

## Chapter 2

Requirements for listing: All securities

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*. 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

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

2.2.6

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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

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(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

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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

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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

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(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*.

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

		<b>Listing particulars</b>
2.2.11	R	<p>(1) This rule applies if, under ■ LR 4, <i>listing particulars</i> must be approved and published for <i>securities</i>.</p> <p>(2) To be <i>listed</i>, <i>listing particulars</i> for the <i>securities</i> must have been approved by the FCA and published in accordance with ■ LR 4.</p>
		<b>Convertible securities and miscellaneous securities carrying the right to buy or subscribe for other securities</b>
2.2.12	R	<p><i>Convertible securities</i> and <i>miscellaneous securities</i> giving the holder the right to buy or subscribe for other <i>securities</i> may be <i>admitted</i> to <i>listing</i> only if the <i>securities</i> into which they are convertible or over which they give a right to buy or subscribe are already, or will become at the same time:</p> <p>(1) <i>listed securities</i>; or</p> <p>(2) <i>securities</i> listed on a regulated, regularly operating, recognised open market. [Note: article 59 CARD]</p>
2.2.13	G	<p>The FCA may dispense with ■ LR 2.2.12 R if it is satisfied that holders of the <i>convertible securities</i> have at their disposal all the information necessary to form an opinion about the value of the underlying <i>securities</i>. [Note: article 59 CARD]</p>
2.2.14	R	[deleted]
2.2.15	R	[deleted]