitted to be given to a *director* under section 204, 205 or 206 of the Companies Act 2006.

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

Underwriting

6 (1) The underwriting by a *related party* of all or part of an issue of *securities* by the *listed company* (or any of its *subsidiary undertakings*) if the consideration to be paid by the *listed company* (or any of its *subsidiary undertakings*) for the underwriting:

(a) is no more than the usual commercial underwriting consideration; and

(b) is the same as that to be paid to the other underwriters (if any).

(2) Paragraph (1) does not apply to the extent that a *related party* is underwriting *securities* which it is entitled to take up under an issue of *securities*.

7 [deleted]

Joint investment arrangements

8 (1) An arrangement where a *listed company*, or any of its *subsidiary undertakings*, and a *related party* each invests in, or provides finance to, another undertaking or asset if the following conditions are satisfied:

(a) the amount invested, or provided, by the *related party* is not more than 25% of the amount invested, or provided, by the *listed company* or its *subsidiary undertaking* (as the case may be) and the *listed company* has advised the *FCA* in writing that this condition has been met; and

(b) a *sponsor* has provided a written opinion to the *FCA* stating that the terms and circumstances of the investment or provision of finance by the *listed company* or its *subsidiary undertakings* (as the case may be) are no less favourable than those applying to the investment or provision of finance by the *related party*.

(2) The advice in paragraph (1)(a) and the opinion in paragraph (1)(b) must be provided before the investment is made or the finance is provided.

Insignificant subsidiary undertaking

9 (1) A transaction or arrangement where each of the conditions in paragraphs (2) to (6) (as far as applicable) is satisfied.

(2) The party to the transaction or arrangement is only a *related party* because:

(a) it is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder* or its *associate*; or

(b) it is a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* or his *associate*;

of a *subsidiary undertaking* or *subsidiary undertakings* of the *listed company* that has, or if there is more than one *subsidiary undertaking* that have in aggregate, contributed less than 10% of the profits of, and represented less than 10% of the assets of, the *listed company* for the relevant period.

(3) The *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) have been in the *listed company's group* for one full financial year or more.

(4) In paragraph (2), "relevant period" means:

(a) if the *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) has been consolidated in the *listed company's group* for one full financial year or more but less than three full financial years, each of the full financial years before the date of the transaction or arrangement for which accounts have been published; and

(b) if the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) has been consolidated in the *listed company's group* for three full financial year or more, each of the three full financial years before the date of the transaction or arrangement for which accounts have been published.

(5) If the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) are themselves party to the transaction or arrangement or if *securities* in the *subsidiary undertaking* or any of the *subsidiary undertakings* or their assets are the subject of the transaction or arrangement, then the ratio of consideration to market capitalisation of the *listed company* is less than 10%.

(6) In this *rule*, the figures to be used to calculate profits, assets and consideration to market capitalisation are the same as those used to classify profits, assets and consideration to market capitalisation in LR 10 Annex 1 (as modified or added to by LR 10.7 where applicable).

Chapter 12

Dealing in own securities and treasury shares: Premium listing

12.1 Application

Application

12.1.1 R This chapter applies to a *company* that has a *premium listing* of *equity shares*.

12.1.2 R This chapter contains *rules* applicable to a *listed company* that:

(1) purchases its own *equity shares*; or

(2) purchases its own *securities* other than *equity shares*; or

(3) sells or transfers *treasury shares*; or

(4) [deleted]

(5) purchases its own *securities* from a *related party*.

Exceptions

12.1.3 R ■ LR 12.2 to ■ LR 12.5 do not apply to a transaction entered into:

(1) in the ordinary course of business by a securities dealing business; or

(2) on behalf of third parties either by the *company* or any member of its *group*;

if the *listed company* has established and maintains effective *Chinese walls* between those responsible for any decision relating to the transaction and those in possession of *inside information* relating to the *listed company*.

12.2 Prohibition on purchase of own securities

12.2.1 R [deleted]

12.3 Purchase from a related party

12.3.1 R Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party*, whether directly or through intermediaries, ■ LR 11 (Related party transactions) must be complied with unless:

(1) a *tender offer* is made to all holders of the *class* of *securities*; or

(2) in the case of a market purchase pursuant to a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the *listed company* and any *related party*.

12.4 Purchase of own equity shares

Purchases of less than 15%

12.4.1 R Unless a *tender offer* is made to all holders of the *class*, purchases by a *listed company* of less than 15% of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority granted by shareholders, may only be made if the price to be paid is not more than the higher of:

(1) 5% above the average market value of the *company's equity shares* for the 5 *business days* prior to the day the purchase is made; and

(2) that stipulated by article 5(6) of the *Market Abuse Regulation*.

Purchases of 15% or more

12.4.2 R Purchases by a *listed company* of 15% or more of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority by the shareholders must be by way of a *tender offer* to all shareholders of that *class*.

12.4.2A R Purchases of 15% or more of any class of its own *equity shares* may be made by a *listed company*, other than by way of a *tender offer*, provided that the full terms of the *share* buyback have been specifically approved by shareholders.

12.4.3 G Where a series of purchases are made pursuant to a general authority granted by shareholders, which in aggregate amount to 15% or more of the number of *equity shares* of the relevant *class* in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a *tender offer* need only be made in respect of any purchase that takes the aggregate to or above that level. Purchases that have been specifically approved by shareholders are not to be taken into account in determining whether the 15% level has been reached.

Notification prior to purchase

12.4.4 R (1) Any decision by the board to submit to shareholders a proposal for the *listed company* to be authorised to purchase its own *equity shares* must be notified to a *RIS* as soon as possible.

(2) A notification required by paragraph (1) must set out whether the proposal relates to:

(a) specific purchases and if so, the names of the *persons* from whom the purchases are to be made; or

(b) a general authorisation to make purchases.

(3) The requirement set out in paragraph (1) does not apply to a decision by the board to submit to shareholders a proposal to renew an existing authority to purchase own *equity shares*.

12.4.5 R A *listed company* must notify a *RIS* as soon as possible of the outcome of the shareholders' meeting to decide the proposal described in ■ LR 12.4.4 R.

Notification of purchases

12.4.6 R Any purchase of a *listed company's* own *equity shares* by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* as soon as possible, and in any event by no later than 7:30 a.m. on the *business day* following the calendar *day* on which the purchase occurred. The notification must include:

(1) the date of purchase;

(2) the number of *equity shares* purchased;

(3) the purchase price for each of the highest and lowest price paid, where relevant;

(4) the number of *equity shares* purchased for cancellation and the number of *equity shares* purchased to be held as *treasury shares*; and

(5) where *equity shares* were purchased to be held as *treasury shares*, a statement of:

(a) the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*; and

(b) the number of *equity shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*.

Consent of other classes

12.4.7 R Unless ■ LR 12.4.8 R applies, a *company* with *listed securities* convertible into, or exchangeable for, or carrying a right to subscribe for *equity shares* of the *class* proposed to be purchased must (prior to entering into any agreement to purchase such *shares*):

(1) convene a separate meeting of the holders of those *securities*; and

(2) obtain their approval for the proposed purchase of *equity shares* by a special resolution.

12.4.8 R ■ LR 12.4.7 R does not apply if the trust deed or terms of issue of the relevant *securities* authorise the *listed company* to purchase its own *equity shares*.

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 on the conversion expectations of holders in terms of attributable assets and earnings, on the basis that the *company* exercises the authority to purchase its *equity shares* in full at the maximum price allowed (where the price is to be determined by reference to a future market price the calculation must be made on the basis of market prices prevailing immediately prior to the publication of the *circular* and that basis must be disclosed); and

(2) any adjustments to the rights of the holders which the *company* may propose (in such a case, the information required under paragraph (1) must be restated on the revised basis).

Other similar transactions

12.4.10 G A *listed company* intending to enter into a transaction that would have an effect on the *company* similar to that of a purchase of own *equity shares* should consult with the *FCA* to discuss the application of ■ LR 12.4.

12.5 Purchase of own securities other than equity shares

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*, where a *listed company* intends to purchase any of its *securities* convertible into its *equity shares* with a *premium listing* 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.

Notification of purchases, early redemptions and cancellations

12.5.2 R Any purchases, early redemptions or cancellations of a *company's* own *securities* convertible into *equity shares* with a *premium listing*, by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* when an aggregate of 10% of the initial amount of the relevant *class* of *securities* has been purchased, redeemed or cancelled, and for each 5% in aggregate of the initial amount of that *class* acquired thereafter.

12.5.3 R The notification required by LR 12.5.2 R must be made as soon as possible and in any event no later than 7:30 a.m. on the *business day* following the calendar day on which the relevant threshold is reached or exceeded. The notification must state:

(1) the amount of *securities* acquired, redeemed or cancelled since the last notification; and

(2) whether or not the *securities* are to be cancelled and the number of that *class* of *securities* that remain outstanding.

12.5.4 R [deleted]

Period between purchase and notification

12.5.5 R In circumstances where the purchase is not being made pursuant to a *tender offer* and the purchase causes a relevant threshold in LR 12.5.2 R to be reached or exceeded, no further purchases may be undertaken until after a notification has been made in accordance with LR 12.5.2 R to LR 12.5.4 R.

Convertible securities

12.5.6 R [deleted]

Warrants and options

12.5.7 R Where, within a period of 12 months, a *listed company* purchases warrants or options over its own *equity shares* which, on exercise, convey the entitlement to *equity shares* representing 15% or more of the *company's* existing issued *shares* (excluding *treasury shares*), the *company* must send to its shareholders a *circular* containing the following information:

(1) a statement of the *directors*' intentions regarding future purchases of the *company's* warrants and options;

(2) the number and terms of the warrants or options acquired and to be acquired and the method of acquisition;

(3) where warrants or options have been, or are to be, acquired from specific parties, a statement of the names of those parties and all material terms of the acquisition; and

(4) details of the prices to be paid.

12.6 Treasury shares

12.6.1 R [deleted]

12.6.2 R [deleted]

Notification of capitalisation issues and of sales, transfers and cancellations of treasury shares

12.6.3 R If by virtue of its holding *treasury shares*, a *listed company* is allotted *shares* as part of a capitalisation issue, the *company* must notify a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the *business day* following the calendar *day* on which allotment occurred of the following information:

(1) the date of the allotment;

(2) the number of *shares* allotted;

(3) a statement as to what number of *shares* allotted have been cancelled and what number is being held as *treasury shares*; and

(4) where *shares* allotted are being held as *treasury shares*, a statement of:

(a) the total number of *treasury shares* of each *class* held by the *company* following the allotment; and

(b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the allotment.

12.6.4 R Any sale for cash, transfer for the purposes of or pursuant to an *employees' share scheme* or cancellation of *treasury shares* that represents over 0.5% of the *listed company's share* capital must be notified to a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the *business day* following the calendar day on which the sale, transfer or cancellation occurred. The notification must include:

(1) the date of the sale, transfer or cancellation;

(2) the number of *shares* sold, transferred or cancelled;

(3) the sale or transfer price for each of the highest and lowest prices paid, where relevant; and

(4) a statement of:

(a) the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation; and

(b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation.

Chapter 13

Contents of circulars: Premium listing

13.1 Preliminary

Application

13.1.1 R This chapter applies to a *company* that has a *premium listing*.

Listed company to ensure circulars comply with chapter

13.1.2 R A *listed company* must ensure that *circulars* it issues to holders of its *listed equity shares* comply with the requirements of this chapter.

Incorporation by reference

13.1.3 R Information may be incorporated in a *circular* issued by a *listed company* by reference to relevant information contained in:

(1) an approved *prospectus* or listing particulars of that *listed company*; or

(2) any other published *document* of that *listed company* that has been filed with the *FCA*.

13.1.4 R Information incorporated by reference must be the latest available to the *listed company*.

13.1.5 R Information required by ■ LR 13.3.1R (1) ■ (2)must not be incorporated in the *circular* by reference to information contained in another document.

13.1.6 R When information is incorporated by reference, a cross reference list must be provided in the *circular* to enable *security* holders to identify easily specific items of information. The cross reference list must specify where the information can be accessed by *security* holders.

Omission of information

13.1.7 G The *FCA* may authorise the omission of information required by ■ LR 13.3 to ■ LR 13.6, ■ LR 13.8 and ■ LR 13 Annex 1, if it considers that disclosure of that information would be contrary to the public interest or seriously detrimental to the *listed company*, provided that that omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the matter covered by the *circular*.

13.1.8 R A request to the *FCA* to authorise the omission of specific information in a particular case must:

(1) be made in writing by the *listed company*;

(2) identify the specific information concerned and the specific reasons for the omission; and

(3) state why in the *listed company's* opinion one or more grounds in LR 13.1.7 G apply.

Sending information to holders of listed equity shares

13.1.9 R A supplementary *circular* must be sent to holders of *listed equity shares* no later than 7 days prior to the date of a meeting at which a vote which is expressly required under the *listing rules* will be taken.

13.1.10 G It may be necessary for a convened shareholder meeting to be adjourned to comply with LR 13.1.9 R.

13.2 Approval of circulars

Circulars to be approved

13.2.1 R A *listed company* must not circulate or publish any of the following types of *circular* unless it has been approved by the *FCA*:

(1) a *class 1 circular*; or

(2) a *related party circular*; or

(3) a *circular* that proposes the purchase by a *listed company* of its own *shares* which is required by LR 13.7.1R (2) to include a working capital statement; or

[Note: LR 12.4.10 G]

(4) a *circular* that proposes a reconstruction or a refinancing of a *listed company* which is required by LR 9.5.12 R to include a working capital statement; or

(5) a *circular* that proposes a cancellation of *listing* which is required to be sent to shareholders under LR 5.2.5 R (1); or

(6) a *circular* that proposes a transfer of listing which is required to be sent to shareholders under LR 5.4A.4 R (2).

Circulars not requiring approval

13.2.2 R [deleted]

13.2.2A G [deleted]

13.2.3 R [deleted]

Approval procedures

13.2.4 R The following documents (to the extent applicable) must be lodged with the *FCA* in final form before it will approve a *circular*:

(1) a Sponsors Declaration for the Production of a Circular completed by the *sponsor*;

(2) for a *class 1 circular* or *related party circular*, a letter setting out any items of information required by this chapter that are not applicable in that particular case; and

(3) [deleted]

(4) any other document that the *FCA* has sought in advance from the *listed company* or its *sponsor*.

13.2.5 R Two copies of the following documents in draft form must be submitted at least 10 clear *business days* before the date on which it is intended to publish the *circular*:

(1) the *circular*; and

(2) the letters and documents referred to in LR 13.2.4R (1) and (2).

13.2.6 R [deleted]

13.2.7 R If a *circular* submitted for approval is amended, two copies of amended drafts must be resubmitted, marked to show changes made to conform with *FCA* comments and to indicate other changes.

Approval of circulars

13.2.8 G The *FCA* will approve a *circular* if it is satisfied that the requirements of this chapter are satisfied.

13.2.9 G The *FCA* will only approve a *circular* between 9a.m. and 5.30p.m. on a *business day* (unless alternative arrangements are made in advance).

Note: LR 9.6.1 R requires a *company* to forward to the *FCA* two copies of all *circulars* issued (whether or not they require approval) for publication on the *document viewing facility*.

Sending approved circulars

13.2.10 R A *listed company* must send a *circular* to holders of its *listed equity shares* as soon as practicable after it has been approved.

13.3 Contents of all circulars

Contents of all circulars

13.3.1 R Every *circular* sent by a *listed company* to holders of its *listed securities* must:

(1) provide a clear and adequate explanation of its subject matter giving due prominence to its essential characteristics, benefits and risks;

(2) state why the *security* holder is being asked to vote or, if no vote is required, why the *circular* is being sent;

(3) if voting or other action is required, contain all information necessary to allow the *security* holders to make a properly informed decision;

(4) if voting or other action is required, contain a heading drawing attention to the document's importance and advising *security* holders who are in any doubt as to what action to take to consult appropriate independent advisers;

(5) if voting is required, contain a recommendation from the Board as to the voting action *security* holders should take for all resolutions proposed, indicating whether or not the proposal described in the *circular* is, in the Board's opinion, in the best interests of *security* holders as a whole;

(6) state that if all the *securities* have been sold or transferred by the addressee the *circular* and any other relevant documents should be passed to the *person* through whom the sale or transfer was effected for transmission to the purchaser or transferee;

(7) if new *securities* are being issued in substitution for existing *securities*, explain what will happen to existing documents of title;

(8) not include any reference to a specific date on which listed *securities* will be marked "ex" any benefit or entitlement which has not been agreed in advance with the *RIE* on which the *company's securities* are or are to be traded;

(9) if it relates to a transaction in connection with which *securities* are proposed to be *listed*, include a statement that application has been or will be made for the *securities* to be *admitted* and, if known, a statement of the following matters:

(a) the dates on which the *securities* are expected to be *admitted* and on which dealings are expected to commence;

(b) how the new *securities* rank for dividend or interest;

(c) whether the new *securities* rank equally with any existing *listed securities*;

(d) the nature of the document of title;

(e) the proposed date of issue;

(f) the treatment of any fractions;

(g) whether or not the *security* may be held in uncertificated form; and

(h) the names of the *RIEs* on which *securities* are to be traded;

(10) if a *person* is named in the *circular* as having advised the *listed company* or its *directors*, a statement that the adviser has given and has not withdrawn its written consent to the inclusion of the reference to the adviser's name in the form and context in which it is included; and

(11) if the *circular* relates to cancelling *listing*, state whether it is the *company's* intention to apply to cancel the *securities*' *listing*.

13.3.2 R If another *rule* provides that a *circular* of a particular type must include specified information, then that information is (unless the contrary intention appears) in addition to the information required under this section.

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 Class 1 circulars

Class 1 circulars

13.4.1 R A *class 1 circular* must also include the following information:

(1) the information given in the notification (see LR 10.4.1R);

(2) the information required by LR 13 Annex 1;

(3) the information required by LR 13.5 (if applicable); and

(4) a declaration by the *issuer* and its *directors* in the following form (with appropriate modifications):

"The [issuer] and the directors of [the issuer], whose names appear on page [ ], accept responsibility for the information contained in this document. To the best of the knowledge and belief of the [issuer] and the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.";

(5) a statement of the effect of the acquisition or disposal on the *group's* earnings and assets and liabilities; and

(6) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement to the effect that the statement or report is included, in the form and context in which it is included, with the *person's* consent.

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.

13.4.2 R If a *class 1 circular* contains a *modified report*, as described in LR 13.5.25 R, the *class 1 circular* must set out:

(1) whether the modification or emphasis-of-matter paragraph is significant to shareholders;

(2) if the modification or emphasis-of-matter paragraph is significant to shareholders, the reason for its significance; and

(3) a statement from the *directors* explaining why they are able to recommend the proposal set out in the *class 1 circular* notwithstanding the *modified report*

Takeover offers

13.4.3 R

(1) If a *class 1 circular* relates to a takeover offer which is recommended by the offeree's board and the *listed company* has had access to due diligence information on the offeree at the time the *class 1 circular* is published, the *listed company* must prepare and publish the working capital statement on the basis that the acquisition has taken place.

(2) If a *class 1 circular* relates to a takeover offer which has not been recommended by the offeree's board or the *listed company* has not had access to due diligence information on the offeree at the time the *class 1 circular* is published, then the *listed company* must comply with paragraphs (3) to (6).

(3) The *listed company* must prepare and publish the working capital statement on the *listed company* on the basis that the acquisition has not taken place.

(4) Other information on the offeree required by ■ LR 13 Annex 1 should be disclosed in the *class 1 circular* on the basis of information published or made available by the offeree and of which the *listed company* is aware and is free to disclose.

