

## Chapter 21

# Sovereign Controlled Commercial Companies: Premium listing



## 21.1 Application

- 21.1.1** **R** This chapter applies to a *sovereign controlled commercial company* applying for, or with, a *premium listing (sovereign controlled commercial company)*.
- 21.1.2** **R** ■ LR 21.2 to ■ LR 21.5 apply in respect of a *premium listing (sovereign controlled commercial company)* of *equity shares*.
- 21.1.3** **R** ■ LR 21.6 to ■ LR 21.10 apply in respect of a *premium listing (sovereign controlled commercial company)* of *certificates representing shares* and apply to:
- (1) a *depository*; and
  - (2) an *issuer* of the *equity shares* which are represented by certificates.

## 21.2 Requirements for listing: Equity shares

- 21.2.1** **R** To be *listed*, an *applicant* must comply with:
- LR 2 (Requirements for listing: All securities);
  - LR 6 (Additional requirements for premium listing (commercial company)) except ■ LR 6.1.1R and subject to the modifications and additional requirements set out in ■ LR 21.2.2G to ■ LR 21.2.5R; and
  - LR 21.2.6R and ■ LR 21.2.7R.
- 21.2.2** **G** For the purposes of ■ LR 21.2.1R(2), in ■ LR 6.4.3G factors that may indicate that an *applicant* does not satisfy ■ LR 6.4.1R also include situations where an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.
- 21.2.3** **R** For the purposes of ■ LR 21.2.1R(2), in ■ LR 6.5 references to a *controlling shareholder* must be read as excluding a *sovereign controlling shareholder*.
- 21.2.4** **R** For the purposes of ■ LR 21.2.1R(2), in ■ LR 6.14.5G(2)(c) the reference to *premium listing (commercial companies)* must be read as a reference to *premium listing (sovereign controlled commercial company)*.
- 21.2.5** **R** ■ LR 21.2.1R(2) does not apply where:
- (1) the *applicant* meets the following conditions:
    - it has an existing *premium listing (sovereign controlled commercial company)* of *equity shares*;
    - it is applying for the *admission* of *equity shares* of the same *class* as the *shares* that have been admitted to *premium listing*; and
    - it is not entering into a transaction classified as a *reverse takeover*; or
  - (2) the following conditions are met:
    - a *company* has an existing *premium listing (sovereign controlled commercial company)* of *equity shares*;
    - the *applicant* is a new *holding company* of the *company* in (a); and

the *company* in (a) is not entering into a transaction classified as a *reverse takeover*.

21.2.6 **R** An *applicant* must have a *sovereign controlling shareholder*.

21.2.7 **R** To comply with **■** LR 21.2.6R, a State which is a *sovereign controlling shareholder* must be either:

recognised by the government of the *UK* as a State at the time the application is made; or

the *UK*.



## 21.3 Listing applications and procedures: Equity shares

21.3.1 **G** An *applicant* is required to comply with ■ LR 3 (Listing applications: All securities).

### Sponsors

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21.3.2 **G** An *applicant* that is seeking admission of its *equity shares* is required to retain a *sponsor* in accordance with ■ LR 8 (Sponsors: Premium listing).

21.3.3 **R** An *applicant* must appoint a *sponsor* on each occasion that it makes an application for *admission* of *equity shares* which requires the production of *listing particulars*.

**21.4** Continuing obligations: Equity shares

- 21.4.1** **R** A *listed company* must comply with:
- (1) ■ LR 9 (Continuing obligations) subject to the modifications and additional requirements set out in ■ LR 21.4.2G to ■ LR 21.4.4R;
  - (2) ■ LR 10 (Significant transactions: Premium listing);
  - (3) ■ LR 12 (Dealing in own securities and treasury shares: Premium listing); and
  - (4) ■ LR 13 (Contents of circulars: Premium listing) subject to the modifications set out in ■ LR 21.4.3R.
- 21.4.1A** **R** ■ LR 9.2.22AR to ■ LR 9.2.22FG do not apply for the purposes of ■ LR 21.4.1R.
- 21.4.2** **G** For the purposes of ■ LR 21.4.1R(1), in ■ LR 9.2.2AAG factors that may indicate that a *listed company* does not satisfy ■ LR 9.2.2AR also include situations where a *listed company* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.
- 21.4.3** **R** For the purposes of ■ LR 21.4.1R(1) and ■ LR 21.4.1R(4), references to *controlling shareholder* must be read as excluding a *sovereign controlling shareholder* in, or for the purposes of, the following:
- (1) ■ LR 9.2.2ABR and ■ LR 9.2.2ACG;
  - (2) ■ LR 9.2.2ADR(1);
  - (3) ■ LR 9.2.2BR;
  - (4) ■ LR 9.2.2CR;
  - (5) ■ LR 9.2.2GR and ■ LR 9.2.2HG;
  - (6) ■ LR 9.8.4 R(11);
  - (7) ■ LR 9.8.4R(14); and
  - (8) ■ LR 13.8.18R

