Chapter 14

Standard listing (shares)
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.
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**

(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 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 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 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 A company applying for a standard listing of shares will need to comply with **LR 3** (Listing applications: All securities).

14.2.6 [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 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

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)

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

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

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.

[deleted]

[deleted]

[deleted]
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]

14.3.17  R

Notifications relating to capital

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 [deleted]

14.3.20 [deleted]

14.3.21 [deleted]

**Compliance with the transparency rules and corporate governance rules**

14.3.22 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 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 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 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 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

(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).