(5) [deleted]

(6) If the takeover offer has been recommended but the *listed company* does not have access to due diligence information on the offeree, the *listed company* must disclose in the *class 1 circular* why access has not been given to that information.

Acquisition or disposal of property

13.4.4 R

If a *class 1 transaction* relates to:

(1) the acquisition or disposal of *property*; or

(2) the acquisition of a *property company* that is not *listed*;

the *class 1 circular* must include a *property valuation report*.

13.4.5 R

If a *listed company* makes significant reference to the value of a *property* in a *class 1 circular*, the *class 1 circular* must include a *property valuation report*.

Acquisition or disposal of mineral resources

13.4.6 R

If a *class 1 transaction* relates to an acquisition or disposal of *mineral resources* or rights to *mineral resources* the *class 1 circular* must include:

(1) a *mineral expert's report*; and

(2) a glossary of the technical terms used in the *mineral expert's report*.

13.4.7 G The *FCA* may modify the information requirements in LR 13.4.6 R if it considers that the information set out would not provide significant additional information. In those circumstances the *FCA* would generally require only the following information, provided it is presented in accordance with reporting standards acceptable to the *FCA*:

(1) details of *mineral resources*, and where applicable reserves (presented separately) and exploration results or prospects;

(2) anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves;

(3) an indication of the duration and main terms of any licences or concessions and the legal, economic and environmental conditions for exploring and developing those licences or concessions;

(4) indications of the current and anticipated progress of mineral exploration and/or extraction and processing including a discussion of the accessibility of the deposit; and

(5) an explanation of any exceptional factors that have influenced the matters in (1) to (4).

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 Section 1c of Part III (Scientific research based companies) of the*ESMA Prospectus Recommendations*.

13.5 Financial information in Class 1 Circulars

When financial information must be included in a class 1 circular

13.5.-1 G For the purposes of ■ LR 13.5, references to consolidation include both consolidation and proportionate consolidation.

13.5.1 R Financial information, as set out in this section, must be included by a *listed company* in a *class 1 circular* if:

(1) the *listed company* is seeking to acquire an interest in a *target* which will result in a consolidation of the *target's* assets and liabilities with those of the *listed company*; or

(2) the *listed company* is seeking to dispose of an interest in a *target* which will result in the assets and liabilities which are the subject of the disposal no longer being consolidated; or

(3) the *target* ("A") has itself acquired a *target* ("B") and:

(a) A acquired B within the three year reporting period set out in ■ LR 13.5.13R (1) or after the date of the last published accounts; and

(b) the acquisition of B, at the date of its acquisition by A, would have been classified as a *class 1 acquisition* in relation to the *listed company* at the date of acquisition of A by the *listed company*.

13.5.2 G [deleted]

13.5.3 G [deleted]

13.5.3A R When a *listed company* is acquiring an interest in a *target* that will be accounted for as an investment, or disposing of an interest in a *target* that has been accounted for as an investment, and the *target's securities* that are the subject of the transaction are admitted to an investment exchange that enables intra-day price formation, the *class 1 circular* should include:

(1) the amounts of the dividends or other distributions paid in the last three years; and

(2) the price per *security* and the imputed value of the entire holding being acquired or disposed of at the close of business at the following times:

(a) on the last *business day* of each of the six months prior to the issue of the *class 1 circular*;

(b) on the day prior to the announcement of the transaction; and

(c) at the latest practicable date prior to the submission for approval of the *class 1 circular*.

13.5.3B R When a *listed company* is acquiring or disposing of an interest in a *target* that was or will be accounted for using the equity method in the *listed company's* annual consolidated accounts, the *class 1 circular* should include:

(1) for an acquisition,

(a) a narrative explanation of the proposed accounting treatment of the *target* in the *issuer's* next audited consolidated accounts;

(b) a *financial information table* for the *target*;

(c) a statement that the *target* financial information has been audited and reported on without modification or a statement addressing ■ LR 13.4.2 R and ■ LR 13.5.25 R with regard to any modifications; and

(d) a reconciliation of the financial information and opinion thereon in accordance with ■ LR 13.5.27R (2)(a) or, where applicable, a statement from the *directors* in accordance with ■ LR 13.5.27R (2)(b);

(2) for a disposal, the line entries relating to the *target* from its last audited consolidated balance sheet and those from its audited consolidated income statement for the last three years together with the equivalent line entries from its interim consolidated balance sheet and interim consolidated income statement, where the *issuer* has published subsequent interim financial information.

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13.5.3C R A *listed company* that is entering into a *class 1 transaction* which falls within ■ LR 13.5.1 R, ■ LR 13.5.3A R or ■ LR 13.5.3B R but cannot comply with ■ LR 13.5.12 R (inclusion of financial information table) or, for an investment, ■ LR 13.5.3AR (2) (inclusion of price per *security* and the imputed value of the entire holding), must include an appropriate independent valuation of the *target* in the *class 1 circular*.

13.5.3D G The *FCA* may dispense with the requirement for an independent valuation under ■ LR 13.5.3C R if it considers that this would not provide useful information for shareholders, in which case the *class 1 circular* must include such information as the *FCA* specifies.

Accounting policies

13.5.4 R (1) A *listed company* must present all financial information that is disclosed in a *class 1 circular* in a form that is consistent with the accounting policies adopted in its own latest annual consolidated accounts.

(2) The requirement set out in (1) does not apply when financial information is presented in accordance with:

(a) ■ DTR 4.2.6 R, in relation only to financial information for the *listed company* presented for periods after the end of its last published annual accounts; or

(b) ■ LR 13.3.3 R (in relation to pro forma financial information); or

(c) ■ LR 13.5.27 R or ■ LR 13.5.30 R (in relation to financial information presented for entities that are *admitted to trading* on a regulated market or admitted to an appropriate *multilateral trading facility* or overseas investment exchange); or

(d) ■ LR 13.5.30B R (in relation to financial information on disposal entities extracted from financial records from previous years); or

(e) ■ LR 13.5.3A R or ■ LR 13.5.3B R (in relation to *targets* that are or will be treated as investments or accounted for using the equity method in the *listed company's* consolidated accounts); or

(f) the accounting policies to be used in the *issuer's* next financial statements, provided the *issuer's* last published annual consolidated accounts have been presented on a restated basis consistent with those to be used in its next accounts on or before the date of the *class 1 circular*.; or

(g) ■ LR 13.5.32 R (in relation to a *profit forecast* or a *profit estimate*).

13.5.5 G Accounting policies include accounting standards and accounting disclosures.

Source of information

13.5.6 R A *listed company* must cite the source of all financial information that it discloses in a *class 1 circular*.

13.5.7 G In complying with ■ LR 13.5.6 R a *listed company* should:

(1) state whether the financial information was extracted from accounts, internal financial accounting records, internal management accounting records, an external or other source;

(2) state whether financial information that was extracted from audited accounts was extracted without material adjustment; and

(3) indicate which aspects of the financial information relate to:

(a) historical financial information;

(b) forecast or estimated financial information; or

(c) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*;

with reference made to where the basis of presentation can be found.

13.5.8 R If financial information has not been extracted directly from audited accounts, the *class 1 circular* must:

(1) set out the basis and assumptions on which the financial information has been prepared; and

(2) include a statement that the financial information is unaudited or not reported on by an accountant.

13.5.9 R A *listed company* must provide investors with all necessary information to understand the context and relevance of non-statutory figures, including a reconciliation to statutory equivalents.

Synergy benefits

13.5.9A R Where a *listed company* includes details of estimated synergies or other quantified estimated financial benefits expected to arise from a transaction in a *class 1 circular*, it must also include in the *class 1 circular*:

(1) the basis for the belief that those synergies or other quantified estimated financial benefits will arise;

(2) an analysis and explanation of the constituent elements of the synergies or other quantified estimated financial benefits (including any costs) sufficient to enable the relative importance of those elements to be understood, including an indication of when they will be realised and whether they are expected to be recurring;

(3) a base figure for any comparison drawn;

(4) a statement that the synergies or other quantified estimated financial benefits are contingent on the *class 1 transaction* and could not be achieved independently; and

(5) a statement that the estimated synergies or other quantified estimated financial benefits reflect both the beneficial elements and relevant costs.

Prominence of information

13.5.10 R A *listed company* must give audited historical financial information greater prominence in a *class 1 circular* than any forecast, estimated, pro forma or non-statutory financial information.

Summary of financial information

13.5.11 R A *listed company* that provides a summary of financial information in a *class 1 circular* must include in the *circular* a statement that investors should read the whole document and not rely solely on the summarised financial information.

Financial information table

13.5.12 R A *listed company* that is required by ■ LR 13.5.1 R or ■ LR 13.5.3BR (1) to produce financial information in a *class 1 circular* must include in the *circular* a *financial information table*.

Class 1 acquisitions

13.5.12A R ■ LR 13.5.13 R to ■ LR 13.5.30 R apply only in relation to a *class 1 acquisition*.

Financial information table: reporting period

13.5.13 R A *financial information table* for a *class 1 acquisition* must cover one of the following reporting periods:

(1) a period of three years up to the end of the latest financial period for which the *target* or its parent has prepared audited accounts; or

(2) a lesser period than the period set out in (1) if the *target's* business has been in existence for less than three years.

Financial information table: class 1 acquisitions

13.5.14 R A *listed company* must include, in a *financial information table*, financial information that covers:

(1) the *target*; and

(2) the *target's subsidiary undertakings*, if any.

13.5.15 R [deleted]

13.5.16 R [deleted]

13.5.17 G [deleted]

13.5.17A R If the *target* has made an acquisition or a series of acquisitions that were made during, or subsequent to, the reporting periods set out in ■ LR 13.5.13 R the *listed company* must include additional *financial information tables* so that the financial information presented by the *listed company* represents at least 75% of the enlarged *target* for the period from the commencement of the relevant three year reporting period set out in ■ LR 13.5.13R (1) up to the date of the acquisition by the *listed company* or the last balance sheet date presented by it under LR ■ LR 13.5.13R (1), whichever of the two is earlier.

13.5.17B G For the purposes of assessing whether the financial information presented in accordance with ■ LR 13.5.17A R represents at least 75% of the enlarged *target* the *FCA* will take into account factors such as the assets, profitability and market capitalisation of the business.

13.5.18 R A *listed company* must ensure that a *financial information table* includes, for each of the periods covered by the table:

(1) a balance sheet and its explanatory notes;

(2) an income statement and its explanatory notes;

(3) a cash flow statement and its explanatory notes;

(4) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;

(5) the accounting policies; and

(6) any additional explanatory notes.

13.5.19 R [deleted]

13.5.20 G [deleted]

Financial information table: accountant's opinion

13.5.21 R Unless ■ LR 13.5.3A R, ■ LR 13.5.3B R or ■ LR 13.5.27 R applies, a *financial information table* must disclose how the accounting policies used conform with ■ LR 13.5.4 R and be accompanied by an accountant's opinion as set out in ■ LR 13.5.22 R.

13.5.22 R An accountant's opinion must set out whether, for the purposes of the *class 1 circular*, the *financial information table* gives a true and fair view of the financial matters set out in it.

13.5.23 R An accountant's opinion must be given by an independent accountant who is qualified to act as an auditor.

13.5.24 G An accountant will be independent if he or she complies with the standards and guidelines on independence issued by its national accountancy and auditing bodies.

13.5.25 R If the accountant's opinion required by ■ LR 13.5.21 R is modified or contains an emphasis-of-matter paragraph, details of all material matters must be set out in the *class 1 circular*, including:

(1) all the reasons for the modification or emphasis-of-matter paragraph; and

(2) a quantification of the effects, if both relevant and practicable.

13.5.26 R If the historical financial information of a *target* that falls within ■ LR 13.5.14 R or ■ LR 13.5.17A R is subject to a *modified report*, details of the material matters giving rise to the modification or emphasis-of-matter paragraph must be set out in the *class 1 circular*.

Acquisitions of publicly traded companies

13.5.27 R

(1) ■ LR 13.5.27R (2) applies where the *target* is:

(a) *admitted to trading* on a *regulated market*; or

(b) a *company* whose *securities* are either listed on an investment exchange that is not a *regulated market* or admitted to a *multilateral trading facility*, where appropriate standards as regards the production, publication and auditing of financial information are in place;

and none of the financial information included in the *target's financial information table* is subject to a *modified report*, except where a dispensation has been granted under ■ LR 13.5.27C R.

(2) Where ■ LR 13.5.27R (1) or ■ LR 13.5.3BR (1) applies the *listed company* must include in the *class 1 circular* either:

(a) a reconciliation of financial information on the *target* for all periods covered by the *financial information table* on the basis of the *listed company's* accounting policies, accompanied by an accountant's opinion that sets out:

(i) whether the reconciliation of financial information in the *financial information table* has been properly compiled on the basis stated; and

(ii) whether the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the *listed company's* accounting policies; or

(b) a statement by the *directors* that no material adjustment needs to be made to the *target's* financial information to achieve consistency with the *listed company's* accounting policies.

13.5.27A G

The *FCA* will make its assessment of whether the accounting and other standards applicable to an investment exchange or *multilateral trading facility* as a result of *securities* being admitted to trading are appropriate for the purpose of ■ LR 13.5.27R (1)(b) having regard to at least the following matters in relation to the legal and regulatory framework applying to the *target* by virtue of its admission to that market:

(1) the quality of auditing standards compared with International Standards on Auditing;

(2) requirements for independence of auditors;

(3) the nature and extent of regulation of audit firms;

(4) the quality of accounting standards compared with International Financial Reporting Standards;

(5) the requirements for the timeliness of publication of financial information;

(6) the presence and effectiveness of monitoring of the timely production and publication of the accounts; and

(7) the existence and level of external independent scrutiny of the quality of accounts and the disclosures therein.

13.5.27B R Where a *listed company* proposes to rely on ■ LR 13.5.27R (1)(b), its *sponsor* must submit to the *FCA* an assessment of the appropriateness of the standards applicable to an investment exchange or *multilateral trading facility* against the factors set out in ■ LR 13.5.27AG (1) to ■ (7) and any other matters that it considers should be noted. The assessment must be submitted before or at the time the *listed company* submits the draft *class 1 circular*.

13.5.27C R The *FCA* may grant a dispensation from ■ LR 13.5.27R (1) to allow the application of ■ LR 13.5.27R (2) where a *modified report* on the *target's* financial information has been produced. In such circumstances the *FCA* will have regard to the factors set out in ■ LR 6.2.5G.

13.5.28 R [deleted]

13.5.29 G [deleted]

Half-yearly and quarterly financial information

13.5.30 R If a *class 1 circular* includes half-yearly or quarterly or other interim financial information for the *target*, the financial information should be presented in accordance with ■ LR 13.5.4R (1) and be accompanied by a confirmation from the *directors* of the consistency of the accounting policies with those of the *issuer*, except:

(1) where ■ LR 13.5.27R (1) applies, the financial information should be presented in accordance with ■ LR 13.5.27R (2) except that no accountant's opinion is required; or

(2) where ■ LR 13.5.3B R applies, the financial information should be presented in accordance with ■ LR 13.5.3BR (1)(b) and ■ LR 13.5.3BR (1)(d).

Class 1 disposals

13.5.30A R ■ LR 13.5.30B R to ■ LR 13.5.30D G apply only in relation to a *class 1 disposal*.

13.5.30B R (1) In the case of a *class 1 disposal*, a *financial information table* must include for the *target*:

(a) the last annual consolidated balance sheet;

(b) the consolidated income statements for the last three years drawn up to at least the level of profit or loss for the period; and

(c) the consolidated balance sheet and consolidated income statement (drawn up to at least the level of profit or loss for the period) at the *issuer's* interim balance sheet date if the *issuer* has published interim financial statements since the publication of its last annual audited consolidated financial statements.

(2) The information in (1) must be extracted without material adjustment from the consolidation schedules that underlie the *listed company's* audited consolidated accounts or, in the case of (c), the interim financial information, and must be accompanied by a statement to this effect.

(3) If the information in (1) is not extracted from the consolidation schedules it must be extracted from the *issuer's* accounting records and where an allocation is made, the information must be accompanied by:

(a) an explanation of the basis for any financial information presented; and

(b) a statement by the *directors* of the *listed company* that such allocations provide a reasonable basis for the presentation of the financial information for the *target* to enable shareholders to make a fully informed voting decision.

(4) If the *target* has not been owned by the *listed company* for the entire reporting period set out in (1)(b), the information required by (1) or (3) may be extracted from the *target's* accounting records.

13.5.30C R Where a change of accounting policies has occurred during the period covered by the *financial information table* required by ■ LR 13.5.30B R the financial information must be presented on the basis of both the original and amended accounting policies for the year prior to that in which the new accounting policy is adopted unless the change did not require a restatement of the comparative. Therefore the *financial information table* should have four columns (or more where changes have occurred in more than one year).

13.5.30D G The *FCA* may modify ■ LR 13.5.30BR (1)(b) and ■ (c) where it is not possible for the *listed company* to provide a meaningful allocation of its costs in the *target's* audited consolidated income statements. The *class 1 circular* should contain a statement to this effect where this modification has been granted. The *FCA* would not normally expect to grant such modifications except in respect of non-operating costs such as finance costs and tax.

Pro forma financial information

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

Profit forecasts and profit estimates

13.5.32 R If a *listed company* includes a *profit forecast* or a *profit estimate* in a *class 1 circular* it must:

(1) comply with the requirements for a *profit forecast* or *profit estimate* set out in Annex 1 of the *PD Regulation* except that a *listed company* does not need to include a report on the forecast or estimate from an accountant in the *class 1 circular*; and

(2) include a statement confirming that the *profit forecast* or *profit estimate* has been properly compiled on the basis of assumptions

stated and that the basis of accounting is consistent with the accounting policies of the *listed company*.

13.5.33 R If, prior to the *class 1 transaction*, a *profit forecast* or *profit estimate* was published that:

(1) relates to any of the *listed company*, a significant part of the *listed company group*, the *target* or a significant part of the *target*; and

(2) relates to financial information including the period of the forecast which has yet to be published at the date of the *class 1 circular*;

the *listed company* must either:

(3) include that *profit forecast* or *profit estimate* in the *class 1 circular* and comply with ■ LR 13.5.32 R; or

(4) include the *profit forecast* or *profit estimate* in the *class 1 circular* together with an explanation of why the *profit forecast* or *profit estimate* is no longer valid and why reassessment of the *profit forecast* or *profit estimate* in the *class 1 circular* is not necessary for the *listed company* to comply fully with ■ LR 13.3.1R (3).

13.5.33A G For the purposes of ■ LR 13.5.33 R, the fact that the *profit forecast* or *profit estimate* was prepared for a reason other than the *class 1 circular* does not itself indicate invalidity.

13.5.33B G For the purposes of ■ LR 13.5.33R (1) a significant part of the *listed company* or *target* is any part that represents over 75% of the *listed company's group* or the *target* respectively. For these purposes the *FCA* will take into account factors such as the assets, profitability and market capitalisation of the business.

13.5.34 G A *listed company* should consider ■ LR 9.2.18 R regarding information that must be published after a *class 1 transaction*.

