

Chapter 14

Standard listing (shares)

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]