Chapter 2

Requirements for listing: All securities
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 a third country, 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 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 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 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. All other securities must be admitted to trading on a RIE’s market for listed securities.

Transferability

2.2.4 (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 The FCA may modify LR 2.2.4 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
2.2.6  

The FCA may in exceptional circumstances modify or dispense with

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]

2.2.7  

Market capitalisation

(1) The expected aggregate market value of all securities (excluding treasury shares and shares of a closed-ended investment fund or open-ended investment company) to be listed must be at least:

(a) £30 million for shares; and
(b) £200,000 for debt securities.

(1A) The expected aggregate market value of shares of a closed-ended investment fund or open-ended investment company to be listed must be at least £700,000.

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

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

2.2.8  

The FCA may modify 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]

2.2.9  

Whole class to be listed

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]

2.2.10  

Prospectus

(1) This rule applies if:

(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.
To be listed a prospectus must have been approved by the FCA and published in relation to the securities.

**Listing particulars**

(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**

(1) listed securities; or

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

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]

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