13.5.35 G [deleted]

13.5.36 R [deleted]

13.6 Related party circulars

Related party circulars

13.6.1 R A *related party circular* must also include:

(1) in all cases the following information referred to in the *PD Regulation* relating to the *company*:

Paragraph of Annex 1 of the *PD Regulation*;

(a) Annex 1 item 5.1.1 – Issuer name;

(b) Annex 1 item 5.1.4 – Issuer address;

(c) Annex 1 item 18.1 – Major shareholders;

(d) Annex 1 item 20.9 – Significant changes;

(e) Annex 1 item 22 – Material contracts (if it is information which shareholders of the *company* would reasonably require to make a properly informed assessment of how to vote);

(f) Annex 1 item 24 – Documents on display;

(2) for a transaction or arrangement where the *related party* is (or was within the 12 months before the transaction or arrangement), a *director* or *shadow director*, or an *associate* of a *director* or *shadow director*, of the *company* (or of any other *company* which is its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking*) the following information referred to in the *PD Regulation* relating to that *director*:

Paragraph of Annex 1 of the *PD Regulation*:

(a) Annex 1 item 16.2 – Service contracts;

(b) Annex 1 item 17.2 – Directors' interests in shares;

(c) Annex 1 item 19 – Related party transactions;

(3) full particulars of the transaction or arrangement, including the name of the *related party* concerned and of the nature and extent of the interest of the party in the transaction or arrangement and also a statement that the reason the *security* holder is being asked to vote on the transaction or arrangement is because it is with a *related party*;

(4) for an acquisition or disposal of an asset where any *percentage ratio* is 25% or more and for which appropriate financial information is not available, an independent valuation;

(5) a statement by the board that the transaction or arrangement is fair and reasonable as far as the *security* holders of the *company* are concerned and that the *directors* have been so advised by a *sponsor*;

(6) if applicable, a statement that the *related party* will not vote on the relevant resolution, and that the *related party* has undertaken to take all reasonable steps to ensure that its *associates* will not vote on the relevant resolution, at the meeting;

(7) [deleted]

(8) if ■ LR 11.1.11 R (Aggregation of transactions) applies, details of each of the transactions or arrangements being aggregated; and

(9) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement that it is included, in the form and context in which it is included, with the consent of that *person*.

13.6.2 R For the purposes of the statement by the board referred to in ■ LR 13.6.1R (5):

(1) any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party* should not have taken part in the board's consideration of the matter; and

(2) the statement should specify that such persons have not taken part in the board's consideration of the matter.

13.6.3 G For the purpose of advising the *directors* under ■ LR 13.6.1R (5), a *sponsor* may take into account but not rely on commercial assessments of the *directors*.

Pro forma financial information

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

13.7 Circulars about purchase of own equity shares

Purchase of own equity shares

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) if the authority sought is a general one, a statement of the *directors*' intentions about using the authority;

(b) if known, the method by which the *company* intends to acquire its *equity shares* and the number to be acquired in that way;

(c) a statement of whether the *company* intends to cancel the *equity shares* or hold them in treasury;

(d) if the authority sought related to a proposal to purchase from specific parties, a statement of the names of the persons from whom *equity shares* are to be acquired together with all material terms of the proposal;

(e) details about the price, or the maximum and minimum price, to be paid;

(f) the total number of warrants and options to subscribe for *equity shares* that are outstanding at the latest practicable date before the *circular* is published and both the proportion of issued share capital (excluding *treasury shares*) that they represent at that time and will represent if the full authority to buyback *shares* (existing and being sought) is used; and

(g) where LR 12.4.2A R applies, an explanation of the potential impact of the proposed *share* buyback, including whether control of the *listed company* may be concentrated following the proposed transaction.

(2) If the exercise in full of the authority sought would result in the purchase of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*) the *circular* must also include the following information referred to in the *PD Regulation*:

(a) Annex 1 item 4 – Risk factors;

(b) Annex 1 item 12 – Trend information;

(c) Annex 1 item 17.2 – Director's interests in shares;

(d) Annex 1 item 18.1 – Major interests in shares;

(e) Annex 1 item 20.9 – Significant changes;

(f) Annex 3 item 3.1 – Working capital (this must be based on the assumption that the authority sought will be used in full at the

maximum price allowed and this assumption must be stated). This information is not required to be included in a *circular* issued by a *closed-ended investment fund*.

13.7.1A G In considering whether an explanation given in a *circular* satisfies the requirement in ■ LR 13.7.1R (1)(g), the *FCA* would expect the following information to be included in the explanation:

(1) the shareholdings of *substantial shareholders* in the *listed company* before and after the proposed transaction; and

(2) the shareholdings of a holder of *equity shares* who may become a *substantial shareholder* in the *listed company* as a result of the proposed transaction.

Pro forma financial information

13.7.2 G ■ LR 13.3.3 R 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*).

13.8 Other circulars

Authority to allot shares

13.8.1 R A *circular* relating to a resolution proposing to grant the *directors*' authority to allot shares or other securities pursuant to section 551 (Power of directors to allot shares etc: authorisation by company) of the Companies Act 2006 must include:

(1) a statement of the maximum amount of shares or other securities which the *directors* will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;

(2) a statement of the number of *treasury shares* held by the *company* as at the date of the *circular* and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;

(3) a statement by the *directors* as to whether they have any present intention of exercising the authority, and if so for what purpose; and

(4) a statement as to when the authority will lapse.

Disapplying pre-emption rights

13.8.2 R A *circular* relating to a resolution proposing to disapply pre-emption rights provided by LR 9.3.11 R must include:

(1) a statement of the maximum amount of *equity securities* which the disapplication will cover; and

(2) if there is a general disapplication for *equity securities* for cash made otherwise than to existing shareholders in proportion to their existing holdings, the percentage which the amount generally disapplied represents of the total *equity* share capital in issue as at the latest practicable date before publication of the *circular*.

13.8.3 R [deleted]

Reduction of capital

13.8.4 R A *circular* relating to a resolution proposing to reduce the *company's* capital, other than a reduction of capital pursuant to section 626 of the Companies Act 2006 (Reduction of capital in connection with redenomination), must include a statement of the reasons for, and the effects of, the proposal.

Capitalisation or bonus issue

13.8.5 R

(1) A *circular* relating to a resolution proposing a capitalisation or bonus issue must include:

(a) the reason for the issue;

(b) a statement of the last date on which transfers were or will be accepted for registration to participate in the issue;

(c) details of the proportional entitlement; and

(d) a description of the nature and amount of reserves which are to be capitalised.

(2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

Scrip dividend alternative

13.8.6 R

(1) A *circular* containing an offer to shareholders of the right to elect to receive *shares* instead of all or part of a cash dividend must include:

(a) a statement of the total number of *shares* that would be issued if all eligible shareholders were to elect to receive *shares* for their entire shareholdings, and the percentage which that number represents of the *equity shares* (excluding *treasury shares*) in issue at the date of the *circular*;

(b) in a prominent position, details of the equivalent cash dividend foregone to obtain each *share* or the basis of the calculation of the number of *shares* to be offered instead of cash;

(c) a statement of the total cash dividend payable and applicable tax credit on the basis that no elections for the scrip dividend alternative are received;

(d) a statement of the date for ascertaining the *share* price used as a basis for calculating the allocation of *shares*;

(e) details of the proportional entitlement;

(f) details of what is to happen to fractional entitlements;

(g) the record date; and

(h) a form of election relating to the scrip dividend alternative which:

(i) is worded so as to ensure that shareholders must elect positively in order to receive shares instead of cash; and

(ii) includes a statement that the right is non-transferable.

(2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

Scrip dividend mandate schemes/dividend reinvestment plans

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 13.8.6R (1)(d) and ■ (f);

(b) the basis of the calculation of the number of *shares* to be offered instead of cash;

(c) a statement of last date for lodging notice of participation or cancellation in order for that instruction to be valid for the next dividend;

(d) details of when adjustment to the number of *shares* subject to the mandate will take place;

(e) details of when cancellation of a mandate instruction will take place;

(f) a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;

(g) the procedure for notifying shareholders of the details of each scrip dividend; and

(h) a statement of the circumstances, if known, under which the *directors* may decide not to offer a scrip alternative in respect of any dividend.

(2) The timetable in the *circular* for each scrip alternative covered by a scrip dividend mandate plan must have been approved by the *RIE* on which the *company's equity shares* are traded.

Notices of meetings

13.8.8 R

(1) When holders of *listed equity shares* are sent a notice of meeting which includes any business, other than ordinary business at an annual general meeting, an explanatory *circular* must accompany the notice. If the other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the *directors*' report.

(2) [deleted]

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

Amendments to constitution

13.8.10 R

A *circular* to shareholders about proposed amendments to the *constitution* must include:

(1) an explanation of the effect of the proposed amendments; and

(2) either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:

(a) from the date of sending the *circular* until the close of the relevant general meeting at a place in or near the City of London or such other place as the *FCA* may determine; and

(b) at the place of the general meeting for at least 15 minutes before and during the meeting.

Employees' share scheme etc

13.8.11 R A *circular* to shareholders about the approval of an *employee's share scheme* or *long-term incentive scheme* must:

(1) include either the full text of the scheme or a description of its principal terms;

(2) include, if *directors* of the *listed company* are trustees of the scheme, or have a direct or indirect interest in the trustees, details of the trusteeship or interest;

(3) state that the provisions (if any) relating to:

(a) the persons to whom, or for whom, *securities*, cash or other benefits are provided under the scheme (the "participants");

(b) limitations on the number or amount of the *securities*, cash or other benefits subject to the scheme;

(c) the maximum entitlement for any one participant; and

(d) the basis for determining a participant's entitlement to, and the terms of, *securities*, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, *rights issue* or *open offer*, sub-division or consolidation of *shares* or reduction of capital or any other variation of capital;

cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the *company* operating the scheme or for members of its group);

(4) state whether benefits under the scheme will be pensionable and, if so, the reasons for this; and

(5) if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:

(a) from the date of sending the *circular* until the close of the relevant general meeting at a place in or near the City of London or such other place the *FCA* may determine; and

(b) at the place of the general meeting for at least 15 minutes before and during the meeting.

13.8.12 R The resolution contained in the notice of meeting accompanying the *circular* must refer either to:

(1) the scheme itself (if circulated to shareholders); or

(2) the summary of its principal terms included in the *circular*.

13.8.13 R The resolution approving the adoption of an *employees' share scheme* or *long-term incentive scheme* may authorise the *directors* to establish further schemes based on any scheme which has previously been approved by shareholders but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any *shares* made available under such further schemes are treated as counting against any limits on individual or overall participation in the main scheme.

Amendments to employees' share scheme etc

13.8.14 R A *circular* to shareholders about proposed amendments to an *employees' share scheme* or a *long-term incentive scheme* must include:

(1) an explanation of the effect of the proposed amendments; and

(2) the full terms of the proposed amendments, or a statement that the full text of the scheme as amended will be available for inspection.

Discounted option arrangements

13.8.15 R If shareholders' approval is required by ■ LR 9.4.4 R, the *circular* to shareholders must include the following information:

(1) details of the persons to whom the *options*, *warrants* or rights are to be granted; and

(2) a summary of the principal terms of the *options*, *warrants* or rights.

Reminders of conversion rights

13.8.16 R (1) A *circular* to holders of *listed securities* convertible into *shares* reminding them of the times when conversion rights are exercisable must include:

(a) the date of the last day for lodging conversion forms and the date of the expected sending of the certificates;

(b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*;

(c) the basis of conversion in the form of a table setting out capital and income comparisons;

(d) a brief explanation of the tax implications of conversion for holders resident for tax purposes in the *United Kingdom*;

(e) if there is a trustee, or other representative, of the *securities* holders to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;

(f) reference to future opportunities to convert and whether the terms of conversion will be the same as or will differ from those available at present, or, if there are no such opportunities, disclosure of that fact;

(g) reference to letters of indemnity, for example, if certificates have been lost;

(h) if power exists to allot *shares* issued on conversion to another person, reference to forms of nomination; and

(i) a statement as to whether holders exercising their rights of conversion will retain the next interest payment due on the *securities*.

(2) The *circular* must not contain specific advice as to whether or not to convert the *securities*.

Election of independent directors

13.8.17 R Where a *listed company* has a *controlling shareholder*, a *circular* to shareholders relating to the election or re-election of an *independent director* must include:

(1) details of any existing or previous relationship, transaction or arrangement the proposed *independent director* has or had with the *listed company*, its *directors*, any *controlling shareholder* or any associate of a *controlling shareholder* or a confirmation that there have been no such relationships, transactions or arrangements; and

(2) a description of:

(a) why the *listed company* considers the proposed *independent director* will be an effective *director*;

(b) how the *listed company* has determined that the proposed *director* is an *independent director*; and

(c) the process followed by the *listed company* for the selection of the proposed *independent director*.

13.8.18 R In relation to a *listed company* which did not previously have a *controlling shareholder*, ■ LR 13.8.17 R does not apply to a *circular* sent to shareholders within a period of 3 months from the event that resulted in a *person* becoming a *controlling shareholder* of the *listed company*.

Class 1 circulars

The following table identifies (by reference to certain paragraphs of Annex 1 and Annex 3 of the *PD Regulation*) the additional information required to be included in a *class 1 circular* relating to the *listed company* and the undertaking the subject of the transaction.

Information	Listed Company	Undertaking the subject of the transaction
Annex 1 item 4 – Risk factors	*	*
Annex 1 item 5.1.1 – Company name	*	
Annex 1 item 5.1.4 – Company address	*	
Annex 1 item 12 – Trend information	*	*
Annex 1 item 16.2 – Service contracts	*	
Annex 1 item 17.2 – Director's interests in shares	*	
Annex 1 item 18.1 – Major interests in shares	*	
Annex 1 item 19 – Related party transactions	*	
Annex 1 item 20.8 – Litigation	*	*
Annex 1 item 20.9 – Significant changes	*	*
Annex 1 item 22 – Material contracts	*	*
Annex 1 item 24 – Documents on display	*	
Annex 3 item 3.1 – Working capital	*	*

LR 13 Annex 1.1

1 The information required by this Annex must be presented as follows:

(1) the information required by Annex 1 item 22 (material contracts), Annex 1 item 20.8 (litigation) and Annex 1 item 20.9 (significant change)

(a) for an acquisition, in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired; or

(b) for a disposal, in separate statements for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place), and for the undertaking, business or assets to be disposed of;

(2) the information required by Annex 3 item 3.1 (working capital) and, if relevant Annex 1 item 12 (trend information):

(a) in the case of an acquisition, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the acquisition has taken place); or

(b) in the case of a disposal, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place).

2 In determining what information is required to be included by virtue of Annex 1 item 22 (material contracts) if a *prospectus* or *listing particulars* are not required, regard should be had to whether information about that provision is information which *securities* hold-

ers of the *issuer* would reasonably require for the purpose of making a properly informed assessment about the way in which to exercise the voting rights attached to their *securities* or the way in which to take any other action required of them related to the subject matter of the *circular*.

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

(1) if the *listed company* is issuing *shares* for which *listing* is sought, the information regarding major interests in *shares* (Annex 1 item 18.1) and *directors*' interests in *shares* (Annex 1 item 17.2) must be given for the share capital both as existing and as enlarged by the *shares* for which *listing* is sought;

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

(3) information referred to in Annex 3 item 3.1 (Working capital) is not required to be included in a *class 1 circular* published by a *closed-ended investment fund*;

(4) information required by Annex 1 item 4 should be provided only in respect of those risk factors which:

(a) are material risk factors to the proposed transaction;

(b) will be material new risk factors to the *group* as a result of the proposed transaction; or

(c) are existing material risk factors to the *group* which will be impacted by the proposed transaction; and

(5) information required by Annex 1 item 24 must include a copy of the Sale and Purchase Agreement (or equivalent document) if applicable.

Chapter 14

Standard listing (shares)

14.1 Application

14.1.1 R This chapter applies to a *company* with, or applying for, a *standard listing* of *shares* other than:

(1) *equity shares* issued by a *company* that is an *investment entity* unless it has a *premium listing* of a class of its *equity shares*; and

(2) *preference shares* that are *specialist securities*.

14.2 Requirements for listing

14.2.1 R An *applicant* which is applying for *standard listing* (*shares*) must comply with all of ■ LR 2 (Requirements for listing: All securities).

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*.

(2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states.

(3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands.

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

(a) held, directly or indirectly by:

(i) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

(ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

(iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or

(iv) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or

(v) 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; or

(b) subject to a lock-up period of more than 180 days.

(5) For the purposes of paragraph (3), *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[**Note:** Article 48 *CARD*]

14.2.3 G The *FCA* may modify ■ LR 14.2.2 R 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 *FCA* 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*]

14.2.3A G When calculating the number of *shares* for the purposes of ■ LR 14.2.2R (4)(a)(v), holdings of *investment managers* in the same *group* where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the *group* to which the *investment manager* belongs will be disregarded.

Shares of a non-EEA company

14.2.4 R The *FCA* will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors. [**Note:** Article 51 *CARD*]

Listing applications

14.2.5 G A *company* applying for a *standard listing* of *shares* will need to comply with ■ LR 3 (Listing applications: All securities).

14.2.6 R [deleted]

14.3 Continuing obligations

Admission to trading

14.3.1 R Other than in regard to *securities* to which ■ LR 4 applies, the *listed equity shares* of a *company* must be admitted to trading on a *regulated market* for *listed securities* operated by a *RIE*.

Shares in public hands

14.3.2 R

(1) A *company* must comply with ■ LR 14.2.2 R at all times.

(2) A *company* that no longer complies with ■ LR 14.2.2 R must notify the *FCA* as soon as possible of its non-compliance.

14.3.2A G Where the *FCA* has modified ■ LR 14.2.2 R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the *FCA* considers that in practice the market for the *shares* is not operating properly, the *FCA* may revoke the modification in accordance with ■ LR 1.2.1 R (4).

14.3.3 G A *company* should consider ■ LR 5.2.2G (2) in relation to its compliance with ■ LR 14.2.2 R.

Further issues

14.3.4 R Where *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one year of the allotment. [**Note:** Article 64 *CARD*]

14.3.5 R [deleted]

Copies of documents

14.3.6 R A *company* must forward to the *FCA*, for publication through the *document viewing facility*, two copies of:

(1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and

(2) all resolutions passed by the *company* other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

14.3.7 R

(1) A *company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under ■ LR 14.3.6 R unless the full text of the document is provided to the *RIS*.

(2) A notification made under (1) must set out where copies of the relevant document can be obtained.

Contact details

14.3.8 R

A *company* must ensure that the *FCA* is provided with up to date contact details of appropriate *persons* nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules* and the *disclosure requirements* and *transparency rules*, as applicable.

Temporary documents of title (including renounceable documents)

14.3.9 R

A *company* must ensure that any temporary document of title (other than one issued in global form) for a *share*:

(1) is serially numbered;

(2) states where applicable:

(a) the name and address of the first holder and names of joint holders (if any);

(b) the pro rata entitlement;

(c) the last date on which transfers were or will be accepted for registration for participation in the issue;

(d) how the *shares* rank for dividend or interest;

(e) the nature of the document of title and proposed date of issue;

(f) how fractions (if any) are to be treated; and

(g) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ LR 9.5.6 R, in which the offer may be accepted, and how *shares* not taken up will be dealt with; and

(3) if renounceable:

(a) states in a heading that the document is of value and negotiable;

(b) advises holders of *shares* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;

(c) states that where all of the *shares* have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;

(d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;

(e) includes provision for splitting (without fee) and for split documents to be certified by an official of the*company* or authorised agent;

(f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and

(g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

14.3.10 R A *company* must ensure that any definitive document of title for a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (5) and (7)):

(1) the authority under which the*company* is constituted and the country of incorporation and registered number (if any);

(2) the number or amount of *shares* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);

(3) a footnote stating that no transfer of the *share* or any portion of it represented by the certificate can be registered without production of the certificate;

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

(5) the date of the certificate;

(6) for a fixed income *security*, 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; and

(7) for *shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

Disclosure Requirements and Transparency Rules

14.3.11 G A *company* whose *shares* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under the *disclosure requirements* and *transparency rules*.

14.3.12 R [deleted]

14.3.13 G [deleted]

14.3.14 R [deleted]

Registrar

14.3.15 R

(1) This *rule* applies to an *overseas company* for whom the *United Kingdom* is a host Member State for the purposes of the *Transparency Directive*.

