

# 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

- 14.3.7 **R** (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.
- (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*.

### Disclosure of rights attached to shares

14.3.11A **R** Unless exempted in **LR 14.3.11D**, a *company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed shares*;

- (b) the relevant agreement or document setting out the terms and conditions on which its *listed shares* were issued; or
  - (c) a document describing:
    - the rights attached to its *listed shares*;
    - limitations on such rights; and
    - the procedure for the exercise of such rights,
 produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *company* been required to produce a *prospectus* for those *listed shares*; and
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
- (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*.

**14.3.11B** R The documents in ■ LR 14.3.11AR must be forwarded to the *FCA* for publication by uploading them to the system identified by the *FCA* on its website as the national storage mechanism.

**14.3.11C** G The purpose of ■ LR 14.3.11AR is to require *companies* to maintain publicly available information in relation to the rights attached to their *listed shares* so that investors can access such information.

**14.3.11D** R A *company* is exempt from ■ LR 14.3.11AR where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ LR 14.3.11AR(1);
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in ■ LR 14.3.11AR(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on the *document viewing facility*; or
  - (b) uploading them to the system identified by the *FCA* on its website as the national storage mechanism.



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% or 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 and corporate governance 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.

14.3.25 **R** A *company* with a *standard listing* of *equity shares* (other than an *open-ended investment company*) that is not already required to comply with:

(1) ■ DTR 7.3 (Related party transactions); or

(2) requirements imposed by another EEA State that correspond to ■ DTR 7.3;

must comply with ■ DTR 7.3 as if it were an *issuer* to which ■ DTR 7.3 applies, subject to the modifications set out in ■ LR 14.3.26R.

14.3.26 **R** For the purposes of ■ LR 14.3.25R, ■ DTR 7.3 is modified as follows:

(1) ■ DTR 7.3.2R must be read as if the words “has the meaning in *IFRS*” are replaced by:

“has the meaning:

(a) in *IFRS*; or

(b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have

been determined to be equivalent to *IFRS* by the European Commission in accordance with Commission Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council,

(i) in *IFRS*, or

(ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the *listed company*."

- (2) ■ DTR 7.3.8R(2) and ■ (3) do not apply;
- (3) ■ DTR 7.3.9R must be read as follows:
- (a) as if the words "after obtaining board approval" are replaced by "after publishing an announcement in accordance with ■ DTR 7.3.8R(1)"; and
- (b) the reference to ■ DTR 7.3.8R must be read as a reference to ■ DTR 7.3.8R as modified by ■ LR 14.3.26R(2); and
- (4) in ■ DTR 7.3.13R the references to ■ DTR 7.3.8R must be read as references to ■ DTR 7.3.8R as modified by ■ LR 14.3.26R(2).