(2) An *overseas company* must appoint a registrar in the *United Kingdom* if:

(a) there are 200 or more holders resident in the *United Kingdom*; or

(b) 10% of more of the *shares* are held by *persons* resident in the *United Kingdom*.

14.3.15A G

An *overseas company* for whom the *United Kingdom* is the home Member State for the purposes of the *Transparency Directive* should see ■ LR 14.3.22 G and ■ LR 14.3.23 R.

14.3.16 G

[deleted]

Notifications relating to capital

14.3.17 R

A *company* must notify a *RIS* as soon as possible (unless otherwise indicated in this *rule*) of the following information relating to its capital:

(1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;

(2) [deleted]

(3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;

(4) [deleted]

(5) any extension of time granted for the currency of temporary documents of title;

(6) [deleted]

(7) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

14.3.18 R

Where the *shares* are subject to an underwriting agreement a *company* may, at its discretion and subject to the *disclosure requirements* and contents of ■ DTR 2 delay notifying a *RIS* as required by ■ LR 14.3.17R (7) for up to two *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of

an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

14.3.19 R [deleted]

14.3.20 R [deleted]

14.3.21 R [deleted]

Compliance with the transparency rules

14.3.22 G A *company*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

14.3.23 R A *listed company* that is not already required to comply with the *transparency rules* (or with corresponding requirements imposed by another EEA Member State) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.

14.3.24 R A *listed company* that is not already required to comply with ■ DTR 7.2 (Corporate governance statements), or with corresponding requirements imposed by another *EEA State*, must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.

Chapter 15

Closed-Ended Investment Funds: Premium listing

15.1 Application

15.1.1 R This chapter applies to a *closed-ended investment fund* applying for, or with, a *premium listing*.

15.2 Requirements for listing

15.2.1 R To be *listed*, an *applicant* must comply with:

(1) ■ LR 2 (Requirements for listing);

(2) the following provisions of ■ LR 6 (Additional requirements for premium listing (commercial company):

(a) ■ LR 6.2.4R (1) and ■ LR 6.2.4R(2), if the *applicant* is a *new applicant* for the *admission* of *equity shares* and it has published or filed audited accounts;

(b) ■ LR 6.2.6R;

(c) ■ LR 6.7.1R, ■ LR 6.9.1R(1), ■ LR 6.9.2R, ■ LR 6.14.1R to ■ LR 6.14.5G, and ■ LR 6.15.1R; and

(3) ■ LR 15.2.2 R to ■ LR 15.2.13A R.

Shares of a non-EEA company

15.2.1A R The *FCA* will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

[**Note**: Article 51 CARD]

Investment activity

15.2.2 R An *applicant* must invest and manage its assets in a way which is consistent with its object of spreading investment risk.

15.2.3 G [deleted]

15.2.3A R

(1) An *applicant* and its *subsidiary undertakings* must not conduct any trading activity which is significant in the context of its *group* as a whole.

(2) This rule does not prevent the businesses forming part of the investment portfolio of the *applicant* from conducting trading activities themselves.

15.2.4 R [deleted]

15.2.4A G Although there is no restriction on an *applicant* taking a controlling stake in an investee company, to ensure a spread of investment risk an *applicant* should avoid:

(1) cross-financing between the businesses forming part of its investment portfolio including, for example, through the provision of undertakings or security for borrowings by such businesses for the benefit of another; and

(2) the operation of common treasury functions as between the *applicant* and investee companies.

Cross-holdings

15.2.5 R

(1) No more than 10%, in aggregate, of the value of the total assets of an *applicant* at admission may be invested in other *listed closed-ended investment funds*.

(2) The restriction in (1) does not apply to investments in *closed-ended investment funds* which themselves have published investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.

Feeder funds

15.2.6 R

(1) If an *applicant* principally invests its funds in another *company* or fund that invests in a portfolio of *investments* (a "master fund"), the *applicant* must ensure that:

(a) the master fund's investment policies are consistent with the *applicant's* published investment policy and provide for spreading investment risk; and

(b) the master fund in fact invests and manages its investments in a way that is consistent with the *applicant's* published investment policy and spreads investment risk.

(2) Paragraph (1) applies whether the *applicant* invests its funds in the master fund directly or indirectly through other intermediaries.

(3) Where the *applicant* invests in the master fund through a chain of intermediaries between the applicant and the master fund, the *applicant* must ensure that each intermediary in the chain complies with paragraphs (1)(a) and (b).

Investment policy

15.2.7 R An *applicant* must have a published investment policy that contains information about the policies which the *closed-ended investment fund* will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.

15.2.8 G The information in the investment policy, including quantitative information concerning the exposures mentioned in ■ LR 15.2.7 R, should be sufficiently precise and clear as to enable an investor to:

(1) assess the investment opportunity;

(2) identify how the objective of risk spreading is to be achieved; and

(3) assess the significance of any proposed change of investment policy.

15.2.9 R [deleted]

15.2.10 G [deleted]

Independence

15.2.11 R The board of *directors* or equivalent body of the *applicant* must be able to act independently:

(1) of any *investment manager* appointed to manage *investments* of the *applicant*; and

(2) if the *applicant* (either directly or through other intermediaries) has an investment policy of principally investing its funds in another *company* or fund that invests in a portfolio of investments ("a master fund"), of the master fund and of any *investment manager* of the master fund.

15.2.11A R ■ LR 15.2.11R (2) does not apply if the *company* or fund which invests its funds in another *company* or fund is a *subsidiary undertaking* of the *applicant*.

15.2.12 G [deleted]

15.2.12-A R For the purposes of ■ LR 15.2.11 R:

(1) the chairman of the board or equivalent body of the *applicant* must be independent; and

(2) a majority of the board or equivalent body of the *applicant* must be independent (the chairman may be included within that majority).

15.2.12A R For the purposes of ■ LR 15.2.11 R and ■ LR 15.2.12-A R, the following are not independent:

(1) *directors*, *employees*, partners, officers or professional advisers of or to:

(a) an *investment manager* of the *applicant*; or

(b) a master fund or *investment manager* referred to in ■ LR 15.2.11R (2); or

(c) any other *company* in the same *group* as the *investment manager* of the *applicant*; or

(2) *directors*, *employees* or professional advisers of or to other investment *companies* or funds that are:

(a) managed by the same *investment manager* as the *investment manager* to the *applicant*; or

(b) managed by any other *company* in the same *group* as the *investment manager* to the *applicant*.

15.2.13 G [deleted]

15.2.13A R A *person* referred to in ■ LR 15.2.12AR (1) or ■ (2) who is a *director* of the *applicant* must be subject to annual re-election by the *applicant's* shareholders.

15.2.14 R [deleted]

15.2.15 G [deleted]

15.2.16 R [deleted]

15.2.17 R [deleted]

15.2.18 G [deleted]

15.2.19 R The board of *directors* or equivalent body of the *applicant* must be in a position to effectively monitor and manage the performance of its key service providers, including any *investment manager* of the *applicant*.

15.3 Listing applications and procedures

15.3.1 G An *applicant* is required to comply with ■ LR 3 (Listing applications).

Sponsors

15.3.2 G An *applicant* that is seeking admission of its *equity shares* is required to retain a *sponsor* in accordance with ■ LR 8 (Sponsors).

15.3.3 R An *applicant* must appoint a *sponsor* on each occasion that it makes an application for *admission* of *equity shares* which requires the production of *listing particulars*.

Multi-class fund or umbrella fund

15.3.4 R An application for the *listing* of *securities* of a multi-class fund or umbrella fund must provide details of the various classes or designations of *securities* intended to be issued by the *applicant*.

15.4 Continuing obligations

Compliance with LR 9

15.4.1 R A *closed-ended investment fund* must comply with all of the requirements of ■ LR 9 (Continuing obligations) subject to the modifications and additional requirements set out in this section.

Investment policy

15.4.1A R A *closed-ended investment fund* must, at all times, have a published investment policy which complies with ■ LR 15.2.7 R.

15.4.1B G A *closed-ended investment fund* should have regard to the guidance in ■ LR 15.2.8 G at all times.

Investment activity and compliance with investment policy

15.4.2 R A *closed-ended investment fund* must, at all times, invest and manage its assets:

(1) in a way which is consistent with its object of spreading investment risk; and

(2) in accordance with its published investment policy.

15.4.3 G [deleted]

15.4.3A R A *closed-ended investment fund* must comply with ■ LR 15.2.3A R at all times.

15.4.4 R [deleted]

15.4.4A G A *closed-ended investment fund* should have regard to the guidance in ■ LR 15.2.4A G at all times.

Cross-holdings

15.4.5 R A *closed-ended investment fund* must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in ■ LR 15.2.5 R.

Feeder funds

15.4.6 R If a *closed-ended investment fund* principally invests its funds in the manner set out in ■ LR 15.2.6 R, the *closed-ended investment fund* must ensure that ■ LR 15.2.6 R is complied with at all times.

15.4.6A G ■ LR 15.2.6 R and ■ LR 15.4.6 R are not intended to require the *closed-ended investment fund* to be able to control or direct the master fund or intermediary (as the case may be). But if the *closed-ended investment fund* becomes aware that the master fund or intermediary (as the case may be) is not investing or managing its investments in accordance with that rule it will need to immediately consider withdrawal of its funds from the master fund or intermediary (as the case may be) or other appropriate action so that it is no longer in breach of the *rules*.

Independence and effective management

15.4.7 R ■ LR 15.2.11 R to ■ LR 15.2.13A R apply at all times to a *closed-ended investment fund*.

15.4.7A R The board of *directors* or equivalent body of the *issuer* must effectively monitor and manage the performance of its key service providers, including any *investment manager* appointed by the *issuer*, on an on-going basis.

Material changes to investment policy

15.4.8 R Unless ■ LR 15.4.8A R applies, a *closed-ended investment fund* must :

(1) submit any proposed material change to its published investment policy to the *FCA* for approval; and

(2) having obtained the *FCA's* approval, obtain the prior approval of its shareholders to any material change to its published investment policy.

15.4.8A R A *closed-ended investment fund* is not required to seek the *FCA*'s approval for a material change to its published investment policy if:

(1) the change is proposed to enable the winding up of the *closed-ended investment fund*; and

(2) the winding up:

(a) is in accordance with the constitution of the *closed-ended investment fund*; and

(b) will be submitted for approval by the shareholders of the *closed-ended investment fund* at the same time as the proposed material change to the investment policy.

15.4.9 G In considering what is a material change to the published investment policy, the *closed-ended investment fund* should have regard to the cumulative effect of all the changes since its shareholders last had the opportunity to vote on the investment policy or, if they have never voted, since the *admission* to *listing*.

Conversion of an existing listed class of equity shares

15.4.10 R An existing *listed class* of *equity shares* may not be converted into a new *class* or an unlisted *class* unless prior approval has been given by the shareholders of that existing *class*.

Further issues

15.4.11 R

(1) Unless authorised by its shareholders, a *closed-ended investment fund* may not issue further *shares* of the same class as existing *shares* (including issues of *treasury shares*) for cash at a price below the net asset value per *share* of those *shares* unless they are first offered pro rata to existing holders of *shares* of that class.

(2) When calculating the net asset value per *share*, *treasury shares* held by the *closed-ended investment fund* should not be taken into account.

Cancellation of premium listing

15.4.11A G A *closed-ended investment fund* must comply with ■ LR 5.2.7A R

15.4.12 R [deleted]

15.4.13 R [deleted]

15.4.14 R [deleted]

15.4.15 R [deleted]

15.4.16 R [deleted]

15.4.17 R [deleted]

15.4.18 R [deleted]

15.4.19 R [deleted]

15.4.20 R [deleted]

15.4.21 R [deleted]

15.4.22 G [deleted]

15.4.23 R [deleted]

15.4.24 R [deleted]

15.4.25 R [deleted]

Externally managed companies

15.4.26 R A *closed-ended investment fund* is not required to comply with ■ LR 9.2.20 R.

Independent business

15.4.27 R A *closed-ended investment fund* is not required to comply with ■ LR 9.2.2A R to ■ LR 9.2.2G R.

Notifications to the FCA

15.4.28 R

(1) A *closed-ended investment fund* is not required to comply with ■ LR 9.2.23 R in so far as it relates to ■ LR 9.2.2A R, ■ LR 9.2.2E R and ■ LR 9.2.2F R.

(2) A *closed-ended investment fund* is not required to comply with ■ LR 9.2.24 R to ■ LR 9.2.25 R.

Annual financial statement

15.4.29 R A *closed-ended investment fund* is not required to comply with ■ LR 9.8.4R (14).

Election of independent directors

15.4.30 R A *closed-ended investment fund* is not required to comply with ■ LR 13.8.17 R.

15.5 Transactions

15.5.1 R [deleted]

Significant transactions

15.5.2 R A *closed-ended investment fund* must comply with ■ LR 10 (Significant transactions) and ■ LR 5.6, except in relation to transactions that are executed in accordance with the scope of its published investment policy.

Transactions with related parties

15.5.3 G ■ LR 11 (Related party transactions) applies to a *closed-ended investment fund*.

15.5.4 R In addition to the definition in ■ LR 11.1.4 R a *related party* includes any *investment manager* of the *closed-ended investment fund* and any member of such *investment manager's* group.

Additional exemption from related party requirements

15.5.5 R

(1) ■ LR 11.1.7 R to ■ LR 11.1.11 R do not apply to an arrangement between a *closed-ended investment fund* and its *investment manager* or any member of that *investment manager's* group where the arrangement is such that each invests in or provides finance to an entity or asset and the investment or provision of finance is either:

(a) made at the same time and on substantially the same economic and financial terms; or

(b) referred to in the *closed-ended investment fund's* published investment policy; or

(c) made in accordance with a pre-existing agreement between the *closed-ended investment fund* and its *investment manager*.

(2) For the purposes of paragraph (1)(c), a pre-existing agreement is an agreement which was entered into at the time the *investment manager* was appointed.

15.6 Notifications and periodic financial information

Changes to tax status

15.6.1 R A *closed-ended investment fund* must notify any change in its taxation status to a *RIS* as soon as possible.

Annual financial report

15.6.2 R In addition to the requirements in ■ LR 9.8 (Annual financial report), a *closed-ended investment fund* must include in its annual financial report:

(1) a statement (including a quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk in accordance with its published investment policy;

(2) a statement, set out in a prominent position, as to whether in the opinion of the *directors*, the continuing appointment of the *investment manager* on the terms agreed is in the interests of its shareholders as a whole, together with a statement of the reasons for this view;

(3) the names of the fund's *investment managers* and a summary of the principal contents of any agreements between the *closed-ended investment fund* and each of the *investment managers*, including but not limited to:

(a) an indication of the terms and duration of their appointment;

(b) the basis for their remuneration; and

(c) any arrangements relating to the termination of their appointment, including compensation payable in the event of termination;

(4) [deleted]

(5) the full text of its current published investment policy; and

(6) a comprehensive and meaningful analysis of its portfolio.

Annual financial report additional requirements for property investment entities

15.6.3 R A *closed-ended investment fund* that, as at the end of its financial year, has invested more than 20% of its assets in *property* must include in its annual

financial report a summary of the valuation of its portfolio, carried out in accordance with ■ LR 15.6.4 R.

15.6.4 R A valuation required by ■ LR 15.6.3 R must:

(1) either:

(a) be made in accordance with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors; or

(b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such non-compliance; and

(2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors.

15.6.5 R The summary described in ■ LR 15.6.3 R must include:

(1) the total value of *properties* held at the year end;

(2) totals of the cost of *properties* acquired;

(3) the net book value of *properties* disposed of during the year; and

(4) an indication of the geographical location and type of *properties* held at the year end.

Statement regarding compliance with UK Corporate Governance Code

15.6.6 R (1) This *rule* applies to a *closed-ended investment fund* that has no executive *directors*.

(2) A *closed-ended investment fund's* statement required by ■ LR 9.8.6R (6) need not include details about the following principles and provisions of the *UK Corporate Governance Code* except to the extent that those principles or provisions relate specifically to non-executive *directors*:

(a) Principle D.1 (including Code Provisions D.1.1 to D.1.5): and

(b) Principle D.2 (including Code Provisions D.2.1 to D.2.4).

Annual financial and half yearly report

15.6.7 R In addition to the requirements in ■ LR 9 (Continuing obligations), half-yearly reports and, if applicable, preliminary statements of annual results must include information showing the split between:

(1) dividend and interest received; and

(2) other forms of income (including income of associated companies).

Notification of cross-holdings

15.6.8 **R** A *closed-ended investment fund* must notify to a *RIS* within five *business days* of the end of each quarter a list of all investments in other *listed closed-ended investment funds*, as at the last *business day* of that quarter, which themselves do not have stated investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.

Chapter 16

Open-ended investment companies: Premium listing

16.1 Application

16.1.1 R This chapter applies to an *open-ended investment company* applying for, or with, a *premium listing* which is:

(1) an *ICVC* that has been granted an *authorisation order* by the *FCA*; or

(2) an *overseas collective investment scheme* that is a *recognised scheme*.

16.2 Requirements and eligibility for listing

16.2.1 R To be *listed*, an *applicant* must comply with:

(1) LR 2 (Requirements for listing); and

(2) only LR 6.8.1R to LR 6.8.2R of LR 6 (Additional requirements for premium listing commercial company).

16.3 Listing applications

16.3.1 G An *applicant* for admission is required to comply with ■ LR 3 (Listing applications).

16.3.2 G The *FCA* will admit to *listing* such number of *securities* as the *applicant* may request for the purpose of future issues. At the time of issue the *securities* will be designated to the relevant *class*.

Sponsors

16.3.3 G An *applicant* that is seeking *admission* of its *equity shares* must retain a *sponsor* in accordance with ■ LR 8 (Sponsors).

16.3.4 R An *applicant* must appoint a *sponsor* when it makes an application for *admission* of *equity shares* which requires the production of *listing particulars*.

16.3.5 G [deleted]

Multi-class fund or umbrella fund

16.3.6 R An *applicant* which is a multi-class or umbrella fund which seeks to create a new *class* of *security* without increasing its share capital for which *listing* has previously been granted, must provide the *FCA* with the details of the new *class* and no further application for *listing* is required.

16.4 Requirements with continuing application

16.4.1 R An *open-ended investment company* must comply with:

(1) ■ LR 9 (Continuing obligations) except ■ LR 9.2.2A R to ■ LR 9.2.2G R, ■ LR 9.2.6B R, ■ LR 9.2.15 R, ■ LR 9.2.20 R, ■ LR 9.2.21 R, ■ LR 9.2.23 R, ■ LR 9.2.24 R, ■ LR 9.2.25 R, ■ LR 9.3.11 R and ■ LR 9.8.4 R (14);

(2) ■ LR 15.5.1 R;

(3) ■ LR 15.6.1 R; and

(4) the condition set out in ■ LR 16.1.1 R (1) or (2).

16.4.2 R ■ LR 15.6.6 R applies to an *open-ended investment company* if it has no executive *directors*.

16.4.3 R The interests of a single *person* or entity which exceeds 10% of the issued *shares* (calculated exclusive of *treasury shares*) of any *class* of *share* in the capital of the *open-ended investment company* must, so far as they are known to it, be notified to a *RIS* as soon as possible following the *open-ended investment company* becoming aware of those interests.

16.4.4 R ■ LR 10 (Significant transactions) and ■ LR 12 (Dealing in own securities and treasury shares) do not apply to an *open-ended investment company*.

Cancellation of premium listing

16.4.5 R An *open-ended investment company* must comply with ■ LR 5.2.7A R

Election of independent directors

16.4.7 R A *open-ended investment company* is not required to comply with ■ LR 13.8.17 R.

Chapter 17

Debt and debt-like securities: Standard listing

17.1 Application

17.1.1 R This chapter applies to

(1) an *issuer* of any of the following types of *securities*:

(a) *debt securities*;

(b) *asset-backed securities*;

(c) *certificates representing debt securities*;

(d) *specialist securities* of the following types:

(i) *convertible securities* which convert to *debt securities*;

(ii) *convertible securities* which convert to *equity securities*;

(iii) *convertible securities* which are exchangeable for *securities* of another *company*; and

(iv) *preference shares*

17.1.2 G An *issuer*, as described in LR 17.1.1 R includes:

(1) a *state monopoly*;

(2) a *state finance organisation*;

(3) a statutory body; and

(4) an *OECD state guaranteed issuer*.

17.1.3 G A state, a regional or local authority or a *public international body* with *listed debt securities* should see LR 17.5 for its continuing obligations

17.2 Requirements for listing and listing applications

Requirements for listing

17.2.1 G An *issuer* to whom this chapter applies will need to comply with ■ LR 2 (Requirements for listing - all securities).

Listing Applications

17.2.2 G An *issuer* to whom this chapter applies will need to comply with ■ LR 3 (Listing applications).

17.3 Requirements with continuing application

Copies of documents

17.3.1 R

(1) An *issuer* must forward to the *FCA*, for publication through the *document viewing facility*, two copies of any document required by ■ LR 17.3 or ■ LR 17.4 at the same time the document is issued.

(2) An *issuer* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under paragraph (1) unless the full text of the document is provided to the *RIS*.

(3) A notification made under paragraph (2) must set out where copies of the relevant document can be obtained.

Admission to trading

17.3.2 R

(1) An *issuer's securities* must be admitted to trading on a *RIE's* market for *listed securities* at all times.

(2) An *issuer* must inform the *FCA* in writing without delay if it has:

(a) requested a *RIE* to admit or re-admit any of its *listed securities* to trading; or

(b) requested a *RIE* to cancel or suspend trading of any of its *listed securities*; or

(c) been informed by a *RIE* that the trading of any of its *listed securities* will be cancelled or suspended.

17.3.3 R

[deleted]

Annual accounts

17.3.3A R

■ LR 17.3.4 R to ■ LR 17.3.6 G apply to an *issuer* that is not already required to comply with ■ DTR 4.

17.3.4 R

(1) An *issuer* must publish its annual report and annual accounts as soon as possible after they have been approved.

(2) An *issuer* must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.

(3) The annual report and accounts must:

(a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *IAS*; and

(b) have been independently audited and reported on, in accordance with:

(i) the auditing standards applicable in an *EEA State*; or

(ii) an equivalent auditing standard.

17.3.5 G

(1) If an *issuer* prepares both own and consolidated annual accounts it may publish either form provided that the unpublished accounts do not contain any significant additional information.

(2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the *FCA*.

(3) An *issuer* incorporated or established in a *non-EEA State* which is not required to draw up its accounts so as to give a true and fair view but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

17.3.6 G

An *issuer* that meets the following criteria is not required to comply with ■ LR 17.3.4 R:

(1) The *issuer* is an *issuer* of *asset backed securities* and would if it were a debt *issuer* to which ■ DTR 4 applied be relieved of the obligations to draw up and publish annual and half yearly financial reports in accordance with ■ DTR 4.4.2 R provided the *issuer* is not otherwise required to comply with any other requirement for the publication of annual reports and accounts.

(2) (a) the *issuer*:

(i) is a wholly owned subsidiary of a *listed company*;

(ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed* holding *company* or equivalent arrangements are in place;

(iii) is included in the consolidated accounts of its *listed* holding *company*; and

(iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and

(b) non publication of the *issuer's* accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the *securities*.

17.3.7 R [deleted]

Disclosure requirements and transparency rules

17.3.8 G An *issuer*, whose *securities* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation*.

17.3.9 R An *issuer* that is not already required to comply with the obligations under articles 17 and 18 of the *Market Abuse Regulation* must comply with those obligations as if it were an *issuer* for the purposes of articles 17 and 18 of the *Market Abuse Regulation* and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

17.3.9A G An *issuer*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

17.3.9B R An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an *issuer* for the purposes of the *transparency rules*.

Amendments to trust deeds

17.3.10 R An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* about proposed amendments to a *trust deed* includes:

(1) an explanation of the effect of the proposed amendments; and

(2) either the full terms of the proposed amendments, or a statement that they will be available for inspection:

(a) from the date the *circular* is sent until the close of the relevant general meeting at a place in or near the City of London or such other place as the *FCA* may determine; and

(b) at the place of the general meeting for at least 15 minutes before and during the meeting.

Early redemptions

17.3.12 R (1) An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* relating to a resolution proposing to redeem *listed securities* before their due date for redemption includes:

(a) an explanation of the reasons for the early redemption;

(b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*;

(c) a statement of any interests of any *director* in the *securities*;

(d) if there is a trustee, or other representative, of the holders of the *securities* to be redeemed, a statement that the trustee, or other

representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;

(e) the timetable for redemption; and

(f) an explanation of the procedure to be followed by the *securities* holders.

(2) The *circular* must not contain specific advice about whether or not to accept the proposal for redemption.

(3) The timetable for redemption in the *circular* must have been approved by the *RIE* on which the *listed securities* are traded.

Documents of title

17.3.13 R An *issuer* must ensure that any definitive document of title for a *security* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (5)):

(1) the authority under which the *issuer* is constituted and the country of incorporation and registered number (if any);

(2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);

(3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;

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

(5) [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.

17.4 [deleted]

17.4.1	R	[deleted]
17.4.2	R	[deleted]
17.4.3	R	[deleted]
17.4.4	G	[deleted]
17.4.5	R	[deleted]
17.4.6	R	[deleted]
17.4.7	R	In the case of *debt securities* guaranteed by another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of the *company* that is providing the guarantee unless that *company* is *listed* or adequate information is otherwise available.
17.4.8	R	In the case of *convertible securities* which are exchangeable for *securities* of another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of that other *company* unless that *company* is *listed* or adequate information is otherwise available.

Disclosure: asset-backed securities

17.4.9	R	Where an *issuer* proposes to issue further *debt securities* that are: (1) backed by the same assets; and (2) not fungible with existing classes of *debt securities*; or

(3) not subordinated to existing classes of *debt securities*;

the *issuer* must inform the holders of the existing classes of *debt securities*.

17.5 Requirements for states, regional and local authorities and public international bodies

17.5.1 R This chapter does not apply to a state, a regional or local authority and a *public international body* with *listed debt securities* except that such an *issuer* must comply with ■ LR 17.3.2 R (Admission to trading).

Compliance with transparency rules

17.5.2 R

(1) This *rule* applies to a state, a regional or local authority and a *public international body* with *listed debt securities* for whom the *United Kingdom* is its home Member State for the purposes of the *Transparency Directive*.

(2) An *issuer* referred to in paragraph (1) that is not already required to comply with the *transparency rules* must comply with:

(a) ■ DTR 5.6.3 R (disclosure of changes in rights);

(b) [deleted]

(c) ■ DTR 6.1.3 R (2) (equality of treatment);

(d) ■ DTR 6.2 (Filing information and use of language); and

(e) ■ DTR 6.3 (Dissemination of information).

Chapter 18

Certificates representing certain securities: Standard listing

18.1 Application

18.1.1 R This chapter applies to:

(1) a *depositary*; and

(2) an *issuer* of the *securities* which are represented by certificates.

18.2 Requirements for listing

Issuer of securities is taken to be the issuer

18.2.1 R If an application is made for the *admission* of *certificates representing certain securities*, the *issuer* of the *securities* which the certificates represent is the *issuer* for the purpose of the *listing rules* and the application will be dealt with as if it were an application for the *admission* of the *securities*.

Certificates representing certain securities

18.2.2 R For *certificates representing certain securities* to be admitted to *listing* an *issuer* of the *securities* which the certificates represent must comply with ■ LR 18.2.3 R to ■ LR 18.2.7 G.

18.2.3 R An *issuer* must be:

(1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and

(2) operating in conformity with its *constitution*. [**Note:** Articles 42 and 52 *CARD*]

18.2.4 R For the certificates to be *listed*, the *securities* which the certificates represent must:

(1) conform with the law of the *issuer's* place of incorporation;

(2) be duly authorised according to the requirements of the *issuer's constitution*; and

(3) have any necessary statutory or other consents. [**Note:** Articles 45 and 53 *CARD*]

18.2.5 R

(1) For the certificates to be *listed*, the *securities* which the certificates represent must be freely transferable. [**Note:** Articles 46, 54 and 60 *CARD*]

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

18.2.6 G The *FCA* may modify ■ LR 18.2.5 R to allow partly paid *securities* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the *securities* to take place on an open and proper basis. [**Note:** Articles 46 and 54 *CARD*]

18.2.7 G The *FCA* may, in exceptional circumstances, modify or dispense with ■ LR 18.2.5 R where the *issuer* has the power to disapprove the transfer of *securities* if the *FCA* is satisfied that this power would not disturb the market in those *securities*.

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*.

(2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the certificates are listed in the state or states.

(3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 25% of the certificates for which application for *admission* has been made are in public hands.

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

(a) held, directly or indirectly by:

(i) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

(ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

(iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or

(iv) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or

(v) 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*.

(b) subject to a lock-up period of more than 180 calendar days.

18.2.9 G The *FCA* may modify ■ LR 18.2.8 R 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 *FCA* 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*]

18.2.9A G When calculating the number of certificates for the purposes of ■ LR 18.2.8R (4)(a)(v), holdings of *investment managers* in the same *group* where investment decisions are made independently by the individual in control of the relevant fund and those decisions are unfettered by the *group* to which the *investment manager* belongs will be disregarded.

18.2.10 R [deleted]

Certificates representing securities of an investment entity.

18.2.10A R Certificates representing *equity securities* of an *investment entity* (wherever incorporated or established) will be *admitted to listing* only if the *equity securities* they represent are already *listed* or are the subject of an application for *listing* at the same time.

Additional requirements for the certificates

18.2.11 R To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in ■ LR 2.2.2 R to ■ LR 2.2.11 R. For this purpose, in those *rules* references to *securities* are to be read as references to the *certificates representing certain securities* for which application for *listing* is made.

18.2.12 R To be *listed*, the *certificates representing certain securities* must not impose obligations on the *depositary* that issues the certificates except to the extent necessary to protect the certificate-holders rights to, and the transmission of entitlements of, the *securities*.

Additional requirements for a depositary

18.2.13 R [deleted]

18.2.14 R A *depositary* that issues *certificates representing certain securities* must maintain adequate arrangements to safeguard certificate holders' rights to the *securities* to which the certificates relate, and to all rights relating to the *securities* and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the *issuer* of the certificates.

18.3 Listing applications

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 3.4.8 R subject to the following modifications.

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

18.3.2 R In addition to the documents referred to in ■ LR 3.4.6 R, 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 [deleted]

18.4 Continuing obligations

18.4.1 R An *issuer* of *debt securities* which the certificates represent must comply with the continuing obligations set out in ■ LR 17.3 (Requirements with continuing application) in addition to the requirements of this section.

18.4.2 R A *UK issuer* of *equity shares* which the certificates represent must comply with the continuing obligations set out in ■ LR 9 (Continuing obligations) in addition to the requirements of this section.

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

(1) the requirements of this section;

(2) the continuing obligations set out in ■ LR 14.3 (Continuing obligations) (other than in ■ LR 14.3.2 R and ■ LR 14.3.15 R), ■ LR 18.2.8 R and ■ LR 18.4.3A R; and

(3) the obligations in articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

Annual accounts continuing obligations

18.4.3A R (1) An *issuer* within ■ LR 18.4.3 R must publish its annual report and annual accounts as soon as possible after they have been approved.

(2) An issuer within ■ LR 18.4.3 R must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.

(3) The annual report and accounts must:

(a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *IAS*; and

(b) have been independently audited and reported on, in accordance with:

(i) the auditing standards applicable in an *EEA State*; or

(ii) an equivalent auditing standard.

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.

Change of depositary

18.4.4 R Prior to any change of the *depositary* of *certificates representing certain securities*, the new *depositary* must satisfy the *FCA* that it meets the requirements of ■ LR 18.2.11 R to ■ LR 18.2.14 R.

Notification of change of depositary

18.4.5 R

(1) An *issuer* of *securities* represented by *listed certificates representing certain securities* must notify a *RIS* of any change of *depositary*.

(2) The notification required by paragraph (1) must be made as soon as possible, and in any event by 7.30 a.m. on the *business day* following the change of *depositary*, and contain the following information:

(a) the name, registered office and principal administrative establishment if different from the registered office of the *depositary*;

(b) the date of incorporation and length of life of the *depositary*, except where indefinite;

(c) the legislation under which the *depositary* operates and the legal form which it has adopted under the legislation; and

(d) any changes to the information regarding the *certificates representing certain securities*.

Documents of title

18.4.6 R An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to *certificates representing equity securities*.

Compliance with Transparency Rules

18.4.7 G An *issuer*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

18.4.8 R [18.4.8 to follow]

18.4.9 R An *issuer* that is not already required to comply with the transparency rules must comply with ■ DTR 6.3 as if it were an *issuer* for the purposes of the transparency rules.

Chapter 19

Securitised derivatives: Standard listing

19.1 Application

19.1.1 R This chapter applies to an *issuer* of:

(1) *retail securitised derivatives*;

(2) *specialist securitised derivatives*; and

(3) other derivative products if the *FCA* has specifically approved their *listing* under this chapter.

Other derivative products

19.1.2 R For the purposes of this chapter, an *issuer* of other derivative products that have received the specific approval of the *FCA* to be *listed* under this chapter must comply with the *rules* applicable to an *issuer* of *specialist securitised derivatives* unless otherwise stated.

19.1.3 R The *FCA* will not admit to *listing*, under this chapter, other derivative products that are likely to be bought and traded by investors who are not *specialist investors*, unless the derivative product falls within the scope of *specified investments* in Part III of the *Regulated Activities Order*.

19.2 Requirements for listing

19.2.1 R An *applicant* for the *admission* of *securitised derivatives* must comply with ■ LR 2 (Requirements for listing - all securities) and the following requirements.

Requirements for listing: the issuer

19.2.2 R An *applicant* for the *admission* of *securitised derivatives* must either:

(1) have *permission* under the *Act* to carry on its activities relating to *securitised derivatives* and be either a *bank* or a *securities and futures firm*;

(2) if the *applicant* is an *overseas company*:

(a) be regulated by an *overseas* regulator responsible for the regulation of banks, securities firms or futures firms and which has a lead regulation agreement for financial supervision with the *FCA*; and

(b) be carrying on its activities relating to *securitised derivatives* within the approved scope of its business; or

(3) arrange for its obligations in relation to the *securitised derivatives*, to be unconditionally and irrevocably *guaranteed* by, or benefit from an arrangement which is equivalent in its effect to such a *guarantee* provided by, an entity which satisfies (1) or (2).

Requirements for listing

19.2.3 R For a *securitised derivative* to be *listed*, its *underlying instrument* must be traded on a regulated, regularly operating, recognised open market, unless it is:

(1) a currency; or

(2) an index; or

(3) an interest rate; or

(4) a basket of any of the above.

19.2.4 R The *FCA* may modify or dispense with the requirement in ■ LR 19.2.3 R for other derivative products.

Requirements for listing: retail products

19.2.5 R To be *listed*, a *retail securitised derivative* must:

(1) satisfy the requirements set out in ■ LR 19.2.3 R; and

(2) not be a *contingent liability investment*.

19.2.6 R To be *listed*, if a *retail securitised derivative* gives its holder a right of exercise, its terms and conditions must provide that:

(1) for cash settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, the exercise of the *securitised derivative* is automatic; or

(2) for physically settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, if the holder fails to deliver an *exercise notice* by the time stipulated in the terms and conditions, the *issuer* will, irrespective of the failure to exercise, pay to the holder an amount in cash in lieu of the holders failure to deliver the *exercise notice*, the amount and method of calculation of this amount to be determined by the *issuer*.

19.3 Listing applications

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 3.4.4 R to ■ LR 3.4.8 R.

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

19.4 Continuing obligations

Application

19.4.1 R An *issuer* that has only *securitised derivative listed* is subject to the continuing obligations set out in this chapter.

19.4.2 R An *issuer* that has both *securitised derivatives* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities* so *listed*.

Admission to trading

19.4.3 R

(1) An *issuer's listed securitised derivatives* must be admitted to trading on a *RIE's* market for *listed securities* at all times.

(2) An *issuer* must inform the *FCA* in writing as soon as possible if it has:

(a) requested a *RIE* to admit or re-admit any of its *listed securitised derivatives* to trading; or

(b) requested a *RIE* to cancel or suspend trading of any of its *listed securitised derivatives*; or

(c) been informed by a *RIE* that the trading of any of its *listed securitised derivatives* will be cancelled or suspended.

19.4.4 R [deleted]

19.4.5 R [deleted]

19.4.6 R [deleted]

19.4.7 R If an issue is *guaranteed* by an unlisted *company*, an *issuer* must submit the guarantor's accounts to the *FCA*.

19.4.8 R [deleted]

19.4.9 R [deleted]

Settlement arrangements

19.4.10 R

(1) An *issuer* must ensure that appropriate settlement arrangements for its *listed securitised derivatives* are in place.

(2) *Listed securitised derivatives* must be eligible for electronic settlement, which includes settlement by a relevant system, as that term is defined in the Uncertificated Securities Regulations 1995 (SI 1995/3272).

Disclosure requirements and transparency rules

19.4.11 R An *issuer* must comply with the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

19.4.11A G An *issuer*, whose securities are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

19.4.11B R For the purposes of compliance with the *transparency rules*, the *FCA* considers that an *issuer* of *securitised derivatives* should comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer of debt securities as defined in the *transparency rules*.

19.4.11C G An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Documents of title

19.4.12 R An *issuer* must comply with the requirements in ■ LR 9.5.15 R (temporary documents of title) and ■ LR 9.5.16 R (definitive documents of title) so far as relevant to *securitised derivatives*.

19.5 Disclosures

19.5.1	R	An *issuer* must submit to the *FCA* two copies of any document required by ■ LR 19.5.2 R to ■ LR 19.5.10 R at the same time as the document is issued.
19.5.2	R	[deleted]
19.5.3	R	[deleted]
19.5.4	R	[deleted]
19.5.5	R	[deleted]
19.5.6	R	[deleted]
19.5.7	R	An *issuer* must notify a *RIS* of all notices to holders of *listed securitised derivatives* no later than the date of despatch or publication.
19.5.8	R	[deleted]

Underlying instruments

19.5.9	R	An *issuer* must notify a *RIS* of any adjustment or modification it makes to the *securitised derivative* as a result of any change in or to the *underlying instrument* including details of the underlying event that necessitated the adjustment or modification.

Suspension of listing

19.5.10	R	An *issuer* must inform the *FCA* immediately if it becomes aware that an *underlying instrument* that is listed or traded outside the *United Kingdom* has been suspended.

Note: ■ LR 5.1.2G (7) and (8) and ■ LR 5.4.6 G are of relevance to an *issuer* of *securitised derivatives*.

Chapter 20

Miscellaneous Securities: Standard listing

20.1 Application

20.1.1	R	This chapter applies to an *issuer* of *miscellaneous securities*.
20.1.2	G	*Miscellaneous securities* include *warrants* and *options* and other similar *securities*.

20.2 Requirements for listing

20.2.1 R An *applicant* for the *admission* of *miscellaneous securities* must comply with LR 2 (Requirements for listing: All securities).

20.3 Listing applications

Listing application procedures

20.3.1 R An *applicant* for admission of *miscellaneous securities* must comply with:

(1) LR 3.2 (Application for admission to listing); and

(2) LR 3.4.4 R to LR 3.4.8 R.

20.4 Continuing obligations

Application

20.4.1 R An *issuer* that has only *miscellaneous securities listed* is subject to the continuing obligations set out in this chapter.

20.4.2 R An *issuer* that has both *miscellaneous securities* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities* so *listed*.

Admission to trading

20.4.3 R

(1) An *issuer's listed miscellaneous securities* must be admitted to trading on a *RIE's* market for *listed securities* at all times.

(2) An *issuer* must inform the *FCA* in writing as soon as possible if it has:

(a) requested a *RIE* to admit or re-admit any of its *listed miscellaneous securities* to trading; or

(b) requested a *RIE* to cancel or suspend trading of any of its *listed miscellaneous securities*; or

(c) been informed by a *RIE* that the trading of any of its *listed miscellaneous securities* will be cancelled or suspended.

20.4.4 R An *issuer* with *listed miscellaneous securities* must comply with ■ LR 2.2.12 R at all times.

Disclosure requirements and transparency rules

20.4.5 R An *issuer* must comply with the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

20.4.6 G An *issuer*, whose *miscellaneous securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).

20.4.7 R An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Documents of title

20.4.8 R An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title (including renounceable documents)) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to *miscellaneous securities*.

20.5 Disclosures

20.5.1 R An *issuer* must submit to the *FCA* two copies of any document required by ■ LR 20.5.2 R to ■ LR 20.5.3 R at the same time as the document is issued.

20.5.2 R An *issuer* must notify a *RIS* of all notices to holders of *listed miscellaneous securities* no later than the date of despatch or publication.

Underlying securities

20.5.3 R An *issuer* must notify a *RIS* of any adjustment or modification it makes to a *miscellaneous security* as a result of any change to a *security* over which the *listed miscellaneous security* carries a right to buy or subscribe.

Suspension of listing

20.5.4 R An *issuer* must inform the *FCA* immediately if it becomes aware that any *security* over which the *listed miscellaneous security* carries a right to buy or subscribe that is listed or traded outside the *United Kingdom* has been suspended.

20.5.5 G ■ LR 5.1.2 G (7) and ■ LR 5.1.2 G (8) and ■ LR 5.4.6 G may be of relevance to an *issuer* of *miscellaneous securities*.

Appendix 1
Relevant definitions

1.1 Relevant definitions

App 1.1.1 **Note:** The following definitions relevant to the *listing rules* are extracted from the *Glossary*.

Act	The Financial Services and Markets Act 2000.	
admission or *admission to listing*	admission of *securities* to the *official list* .	
admission to trading	admission of *securities* to trading on an *RIE's* market for *listed securities*.	
advertisement	(as defined in the *PD Regulation*) announcements:	
	(a)	relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and
	(b)	aiming to specifically promote the potential subscription or acquisition of securities.
applicant	an *issuer* which is applying for *admission* of *securities*.	
asset backed security	(as defined in the *PD Regulation*) *securities* which:	
	(1)	represent an interest in assets, including any rights intended to assure servicing, or the receipt or timeliness of receipts by holders of assets of amounts payable there under; or
	(2)	are secured by assets and the terms of which provide for payments which relate to payments or reasonable projections of payments calculated by reference to identified or identifiable assets.
associate	(A) in relation to a *director*, *substantial shareholder*, or *person exercising significant influence*, who is an individual:	
	(1)	that individual's spouse , civil partner or child (together "the individual's family");
	(2)	the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an *occupational pension scheme* or an *employees' share*

		scheme which does not, in either case, have the effect of conferring benefits on persons all or most of whom are related parties;
	(3)	any *company* in whose *equity securities* the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able: (a) to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or (b) to appoint or remove *directors* holding a majority of voting rights at board meetings on all, or substantially all, matters;
	(4)	any partnership whether a limited partnership or *limited liability partnership* in which the individual or any member or members (taken together) of the individual's family are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they hold or control or would on the fulfilment of the condition or the occurrence of the contingency be able to hold or control: (a) a voting interest greater than 30% in the partnership; or (b) at least 30% of the partnership.
	For the purpose of paragraph (3), if more than one *director* of the *listed company*, its *parent undertaking* or any of its *subsidiary undertakings* is interested in the *equity securities* of another *company*, then the interests of those *directors* and their *associates* will be aggregated when determining whether that *company* is an associate of the *director*.	
	(B) in relation to a *substantial shareholder* 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* 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.

(C) when used in the context of a *controlling shareholder* who is an individual:

(1) that individual's spouse, civil partner or child (together "the individual's family");

(2) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an *occupational pension scheme* or an *employees' share scheme* which does not, in either case, have the effect of conferring benefits on persons all or most of whom are *controlling shareholders*);

(3) any *company* in whose *equity securities* the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:

(a) to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or

(b) to appoint or remove *directors* holding a majority of voting rights at board meetings on all, or substantially all, matters;

(4) any partnership whether a limited partnership or *limited liability partnership* in which the individual or any member or members (taken together) of the individual's family are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they hold or control or would on the fulfilment of the condition or the occurrence of the contingency be able to hold or control:

(a) a voting interest greater than 30% in the partnership; or

(b) at least 30% of the partnership.

For the purpose of paragraph (3), if more than one *controlling shareholder* of the *listed company*, its *parent undertaking* or any of its *subsidiary undertakings* is interested in the *equity securities* of another *company*, then the interests of those *controlling shareholders* and their *associates* will be aggregated when determining whether that *company* is an associate of the *controlling shareholder*.

(D) when used in the context of a *controlling shareholder* 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 *controlling shareholder's* directions or instructions;

(3) any *company* in the capital of which the *controlling shareholder* and any other *company* under paragraph (1) or (2) taken together, is (or would on the fulfilment of a condi-

		tion or the occurrence of a contingency be) able to exercise power of the type described in paragraph (C)(3)(a) or (b) of this definition.
authorised person	(in accordance with section 31 of the *Act* (Authorised persons)) one of the following:	
	(a)	a *person* who has a *Part 4A permission* to carry on one or more *regulated activities*;
	(b)	an *incoming EEA firm*;
	(c)	an *incoming Treaty firm*;
	(d)	a *UCITS qualifier*;
	(e)	an *ICVC*;
	(f)	the *Society of Lloyd's*.
bank	(a)	a *firm* with a *Part 4A permission* which includes *accepting deposits*, and: (i) which is a *credit institution*; or (ii) whose *Part 4A permission* includes a requirement that it comply with the *rules* in *GENPRU* and *BIPRU* relating to *banks*; but which is not a *building society*, a *friendly society* or a *credit union*;
	(b)	an *EEA bank* which is a *full credit institution*.
base prospectus	a base prospectus referred to in PR 2.2.7 R	
body corporate	(in accordance with section 417(1) of the *Act* (Definitions)) any body corporate, including a body corporate constituted under the law of a country or territory outside the *United Kingdom*.	
book value of property	(in relation to a *property company*) the value of a *property* (which is not classified as a net current asset) before the deduction of mortgages or borrowings as shown in the *company's* latest annual report and accounts.	
break fee arrangement	an arrangement falling within the description in LR 10.2.6A R.	
building block	(as defined in the *PD Regulation*) a list of additional information requirements, not included in one of the schedules, to be added to one or more schedules, as the case may be, depending on the type of instrument and/or transaction for which a prospectus or base prospectus is drawn up.	
business day	(1)	(in relation to anything done or to be done in (including to be submitted to a place in) any part of the *United Kingdom*), any *day* which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the *United Kingdom*;
	(2)	(in relation to anything done or to be done by reference to a market outside the *United Kingdom*) any *day* on which that market is normally open for business.

CARD	*Consolidated Admissions and Reporting Directive*.	
certificate representing certain securities	the *investment* specified in article 80 of the *Regulated Activities Order* (Certificates representing certain securities), which is in summary: a certificate or other instrument which confers contractual or property rights (other than rights consisting of *options*):	
	(a)	in respect of any *share*, *debenture*, *alternative debenture*, *government and public security* or *warrant* held by a *person* other than the *person* on whom the rights are conferred by the certificate or instrument; and
	(b)	the transfer of which may be effected without requiring the consent of that *person*;
	but excluding any certificate or other instrument which confers rights in respect of two or more *investments* issued by different *persons* or in respect of two or more different *government and public securities* issued by the same *person*.	
certificate representing debt securities	a *certificate representing certain securities* where the certificate or other instrument confers rights in respect of *debentures*, *alternative debentures*, or *government and public securities*.	
certificate representing equity securities	a *certificate representing certain securities* where the certificate or other instrument confers rights in respect of *equity securities*.	
certificate representing shares	a *certificate representing certain securities* where the certificate or other instrument confers rights in respect of *equity shares*.	
charge	(in relation to *securitised derivatives*) means any payment identified under the terms and conditions of the *securitised derivatives*.	
Chinese wall	an arrangement that requires information held by a *person* in the course of carrying on one part of its business to be withheld from, or not to be used for, *persons* with or for whom it acts in the course of carrying on another part of its business.	
circular	any document issued to holders of *listed securities* including notices of meetings but excluding *prospectuses*, *listing particulars*, annual reports and accounts, interim reports, proxy cards and dividend or interest vouchers.	
class	*securities* the rights attaching to which are or will be identical and which form a single issue or issues.	
class 1 acquisition	a *class 1 transaction* that involves an acquisition by the relevant *listed company* or its *subsidiary undertaking*.	
class 1 circular	a *circular* relating to a *class 1 transaction* or a transaction which must comply with the requirements of a *class 1 transaction*.	
class 1 disposal	a *class 1 transaction* that consists of a disposal by the relevant *listed company* or its *subsidiary undertaking*.	
class 1 transaction	a transaction classified as a class 1 transaction under LR 10.	
class 2 transaction	a transaction classified as a class 2 transaction under LR 10 .	
class tests	the tests set out in LR 10 Annex 1(and for certain specialist companies, those tests as modified or added to by LR 10.7), which are used to determine how a transaction is to be classified for the purposes of the *listing rules*.	

closed-ended	(in relation to investment entities) an *investment company* which is not an *open-ended investment company*.	
closed-ended investment fund	an entity:	
	(a)	which is an undertaking with limited liability, including a company, limited partnership, or *limited liability partnership*; and
	(b)	whose primary object is investing and managing its assets (including pooled funds contributed by holders of its *listed securities*):
		(i) in property of any description; and
		(ii) with a view to spreading investment risk.
COBS	the Conduct of Business sourcebook, from 1 November 2007.	
Combined Code	in relation to an *issuer*the Combined Code on Corporate Governance published in June 2008 by the Financial Reporting Council.	
company	any *body corporate*.	
competent authority	(in relation to the functions referred to in Part VI of the *Act*):	
	(a)	the authority designated under Schedule 8 to the *Act* (transfer of functions under Part VI (Official listing)) as responsible for performing those functions under the *Act*; for the time being the *FCA* in its capacity as such; or
	(b)	an authority exercising functions corresponding to those functions under the laws of another *EEA State*.
connected client	in relation to a *sponsor* or securities house, any client of the *sponsor* or securities house who is:	
	(a)	a partner, *director*, employee or controller (as defined in section 422 of the *Act*) of the *sponsor* or securities house or of an undertaking described in paragraph (d);
	(b)	the spouse , civil partner or child of any individual described in paragraph (a);
	(c)	a *person* in his capacity as trustee of a private trust (other than a pension scheme or an *employees' share scheme*) the beneficiaries of which include any *person* described in paragraph (a) or (b); or
	(d)	an undertaking which in relation to the *sponsor* or securities house is a group undertaking.
connected person	(in *DTR* and *LR* in relation to a *person discharging managerial responsibilities* within an *issuer*) has the meaning given to "person closely associated" in article 3(1)(26) of the *Market Abuse Regulation*.	
Consolidated Ad	Directive of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on	

missions and Reporting Directive	information to be published on those securities (No 2001/34/EC).		
constitution	memorandum and articles of association or equivalent constitutional document.		
contingent liability investment	a *derivative* under the terms of which the *client* will or may be liable to make further payments (other than *charges*, and whether or not secured by *margin*) when the transaction falls to be completed or upon the earlier *closing out* of his position.		
contract of significance	a contract which represents in amount or value (or annual amount or value) a sum equal to 1% or more, calculated on a *group* basis where relevant, of:		
	(1)	in the case of a capital transaction or a transaction of which the principal purpose or effect is the granting of credit, the aggregate of the *group's* share capital and reserves; or	
	(2)	in other cases, the total annual purchases, sales, payments or receipts, as the case may be, of the *group*.	
controlling shareholder	means any *person* who exercises or controls on their own or together with any *person* with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the *company*. For the purposes of calculating voting rights, the following voting rights are to be disregarded:		
	(1)	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*); or	
	(2)	any voting rights which a *person* may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:	
		(a)	underwriting the issue or sale of *securities*; or
		(b)	placing *securities*, where the *person* provides a firm commitment to acquire any *securities* which it does not place; or
		(c)	acquiring *securities* from existing shareholders or the *issuer* pursuant to an agreement to procure third-party purchases of *securities*;
	and where the conditions below are satisfied:		
	(i)	the activities set out in (2)(a) to (c) are performed in the ordinary course of business;	
	(ii)	the *securities* to which the voting rights attach are held for a consecutive period of 5 *trading days* or less, beginning with the first *trading day* on which the *securities* are held;	
	(iii)	the voting rights are not exercised within the period the *securities* are held; and	

	(iv)	no attempt is made directly or indirectly by the *person* to intervene in (or attempt to intervene in) or exert (or attempt to exert) influence on the management of the *issuer* within the period the *securities* are held.
convertible securities	a *security* which is:	
	(1)	convertible into, or exchangeable for, other *securities*; or
	(2)	accompanied by a *warrant* or *option* to subscribe for or purchase other *securities*.
deal	a *dealing* transaction;	
dealing	(in accordance with paragraph 2 of Schedule 2 to the *Act* (Regulated activities)) buying, selling, subscribing for or underwriting *investments* or offering or agreeing to do so, either as *principal* or as an agent, including, in the case of an *investment* which is a *contract of insurance*, carrying out the contract.	
debt security	*debentures*, *alternative debentures*, debenture stock, loan stock, bonds, certificates of deposit or any other instrument creating or acknowledging indebtedness.	
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*.	
depositary	a *person* that issues *certificates representing certain securities* that have been *admitted to listing* or are the subject of an application for *admission to listing*.	
DEPP	the Decision Procedure and Penalties manual	
designated professional body	a professional body designated by the Treasury under section 326 of the *Act* (Designation of professional bodies) for the purposes of Part XX of the Act (Provision of Financial Services by Members of the Professions); as at 21 June 2001 the following professional bodies have been designated in the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001 (SI 2001/1226): (a) The Law Society (England and Wales); (b) The Law Society of Scotland; (c) The Law Society of Northern Ireland; (d) The Institute of Chartered Accountants in England and Wales; (e) The Institute of Chartered Accountants of Scotland; (f) The Institute of Chartered Accountants in Ireland; (g) The Association of Chartered Certified Accountants; (h) The Institute of Actuaries.	
director	(in accordance with section 417(1)(a) of the *Act*) a *person* occupying in relation to it the position of a director (by whatever name called) and, in relation to an *issuer* which is not a *body corporate*, a *person* with corresponding powers and duties.	

disclosure guidance	the guidance contained in DTR 1 to 3	
disclosure requirements	articles 17, 18 and 19 of the *Market Abuse Regulation*.	
document	any piece of recorded information, including (in accordance with section 417(1) of the *Act* (Interpretation)) information recorded in any form; in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form.	
document viewing facility	a location identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility.	
DTR	the Disclosure Guidance and Transparency Rules sourcebook containing the *disclosure guidance*, *transparency rules*, *corporate governance rules* and the *rules* relating to *primary information providers*.	
E-Commerce Directive	the Council Directive of 8 June 2002 on legal aspects of *information society services*, in particular electronic commerce, in the Internal Market (No 2000/31/EC).	
EEA State	(in accordance with paragraph 8 of Schedule 3 to the *Act* (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 1 May 2004, the following are the *EEA States*: Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the *United Kingdom*.	
EG	the Enforcement Guide	
employee	an individual:	
	(a)	who is employed or appointed by a *person* in connection with that *person's* business, whether under a contract of service or for services or otherwise; or
	(b)	whose services, under an arrangement between that *person* and a third party, are placed at the disposal and under the control of that *person*;
	but excluding an *appointed representative* or, where applicable, a *tied agent* of that *person*.	
employees' share scheme	has the same meaning as in section 1166 of the Companies Act 2006.	
equity security	*equity shares* and *securities* convertible into *equity shares*.	
equity share	*shares* comprised in a *company's equity share capital*.	
equity share capital	(for a *company*), its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.	
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).	
ESMA	European Securities and Markets Authority.	
ESMA Pro-	the *ESMA* update of the *CESR recommendations*: The consistent	

spectus Recommendations	implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (ESMA/2013/319).	
exercise notice	(in relation to *securitised derivatives*), a document that notifies the *issuer* of a holder's intention to exercise its rights under the *securitised derivative*.	
exercise price	(in relation to *securitised derivatives*), the price stipulated by the *issuer* at which the holder can buy or sell the *underlying instrument* from or to the *issuer*.	
exercise time	(in relation to *securitised derivatives*), the time stipulated by the *issuer* by which the holder must exercise their rights.	
expiration date	(in relation to *securitised derivatives*), the date stipulated by the *issuer* on which the holder's rights in respect of the *securitised derivative* ends.	
external management company	has the meaning in PR 5.5.3A R (i.e., in relation to an *issuer* that is a *company* which is not a collective investment undertaking, a *person* who is appointed by the *issuer* (whether under a contract of service, a contract for services or any other commercial arrangement) to perform functions that would ordinarily be performed by *officers* of the *issuer* and to make recommendations in relation to strategic matters).	
extraction	(in relation to *mineral companies*), includes mining, quarrying or similar activities and the reworking of mine tailings or waste dumps.	
FCA	the Financial Conduct Authority.	
final terms	the document containing the final terms of each issue which is intended to be *listed*.	
financial information table	financial information presented in a tabular form that covers the reporting period set out in LR 13.5.13 R in relation to the entities set out in LR 13.5.14 R, and to the extent relevant LR 13.5.17A R.	
group	(1)	except in LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R (10),LR 14.2.2 R, LR 14.2.3A G, LR 18.2.8 R and LR 18.2.9A G , an *issuer* and its *subsidiary undertakings* (if any); and
	(2)	in LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R (10), LR 14.2.2 R, LR 14.2.3A G, LR 18.2.8 R and LR 18.2.9A G as defined in section 421 of the *Act*.
guarantee	(in relation to *securitised derivatives*), either:	
	(1)	a guarantee given in accordance with LR 19.2.2 R (3)(if any); or
	(2)	any other guarantee of the issue of *securitised derivatives*.
guidance	guidance given by the *FCA* under the *Act*.	
Handbook	the *FCA's* Handbook of rules and guidance.	
holding company	(as defined in section 1159(1) of the Companies Act 2006 (Meaning of "subsidiary" etc) (in relation to another *body corporate* ("S")) a *body corporate* which:	
	(a)	holds a majority of the voting rights in S; or
	(b)	is a member of S and has the right to appoint or remove a majority of its board of directors; or
	(c)	is a member of S and controls alone, under an agreement with other shareholders and members, a majority of the voting rights in S.

Home Member State or *Home State*	(as defined in section 102C of the *Act*) in relation to an issuer of *transferable securities*, the *EEA State* which is the "home Member State" for the purposes of the *prospectus directive* (which is to be determined in accordance with Article 2.1(m) of that directive.	
Host Member State or Host State	(as defined in Article 2.1(n) of the *prospectus directive*) the State where an offer to the public is made or admission to trading is sought, when different from the *home Member State*.	
IAS	*International Accounting Standards*.	
independent director	a *director* whom an *applicant* or *listed company* has determined to be independent under the *UK Corporate Governance Code*.	
independent shareholder	any *person* entitled to vote on the election of *directors* of a *listed company* that is not a *controlling shareholder* of the *listed company*.	
information society service	an information society service, as defined by article 2(a) of the E-Commerce Directive and article 1(2) of the Technical Standards and Regulations Directive (98/34/EC), which is in summary any service normally provided for remuneration, at a distance, by means of electronic equipment for the processing (including the digital compression) and storage of data at the individual request of a service recipient.	
inside information	as described in article 7 of the *Market Abuse Regulation*.	
intermediaries offer	a marketing of *securities* already or not yet in issue, by means of an offer by, or on behalf of, the *issuer* to intermediaries for them to allocate to their own clients.	
International Accounting Standards	international accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.	
in the money	(in relation to *securitised derivatives*):	
	(a)	where the holder has the right to buy the *underlying instrument* or instruments from the *issuer*, when the *settlement price* is greater than the *exercise price*; or
	(b)	where the holder has the right to sell the *underlying instrument* or instruments to the *issuer*, when the *exercise price* is greater than the *settlement price*.
investment entity	an entity whose primary object is investing and managing its assets with a view to spreading or otherwise managing investment risk.	
investment manager	a *person* who, on behalf of a *client*, manages *investments* and is not a wholly-owned *subsidiary* of the *client*.	
investment trust	a *company* which:	
	(a)	is approved by the Commissioners for HM Revenue and Customs under sections 1158 and 1159 of the Corporation Tax Act 2010 (or, in the case of a newly formed *company*, has declared its intention to conduct its affairs so as to obtain such approval); or
	(b)	is resident in an *EEA State* other than the *United Kingdom* and would qualify for such approval if resident in the *United Kingdom*.

issuer	any *company* or other legal person or undertaking (including a *public sector issuer*), any *class* of whose *securities* has been *admitted to listing* or is the subject of an application for *admission to listing*.	
limited liability partnership	(a) a *body corporate* incorporated under the Limited Liability Partnerships Act 2000; (b) a *body corporate* incorporated under legislation having the equivalent effect to the Limited Liability Partnerships Act 2000.	
list of sponsors	the list of *sponsors* maintained by the*FCA* in accordance with section 88(3)(a) of the *Act*.	
listed	admitted to the *official list* maintained by the *FCA* in accordance with section 74 of the *Act*.	
listed company	a *company* that has any *class* of its *securities listed*.	
listing particulars	(in accordance with section 79(2) of the *Act*), a document in such form and containing such information as may be specified in *listing rules*.	
listing rules	(in accordance with sections 73A(1) and 73A(2) of the *Act*) *rules* relating to admission to the *official list*.	
London Stock Exchange	London Stock Exchange Plc.	
long-term incentive scheme	any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive *director's* remuneration package) which may involve the receipt of any asset (including cash or any *security*) by a *director* or *employee* of the *group*:	
	(1)	which includes one or more conditions in respect of service and/or performance to be satisfied over more than one financial year; and
	(2)	pursuant to which the *group* may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.
LR	the sourcebook containing the *listing rules*.	
major subsidiary undertaking	a *subsidiary undertaking* that represents 25% or more of the aggregate of the gross assets or profits (after deducting all charges except taxation) of the *group*.	
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.	
member	(in relation to a profession) a *person* who is entitled to practise that profession and, in practising it, is subject to the rules of the relevant *designated professional body*, whether or not he is a member of that body.	
mineral company	a *company* or *group*, whose principal activity is, or is planned to be, the *extraction* of *mineral resources* (which may or may not include exploration for *mineral resources*).	
mineral expert's report	a competent person's report prepared in accordance with paragraph 133 of the *ESMA Prospectus Recommendations*.	

mineral resources	include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal.	
miscellaneous securities	*securities* which are not:	
	(a)	*shares*; or
	(b)	*debt securities*; or
	(c)	*asset backed securities*; or
	(d)	*certificates representing debt securities*; or
	(e)	*convertible securities* which convert to *debt securities*; or
	(f)	*convertible securities* which convert to *equity securities*; or
	(g)	*convertible securities* which are exchangeable for *securities* of another *company*; or
	(h)	*certificates representing certain securities*; or
	(i)	*securitised derivatives*.
modified report	an accountant's or auditor's report:	
	(a)	in which the opinion is modified; or
	(b)	which contains an emphasis-of-matter paragraph.
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.	
net annual rent	(in relation to a *property*) the current income or income estimated by the valuer:	
	(1)	ignoring any special receipts or deductions arising from the *property*;
	(2)	excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
	(3)	after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the *property* and allowances to maintain it in a condition to command its rent.
non-EEA State	a country or state that is not an *EEA State*.	
OECD state guaranteed issuer	an *issuer* of *debt securities* whose obligations in relation to those securities have been guaranteed by a member state of the *OECD*.	
offer	an *offer of transferable securities to the public*.	
offer for sale	an invitation to the public by, or on behalf of, a third party to purchase *securities* of the *issuer* already in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).	
offer for subscription	an invitation to the public by, or on behalf of, an *issuer* to subscribe for *securities* of the *issuer* not yet in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).	
offer of transferable	(as defined in section 102B of the *Act*), in summary:	

securities to the public		
	(a)	a communication to any person which presents sufficient information on:
		(i) the transferable securities to be offered, and (ii) the terms on which they are offered,
		to enable an investor to decide to buy or subscribe for the securities in question;
	(b)	which is made in any form or by any means;
	(c)	including the placing of securities through a financial intermediary;
	(d)	but not including a communication in connection with trading on: (i) a regulated market; (ii) a multilateral trading facility; or (iii) any market prescribed by an order under section 130A of the *Act*.
	Note: This is only a summary, to see the full text of the definition, readers should consult section 102B of the *Act*.	
offeror	(a)	in LR 5.2.10 R to LR 5.2.11D R, an offeror as defined in the *Takeover Code*; and
	(b)	elsewhere in *LR*, a *person* who makes an *offer of transferable securities to the public*.
official list	the list maintained by the *FCA* in accordance with section 74(1) of the *Act* for the purposes of Part VI of the *Act*.	
open-ended investment company	as defined in section 236 of the *Act* (Open-ended investment companies).	
open offer	an invitation to existing *securities* holders to subscribe or purchase *securities* in proportion to their holdings, which is not made by means of a renounceable letter (or other negotiable document).	
operational objectives	as defined in section 1B(3) of the *Act*.	
option	the *investment*, specified in article 83 of the *Regulated Activities Order* (Options), which is an option to acquire or dispose of: (a) a *designated investment* (other than a *P2P agreement*, an option); or (b) currency of the *United Kingdom* or of any other country or territory; or (c) palladium, platinum, gold or silver; or (d) an option to acquire or dispose of an option specified in (a), (b) or (c).	
overseas	outside the *United Kingdom*.	
overseas company	a *company* incorporated outside the *United Kingdom*.	
overseas investment exchange	an investment exchange which has neither its head office nor its registered office in the *United Kingdom*.	
parent undertaking	as defined in section 1162 of the Companies Act 2006.	
Part 6 rules	(in accordance with section 73A(1) of the *Act*) *rules* made for the purposes of Part 6 of the *Act*.	
PD	*prospectus directive*.	

PD Regulation	Regulation number 809/2004 of the European Commission	
percentage ratio	(in relation to a transaction) the figure, expressed as a percentage, that results from applying a calculation under a *class test* to the transaction.	
person	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a *partnership*).	
person discharging managerial responsibilities	as defined in article 3(1)(25) of the *Market Abuse Regulation*.	
person exercising significant influence	in relation to a *listed company*, a *person* or entity which exercises significant influence over that *listed company*.	
placing	a marketing of *securities* already in issue but not *listed* or not yet in issue, to specified *persons* or clients of the *sponsor* or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the *issuer's securities* generally.	
PR	the sourcebook containing the *Prospectus Rules*.	
preference share	a *share* conferring preference as to income or return of capital which does not form part of the *equity share capital* of a *company*.	
premium listing	(a)	in relation to *equity shares* (other those of a *closed-ended investment fund* or of an *open-ended investment company*), means a *listing* where the *issuer* is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the *listing rules* that are expressed to apply to such *securities* with a *premium listing*;
	(b)	in relation to *equity shares* of a *closed-ended investment fund*, means a *listing* where the *issuer* is required to comply with the requirements in LR 15 (Closed-Ended Investment Funds: Premium listing) and other requirements in the *listing rules* that are expressed to apply to such *securities* with a *premium listing*;
	(c)	in relation to *equity shares* of an *open-ended investment company*, means a *listing* where the *issuer* is required to comply with LR 16 (Open-ended investment companies: Premium listing) and other requirements in the *listing rules* that are expressed to apply to such *securities* with a *premium listing*.
premium listing (commercial company)	a *premium listing* of *equity shares* (other than those of a *closed-ended investment fund* or of an *open-ended investment company*).	
premium listing (investment company)	a *premium listing* of *equity shares* of a *closed-ended investment fund* or of an *open-ended investment company*.	
primary information provider	a *person* approved by the *FCA* under section 89P of the *Act*.	

probable reserves	(1)	in respect of *mineral companies* primarily involved in the *extraction* of oil and gas resources, those reserves which are not yet *proven* but which, on the available evidence and taking into account technical and economic factors, have a better than 50% chance of being produced; and
	(2)	in respect of *mineral companies* other than those primarily involved in the *extraction* of oil and gas resources, those *measured* and/or indicated mineral resources, which are not yet *proven* but of which detailed technical and economic studies have demonstrated that *extraction* can be justified at the time of the determination and under specified economic conditions.
profit estimate	(as defined in the *PD Regulation*) a profit forecast for a financial period which has expired and for which results have not yet been published.	
profit forecast	(as defined in the *PD Regulation*) a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word "profit" is not used.	
property	freehold, heritable or leasehold property.	
property company	a *company* primarily engaged in *property* activities including:	
	(1)	the holding of *properties* (directly or indirectly) for letting and retention as investments;
	(2)	the development of *properties* for letting and retention as investments;
	(3)	the purchase and development of *properties* for subsequent sale; or
	(4)	the purchase of land for development *properties* for retention as investments.
property valuation report	a *property* valuation report prepared by an independent expert in accordance with:	
	(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.
prospectus	a prospectus required under the *prospectus directive*.	
prospectus directive	the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No 2003/71/EC).	
prospectus rules	(as defined in section 73A(4) of the *Act*) *rules* expressed to relate to *transferable securities*.	

proven reserves	(1)	in respect of *mineral companies* primarily involved in the *extraction* of oil and gas resources, those reserves which, on the available evidence and taking into account technical and economic factors, have a better than 90% chance of being produced; and
	(2)	in respect of *mineral companies* other than those primarily involved in the *extraction* of oil and gas resources, those measured *mineral resources* of which detailed technical and economic studies have demonstrated that *extraction* can be justified at the time of the determination, and under specified economic conditions.
public international body	the African Development bank, the Asian Development Bank, the Caribbean Development Bank, the Council of Europe Development Bank, the European Atomic Energy Community, the European Bank for Reconstruction and Development, the European Company for the Financing of Railroad Stock, the *EU*, the European Investment Bank, the Inter-American Development bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, the Nordic Investment bank.	
public sector issuer	states and their regional and local authorities, *state monopolies*, *state finance organisations*, *public international bodies*, statutory bodies and *OECD state guaranteed issuers*.	
recognised scheme	a *scheme* recognised under:	
	(a)	section 264 of the *Act* (Schemes constituted in other EEA States); or
	(b)	[deleted]
	(c)	section 272 of the *Act* (Individually recognised overseas schemes).
registration document	a registration document referred to in PR 2.2.2 R.	
Regulated Activities Order	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).	
regulated market	a multilateral system operated and/or managed by a *market operator*, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in *financial instruments* - in the system and in accordance with its non-discretionary rules -in a way that results in a contract, in respect of the *financial instruments* admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of *MiFID*. [**Note:** article 4(1)(21) of *MiFID*]	
regulatory information service or *RIS*	(a) a *primary information provider*; or (b) an incoming *information society service* that has its *establishment* in an *EEA State* other than the *United Kingdom* and that disseminates *regulated information* in accordance with the minimum standards set out in article 12 of the TD implementing Directive. (c) [deleted]	
related party	as defined in LR 11.1.4 R.	

related party circular	a *circular* relating to a *related party transaction*.
related party transaction	as defined in LR 11.1.5 R.
retail securitised derivative	a *securitised derivative* which is not a specialist securitised derivative; in this definition, a "specialist securitised derivative" is a *securitised derivative* which, in accordance with the *listing rules*, is required to be admitted to listing with a clear statement on any disclosure document that the issue is intended for a purchase by only investors who are particularly knowledgeable in investment matters.
reverse takeover	a transaction classified as a *reverse takeover* under LR 5.6.
RIE	*recognised investment exchange*.
rights issue	an offer to existing *security* holders to subscribe or purchase further *securities* in proportion to their holdings made by means of the issue of a renounceable letter (or other negotiable document) which may be traded (as "nil paid" rights) for a period before payment for the *securities* is due.
rule	(in accordance with section 417(1) of the *Act* (Definitions)) a rule made by the *FCA* under the *Act*, including: (a) a *Principle*; and (b) an *evidential provision*.
schedule	(as defined in the *PD Regulation*) a list of minimum information requirements adapted to the particular nature of the different types of *issuers* and/or the different *securities* involved.
scientific research based company	a *company* primarily involved in the laboratory research and development of chemical or biological products or processes or any other similar innovative science based company.
securities note	a securities note referred to in PR 2.2.2 R.
securitised derivative	an *option* or *contract for differences* which, in either case, is *listed* under LR 19 (including such an *option* or *contract for differences* which is also a *debenture*).
security	(in accordance with section 102A of the *Act*) anything which has been, or may be admitted to the *official list*.
settlement price	(in relation to *securitised derivatives*), the reference price or prices of the *underlying instrument* or instruments stipulated by the *issuer* for the purposes of calculating its obligations to the holder.
shadow director	as in sub-paragraph (b) of the definition of director in section 417(1) of the *Act*.
share	(in accordance with section 540(1) of the Companies Act 2006) a share in the share capital of a *company*, and includes: (a) stock (except where a distinction between shares and stock is express or implied); and (b) *preference shares*.
shell company	as defined in LR 5.6.5AR.
specialist investor	an investor who is particularly knowledgeable in investment matters.

specialist securities	*securities* which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.	
specialist securitised derivative	a *securitised derivative* which because of its nature is normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.	
specified investment	any of the following *investments* specified in Part III of the *Regulated Activities Order* (Specified Investments):	
	(a)	*deposit* (article 74);
	(aa)	*electronic money* (article 74A);
	(b)	*contract of insurance* (article 75); for the purposes of the permission regime, this is sub-divided into: (i) *general insurance contract*; (ii) *long-term insurance contract*;
		and then further sub-divided into classes of *contract of insurance*;
	(c)	*share* (article 76);
	(d)	*debenture* (article 77);
	(da)	*alternative debenture* (article 77A);
	(e)	*government and public security* (article 78);
	(f)	*warrant* (article 79);
	(g)	*certificate representing certain securities* (article 80);
	(h)	*unit* (article 81);
	(i)	*stakeholder pension scheme* (article 82);
	(ia)	*emissions auction product* (article 82A);
	(j)	*option* (article 83); for the purposes of the *permission* regime, this is sub-divided into: (i) *option* (excluding a *commodity option* and an *option* on a *commodity future*); (ii) *commodity option* and an *option* on a *commodity future*;
	(k)	*future* (article 84); for the purposes of the *permission* regime, this is sub-divided into: (i) *future* (excluding a *commodity future* and a *rolling spot forex contract*); (ii) *commodity future*; (iii) *rolling spot forex contract*;
	(l)	*contract for differences* (article 85); for the purposes of the *permission* regime, this is sub-divided into: (i) *contract for differences* (excluding a *spread bet* and a *rolling spot forex contract*); (ii) *spread bet*; (iii) *rolling spot forex contract*;
	(m)	*underwriting capacity of a Lloyd's syndicate* (article 86(1));
	(n)	*membership of a Lloyd's syndicate* (article 86(2));
	(o)	*funeral plan contract* (article 87);
	(oa)	*regulated mortgage contract* (article 61(3);
	(ob)	*home reversion plan* (article 63B(3));
	(oc)	*home purchase plan* (article 63F(3));
	(od)	*regulated sale and rent back agreement* (article 63J(3));

	(p)	*rights to or interests in investments* (article 89).
sponsor	a *person* approved, under section 88 of the *Act* by the *FCA*, as a sponsor.	
sponsor declaration	a declaration submitted by a *sponsor* to the *FCA* as required under LR 8.4.3 R (Application for listing), LR 8.4.9 R (Further application for listing), LR 8.4.13 R (Production of circular) or LR 8.4.14 R (Transfer between listing category).	
sponsor service	a service relating to a matter referred to in LR 8.2 that a *sponsor* provides or is requested or appointed to provide including preparatory work that a *sponsor* may undertake before a decision is taken as to whether or not it will act as *sponsor* for a *listed company* or *applicant* or in relation to a particular transaction, and including all the *sponsor's* communications with the *FCA* in connection with the service. But nothing in this definition is to be taken as requiring a *sponsor* when requested to agree to act as a *sponsor* for a *company* or in relation to a transaction.	
standard listing	in relation to *securities*, means a *listing* that is not a *premium listing*.	
standard listing (shares)	a *standard listing* of *shares* other than *preference shares* that are *specialist securities*.	
state finance organisation	a legal person other than a *company*:	
	(1)	which is a national of an *EEA State*;
	(2)	which is set up by or pursuant to a special law;
	(3)	whose activities are governed by that law and consist solely of raising funds under state control through the issue of *debt securities*;
	(4)	which is financed by means of the resources they have raised and resources provided by the *EEA State*; and
	(5)	the *debt securities* issued by it are considered by the law of the relevant *EEA State* as securities issued or guaranteed by that state.
state monopoly	a *company* or other legal person which is a national of an *EEA State* and which:	
	(1)	in carrying on its business benefits from a monopoly right granted by an *EEA state*; and
	(2)	is set up by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by an *EEA state* or one of the federated states of an *EEA state*.
subsidiary undertaking	as defined in section 1162 of the Companies Act 2006.	
substantial shareholder	as defined in LR 11.1.4A R.	
summary	(in relation to a *prospectus*) the *summary* included in the *prospectus*.	
SUP	the Supervision manual.	
supplementary listing particulars	(in accordance with section 81(1) of the *Act*), supplementary listing particulars containing details of the change or new matter.	
supplementary prospectus	a supplementary prospectus containing details of a new factor, mistake or inaccuracy.	

Takeover Code	the City Code on Takeovers and Mergers issued by the *Takeover Panel*.	
target	the subject of a *class 1 transaction* or *reverse takeover*.	
tender offer	an offer by a *company* to purchase all or some of a *class* of its *listed equity securities* at a maximum or fixed price (that may be established by means of a formula) that is:	
	(1)	communicated to all holders of that *class* by means of a *circular* or advertisement in two national newspapers;
	(2)	open to all holders of that *class* on the same terms for at least 7 days; and
	(3)	open for acceptance by all holders of that *class* pro rata to their existing holdings.
trading day	a day included in the calendar of trading days published by the *FCA* at www.fca.org.uk.	
transferable security	(as defined in section 102A of the *Act*) anything which is a transferable security for the purposes of *MiFID*, other than money-market instruments for the purposes of that directive which have a maturity of less than 12 months.	
transparency rules	in accordance with sections 73A(1) and 89A of the *Act*, *rules* relating to the notification and dissemination of information in respect of *issuers* of *transferable securities* and relating to major shareholdings.	
treasury shares	shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.	
trust deed	a trust deed or equivalent document securing or constituting *debt securities*.	
UK	*United Kingdom*.	
UK Corporate Governance Code	the UK Corporate Governance Code published in April 2016 by the Financial Reporting Council, available at: https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.	
underlying instrument	(in relation to *securitised derivatives*) means either:	
	(1)	if the *securitised derivative* is an *option* or *debt security* with the characteristics of an *option*, any of the underlying investments listed in article 83 of the *Regulated Activities Order*; or
	(2)	if the *securitised derivative* is a *contract for differences* or *debt security* with the characteristics of a *contract for differences*, any factor by reference to which a profit or loss under article 85 of the *Regulated Activities Order* can be calculated.
unrecognised scheme	a *collective investment scheme* which is neither a *recognised scheme* nor a scheme that is constituted as an *authorised unit trust scheme* or an *authorised contractual scheme*.	
vendor consideration placing	a marketing, by or on behalf of vendors, of *securities* that have been allotted as consideration for an acquisition.	
venture capital trust	a *company* which is, or which is seeking to become, approved as a venture capital trust under section 842AA of the Income and Corporation Taxes Act 1988.	
warrant	the *investment*, specified in article 79 of the *Regulated Activities Order* (Instruments giving entitlements to investments), which is in summary: a warrant or other instrument entitling the holder	

	to subscribe for a *share*, *debenture*, *alternative debenture* or *government and public security*.

Appendix 2
Annual Financial Report for certain listed companies

2.1

App2.1.1 R As set out in ■ LR TR 11, a *listed company* with a financial year ending before 30 September 2013, or a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013, must comply with the requirements set out in this appendix in relation to their annual financial report. To assist *listed companies*, this appendix adopts the text of ■ LR 9.8 before this was amended by the Listing Rules (Annual Financial Report) Instrument 2013 in order to cover *listed companies* with a financial year ending before 30 September 2013, and *listed companies* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013.

App2.1.2 G

9.8 Annual financial report

9.81 R [not used]

9.8.2 R [not used]

9.8.3 R [not used]

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) a statement of the amount of interest capitalised by the *group* during the period under review with an indication of the amount and treatment of any related tax relief;

(2) any information required by LR 9.2.18 R (Publication of unaudited financial information);

(3) details of any small related party transaction as required by LR 11.1.10 R (2)(c);

(4) details of any long-term incentive schemes as required by LR 9.4.3 R;

(5) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;

(6) where a *director* has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review;

(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 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;

(8) the information required by paragraph (7) must be given for any unlisted major subsidiary undertaking of the *company*;

(9) where a *listed company* has listed shares in issue and is a *subsidiary undertaking* of another *company*, details of the participation by the *parent undertaking* in any placing made during the period under review;

(10) details of any contract of significance subsisting during the period under review:

(a) to which the *listed company*, or one of its *subsidiary undertakings*, is a party and in which a *director* of the *listed company* is or was materially interested; and

(b) between the *listed company*, or one of its *subsidiary undertakings*, and a controlling shareholder;

(11) details of any contract for the provision of services to the *listed company* or any of its *subsidiary undertakings* by a controlling shareholder, subsisting during the period under review, unless:

(a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and

(b) it is not a contract of significance;

(12) details of any arrangement under which a shareholder has waived or agreed to waive any dividends; and

(13) where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.

9.8.5 G A *listed company* need not include with the annual report and accounts details of waivers of dividends of less than 1% of the total value of any dividend provided that some payment has been made on each *share* of the relevant *class* during the relevant calendar year.

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 interests (in respect of which transactions are notifiable to the company under article 19 of the *Market Abuse Regulation*) of each *person* who is a *director* of the *listed company* as at the end of the period under review including:

(a) all changes in the 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 interests of each *director*;

Interests of each *director* include the interests of *connected persons* of which the *listed company* is, or ought upon reasonable enquiry to become, aware.

(2) a statement showing the interests disclosed to the *listed company* in accordance with DTR 5 as at the end of the period under review and:

(a) all interests disclosed to the *listed company* in accordance with DTR 5 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 no interests have been disclosed to the *listed company* in accordance with DTR 5 in the period described in (a), a statement that no changes have been disclosed to the *listed company*;

(3) a statement made by the *directors* that the business is a going concern, together with supporting assumptions or qualifications as necessary, that has been prepared in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009, published by the Financial Reporting Council in October 2009;

(4) a statement setting out:

(a) details of any shareholders' authority for the purchase, by the *listed company* of its own *shares* that is still valid at the end of the period under review;

(b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such *shares* purchased, or proposed to be purchased, by the *listed company* during the period under review;

(c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc) ; and

(d) in the case of sales of *treasury shares* for cash made otherwise than through the market, or in connection with an employees' share scheme, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the *listed company's securities* (or to all holders of a relevant class of its *securities*) on the same terms, particulars of the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;

(5) a statement of how the *listed company* has applied the Main Principles set out in the *UK Corporate Governance Code*, in a manner that would enable shareholders to evaluate how the principles have been applied;

(6) a statement as to whether the *listed company* has:

(a) complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code*; or

(b) not complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code* and if so, setting out:

(i) those provisions, if any it has not complied with;

(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and

(iii) the *company's* reasons for non-compliance; and

(7) a report to the shareholders by the Board which contains all the matters set out in LR 9.8.8 R.

9.8.6A G (1) The effect of LR 9.8.6 R (1) is that a *listed company* is required to set out a 'snapshot' of the total interests of a *director* and his or her *connected persons*, as at the end of the period under review (including certain information to update it as at a date not more than a month before the date of the notice of the annual general meeting). The interests that need to be set out are limited to those in respect of which transactions fall to be notified under the notification requirement for PDMRs in article 19 of the *Market Abuse Regulation*. *Persons* who are *directors* during, but not at the end of, the period under review need not be included.

(2) A *listed company* unable to compile the statement in LR 9.8.6 R (1) from information already available to it may need to seek the relevant information, or confirmation, from the *director* himself, including that in relation to *connected persons*, but would not be expected to obtain information directly from *connected persons*.

9.8.7 R An *overseas company* with a *premium listing* must include in its annual report and accounts the information in LR 9.8.6 R (5), LR 9.8.6 R (6) and LR 9.8.8 R (9).

9.8.7A R (1) An *overseas company* with a *premium listing* that is not required to comply with requirements imposed by another *EEA State* that correspond to DTR 7.2 (Corporate governance statements) must comply with DTR 7.2 as if it were an *issuer* to which that section applies.

(2) An *overseas company* with a *premium listing* which complies with LR 9.8.7 R will be taken to satisfy the requirements of DTR 7.2.2 R and DTR 7.2.3 R, but (unless it is required to comply with requirements imposed by another *EEA State* that correspond to DTR 7.2) must comply with all of the other requirements of DTR 7.2 as if it were an *issuer* to which that section applies.

Report to shareholders

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

(1) a statement of the *listed company's* policy on executive *directors'* remuneration;

(2) information presented in tabular form, unless inappropriate, together with explanatory notes as necessary on:

(a) the amount of each element in the remuneration package for the period under review of each *director*, by name, including but not restricted to, basic salary and fees, the estimated money value of benefits in kind, annual bonuses, deferred bonuses, compensation for loss of office and payments for breach of contract or other termination payments;

(b) the total remuneration for each *director* for the period under review and for the corresponding prior period;

(c) any significant payments made to former *directors* during the period under review; and

(d) any share options, including Save-as-you-earn options, for each *director*, by name, in accordance with the requirements of the Directors' Remuneration Report Regulations;

(3) details of any *long-term incentive schemes*, other than share options as required by paragraph (2)(d), including the interests of each *director*, by name, in the *long-term incentive schemes* at the start of the period under review;

(4) details of any entitlements or awards granted and commitments made to each *director* under any *long-term incentive schemes* during the period, showing which crystallize either in the same year or in subsequent years;

(5) details of the monetary value and number of *shares*, cash payments or other benefits received by each *director* under any *long-term incentive schemes* during the period;

(6) details of the interests of each *director* in the *long-term incentive schemes* at the end of the period;

(7) an explanation and justification of any element of a *director's* remuneration, other than basic salary, which is pensionable;

(8) details of any *director's* service contract with a notice period in excess of one year or with provisions for pre-determined compensation on termination which exceeds one year's salary and benefits in kind, giving the reasons for such notice period;

(9) details of the unexpired term of any *directors*' service contract of a *director* proposed for election or re-election at the forthcoming annual general meeting, and, if any *director* proposed for election or re-election does not have a *directors*' service contract, a statement to that effect;

(10) a statement of the *listed company's* policy on the granting of options or awards under its employee share scheme and other *long-term incentive schemes*, explaining and justifying any departure from that policy in the period under review and any change in the policy from the preceding year;

(11) for *money purchase schemes* 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*

a) details of the amount of the increase during the period under review (excluding inflation) and of the accumulated total amount at the end of the period in respect of the accrued benefit to which each *director* would be entitled on leaving service or is entitled having left service during the period under review;

(b) either:

	(i)	the transfer value (less *director's* contributions) of the relevant increase in accrued benefit (to be calculated in accordance with regulations 7 to 7E of the Occupational Pension Schemes (Transfer Values) Regulations 1996 but making no deduction for any under-funding) as at the end of the period; or
	(ii)	so much of the following information as is necessary to make a reasonable assessment of the transfer value in respect of each *director*: (A) age; (B) normal retirement age; (C) the amount of any contributions paid or payable by the director under the terms of the scheme during the period under review; (D) details of spouses and dependants benefits; (E) early retirement rights and options; (F) expectations of pension increases after retirement (whether guaranteed or discretionary); and (G) discretionary benefits for which allowance is made in transfer values on leaving and any other relevant information which will significantly affect the value of the benefits; and
(c)	no disclosure of voluntary contributions and benefits.	

2

Information required by law

9.8.9 G The requirements of LR 9.8.6 R (6) and LR 9.8.8 R relating to corporate governance are additional to the information required by law to be included in the *listed company's* annual report and accounts.

Auditors report

9.8.10 R A *listed company* must ensure that the auditors review each of the following before the annual report is published:

(1) LR 9.8.6R(3) (statement by the directors that the business is a going concern); and

(2) the parts of the statement required byLR 9.8.6 R (6) (corporate governance) that relate to the following provisions of the *UK Corporate Governance Code*:

(a) C.1.1;

(b) C.2.1; and

(c) C.3.1 to C.3.7.

9.8.11 R A *listed company* must ensure that the auditors review the following disclosures:

(1) LR 9.8.8 R (2) (amount of each element in the remuneration package and information on share options);

(2) LR 9.8.8 R (3), LR 9.8.8 R (4) and (5) (details of long term incentive schemes for directors);

(3) LR 9.8.8 R (11) (money purchase schemes); and

(4) LR 9.8.8 R (12) (defined benefit schemes).

9.8.12 R If, in the opinion of the auditors the *listed company* has not complied with any of the requirements set out in LR 9.8.11 R the *listed company* must ensure that the auditors' report includes, to the extent possible, a statement giving details of the non-compliance.

Summary financial statements

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

(1) earnings per share; and

(2) the information required for summary financial statements set out in or under the Companies Act 2006.

Appendix 3

Listing Rules

LR TR 1
Transitional Provisions: General and Venture Capital Trusts

General Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	Amendments to *LR* set out in Annex B of the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006, relating to: (i) DTR 4 and periodic financial reporting; and (ii) DTR 6 in so far as they may relate to, or are required to give effect to, amendments in (i).	R	deleted		
1A	*LR* provisions referring to Companies Acts 1985, 2006 or related provisions.	R	deleted		
1B	LR 12.4.7 R (2)	R	A *company* may obtain the approval required by LR 12.4.7 R (2) by extraordinary resolution (rather than a special resolution) if there is a reference to an extraordinary resolution in the *company's* memorandum and articles which requires or permits it and which continues to have effect by virtue of article 9 and paragraph	From 6 February 2008 until further notice	1 July 2005

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			23 of Schedule 3 of The Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.		

Transitional Provisions for venture capital trusts

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2	LR 15.2.11 R - LR 15.2.13A R and LR 15.4.7 R	R	expired		
3	LR 15.6.8 R	R	expired		

Listing Rules

LR TR 2
Transitional Provision for closed-ended investment funds listed before 28 September 2007

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	LR 15.4.1A R and LR 15.4.1B G	R	deleted		

Listing Rules

LR TR 3
Transitional Provisions for Investment Entities already listed under LR 14

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 5.2.7A R,LR 14, LR 15 and LR 16	R	These transitional provisions apply to an entity that is an *overseas company* and an *investment entity* and that immediately before 6 March 2008 did not comply with the requirements of LR 15 or LR 16 but complied with the requirements of LR 14.	6 April 2010 Indefinite	6 April 2010
2.	LR 5.2.7A R,LR 14, LR 15 and LR 16	R	LR 14 continues to apply to the entity for so long as it is listed after that date (and LR 15 and LR 16 do not apply) unless the entity makes an election under rule 3 of these transitional provisions.	6 April 2010 Indefinite	6 April 2010
3.	LR 5.2.7A R,LR 14, LR 15 and LR 16	R	The entity may by notice in writing given to the *FCA* elect to comply with the requirements of LR 15 or LR 16 (whichever is applicable to the entity) instead of the re-	6 April 2010 Indefinite	6 April 2010

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
			quirements in LR 14 from a date specified in the notice. An entity should not give notice under this transitional rule unless it has come to a reasonable opinion, after having made due and careful enquiry, that it can satisfy the requirements of LR 15 and 16 (as the case may be).		
4.	LR 5.2.7A R,LR 14, LR 15 and LR 16	R	If an entity gives a notice under TR3 3R of these transitional provisions it must comply with the requirements of LR 15 or LR 16 (as the case may be) from the date specified in the notice and the requirements of LR 14 no longer apply to the entity from that date.	6 April 2010 Indefinite	6 April 2010
Note: An entity which intends to give notice under LR 3 LR TR 3 3R should consult with the *FCA* at the earliest possible stage if it intends to comply with the requirements of LR 15 or LR 16 (whichever is applicable to the entity) instead of the requirements in LR 14.					

Listing Rules

LR TR 4
Transitional Provision for Issuers with a Premium Listing that are Overseas Companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.8.7 R	R	deleted		

Listing Rules

LR TR 5
Transitional Provision for companies incorporated in the United Kingdom

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.12R (1), (2) and (3)	R	deleted		

Listing Rules

LR TR 6
Transitional Provision for overseas companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.11 R	R	[deleted]		
2.	LR 9.8.7A R	R	[deleted]		
3.	LR 14.3.24 R	R	[deleted]		

Listing Rules

LR TR 7
Transitional Provision for issuers with shares that do not confer full voting rights

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 10, LR 11, LR 12	R	expired		

Listing Rules

LR TR 8
Transitional Provisions for the Combined Code

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 9.8.6R (5) and (6) LR 15.6.6R (2)	R	expired		

Listing Rules

LR TR 9
Transitional Provision for a company that has a premium listing of equity shares but does not comply with LR 9.2.20R

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.2.20 R	R	expired		

Listing Rules

LR TR 10
Transitional Provision in relation to new sponsor services

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 5.6.6 R	R	expired		
2.	LR 5.6.13 R, LR 5.6.17 R, LR 5.6.26 R	R	expired		
3.	LR 13.5.27B R	R	expired		

Listing Rules

LR TR 11
Transitional Provisions in relation to Annual Financial Report

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.8	R	(1) LR 9.8 does not apply to a *listed company* with a financial year ending before 30 September 2013, or to a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013. (2) A *listed company* with a financial year ending before 30 September 2013, or a *listed company* with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013, must instead comply with the requirements set out in LR App 2.	From 13 December 2013	13 December 2013

Listing Rules

LR TR 12
Transitional Provisions in relation to continuing obligations regarding premium listing

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.2.2AR (2)(a)	R	LR 9.2.2AR (2)(a) does not apply.	From 16 May 2014 up to and including 16 November 2014	16 May 2014
2.	LR 9.2.2AR (2)(b)	R	LR 9.2.2AR (2)(b) does not apply.	From 16 May 2014 up to and including the date of the next annual general meeting of the *listed company*, other than an annual general meeting for which notice: (i) has already been given; or (ii) is given within a period of 3 months from the event that resulted in a *person* becoming a *controlling shareholder* of a *listed company*.	16 May 2014
3.	LR 9.2.2E R	R	LR 9.2.2E R does not apply.	From 16 May 2014 up to and including the date of the next annual general meeting of the *listed company* other than an annual general meeting for which notice: (i) has already been given; or (ii) is given within a period of 3 months from the event that re-	16 May 2014

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
				sulted in a *person* becoming a *controlling shareholder* of a *listed company*.	
4.	LR 9.2.21 R	R	Where a *listed company* is admitted to the *premium listing* category of the *official list* on or before 15 May 2014, LR 9.2.21 R does not apply.	From 16 May 2014 up to and including 16 May 2016	16 May 2014
5.	LR 9.8.4C R	R	LR 9.8.4C R does not apply to a *listed company* with a financial year ending on or before 31 August 2014.	From 16 May 2014	16 May 2014
6.	LR 13.8.17 R	R	LR 13.8.17 R does not apply.	From 16 May 2014 up to and including 16 August 2014	16 May 2014

Listing Rules

LR TR 13
Transitional Provisions for the UK Corporate Governance Code

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 9.8.6R(3)	R	[expired]		
2.	LR 9.8.6R(5), LR 9.8.6R(6) and LR 15.6.6R(2)	R	[expired]		
3.	LR 9.8.10R	R	[expired]		
4.	LR 9.8.6R(3), LR 9.8.6R(5), LR 9.8.6R(6) and LR 15.6.6R(2)	R	In the case of an annual financial report of a *listed company* or a *closed-ended investment fund* incorporated in the *United Kingdom* for an accounting period ending on or before 16 June 2017, a reference to a Main Principle, principle or provision in the *UK Corporate Governance Code* must be read as a reference to a Main Principle, principle or provision in the UK Corporate Governance Code published by the Financial Reporting Council in September 2014.	From 13 September 2017 to 31 December 2017	13 September 2017
5.	LR 9.8.10R	R	In the case of an annual financial report of a *listed company* or a *closed-ended investment fund* incorporated in the *United Kingdom* for an accounting period ending on or before 16 June 2017: (1)LR 9.8.10R does not apply; and (2)the *listed company* or *closed-ended investment fund* must ensure that the auditors review the following before the annual report is published: (a)LR 9.8.6R(3) (statements by the directors regarding going concern and longer-term viability); and(b) the parts of the statement required by LR 9.8.6R(6) (comply or explain) that relate to C.1.1, C.2.1 and C.2.3, and C.3.1 to C.3.8 of the UK Corporate Governance Code published by the Financial	From 13 September 2017 to 31 December 2017	13 September 2017

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
			Reporting Council in September 2014.		

Listing Rules

Schedule 1
[to follow]

Sch 1
[to follow]

Listing Rules

Schedule 2
[to follow]

Sch 2
[to follow]

Listing Rules

Schedule 3
[to follow]

Sch 3
[to follow]

Listing Rules

Schedule 4
Powers exercised

Sch 4.1 G
[deleted]

Sch 4.2 G
[deleted]

Listing Rules

Schedule 5
[to follow]

Sch 5
[to follow]

Listing Rules

Schedule 6
Rules that can be waived

Sch 6.1 G
As a result of section 138A of the Act (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.

Sch 6.2 G
In addition section 82 (Exemptions from disclosure) of the *Act* provides the *FCA* with discretion to authorise omissions from disclosure requirements derived from the *Consolidated Admissions and Reporting Directive* in the circumstances specified in that section.