- 21.4.4 **R** For the purposes of ■ LR 21.4.1R(1):
- (1) in the second sentence of ■ LR 9.2.21R(2) the reference to the provisions of ■ LR 5.4A.4R(3)(b)(ii) and ■ LR 5.4A.4R(3)(c)(ii) must be read as a reference to the provisions of ■ LR 5.4A.4R(3)(d)(ii);
  - (2) in ■ LR 9.2.26G the reference to ■ LR 9.2 must be read as a reference to ■ LR 9.2 as modified by ■ LR 21.4; and
  - (3) in ■ LR 9.8.4CR the reference to ■ LR 9.8.4R must be read as a reference to ■ LR 9.8.4R as modified by ■ LR 21.4.3R.

21.4.5 **G** Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*, the *listed company* should note ■ LR 12.3.2R.

**Additional requirements: sovereign controlling shareholder**.....

21.4.6 **R** A *listed company* must at all times have a *sovereign controlling shareholder*.

21.4.7 **R** To comply with ■ LR 21.4.6R, a State which is a *sovereign controlling shareholder* must be either:

- (1) recognised by the government of the *UK* as a State; or
- (2) the *UK*.

21.4.8 **R** A *listed company* must notify the *FCA* without delay if it no longer complies with the continuing obligation set out in ■ LR 21.4.6R.

21.4.9 **G** Where a *listed company* is unable to comply with the continuing obligation set out in ■ LR 21.4.6R, it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2G(2) and ■ LR 5.4A.17G.

**Sponsors**.....

21.4.10 **G** A *listed company* should consider the requirements in ■ LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■ LR 8.5 (Responsibilities of listed companies), subject to the modification to ■ LR 8.2.3R in ■ LR 21.5.3R.

## 21.5 Transactions with related parties: Equity shares

**21.5.1** **R** A *listed company* must comply with ■ LR 11 (Related party transactions: Premium listing) subject to the modifications in ■ LR 21.5.2R.

**21.5.2** **R** For the purposes of ■ LR 21.5.1R, in the case of a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*:

(1) the following provisions do not apply:

- (a) ■ LR 11.1.1AR to ■ LR 11.1.1ER;
- (b) ■ LR 11.1.7R(2) to ■ LR 11.1.7R(4);
- (c) ■ LR 11.1.7CR and ■ LR 11.1.8G;
- (d) ■ LR 11.1.10R(2)(b); and
- (e) ■ LR 11.1.11R(3)(a);

(2) the following provisions are modified as follows:

- (a) ■ LR 11.1.7AR must be read as if the words “after obtaining shareholder approval but” are omitted;
- (b) ■ LR 11.1.9G must be read as follows:
  - (i) the reference to ■ LR 11.1.7R must be read as a reference to ■ LR 11.1.7R as modified by ■ LR 21.5.2R(1); and
  - (ii) as if the words “and ■ LR 11.1.8G” are omitted;
- (c) ■ LR 11.1.11R(1) must be read as if the words “and the transactions or arrangements have not been approved by shareholders” are replaced by “and ■ LR 11.1.11R(2) as modified by ■ LR 21.5.2R(2)(d) has not been complied with in relation to these transactions or arrangements”; and
- (d) ■ LR 11.1.11R(2) must be read as follows:
  - (i) as if the first sentence is omitted and replaced by the following sentence “If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with ■ LR 11.1.7R as modified by ■ LR 21.5.2R(1) in respect of the latest transaction or arrangement, and details of each of the transactions or arrangements being aggregated must be included in the notification required by ■ LR 11.1.7R(1).”; and
  - (ii) as if the “Note” is omitted.



- 21.5.3 **R** The requirement in ■ LR 8.2.3R to obtain the guidance of a sponsor does not apply where a *listed company* is proposing to enter into a transaction which is, or may be, a *related party transaction* and the *related party* concerned is a *sovereign controlling shareholder* or an *associate of a sovereign controlling shareholder*, unless the *related party transaction* is, or may be, a purchase by the *listed company* of its own *equity securities* or *preference shares*.
- 21.5.4 **G** Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an *associate of a sovereign controlling shareholder*, the *listed company* should note ■ LR 12.3.2R.

## 21.6 Requirements for listing: Certificates representing shares

### Issuer of equity shares is taken to be the issuer

21.6.1 **R** If an application is made for the *admission of certificates representing shares*:

- (1) the *issuer* of the *equity shares* which the certificates represent is the *issuer* for the purpose of the *listing rules*; and
- (2) the application will be dealt with as if it were an application for the *admission of the equity shares*.

### Certificates representing shares

21.6.2 **R** For *certificates representing shares* to be admitted to *listing*, an *issuer* of the *equity shares* which the certificates represent must comply with ■ LR 21.6.3R to ■ LR 21.6.8R.

21.6.3 **R** An *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: article 42 of *CARD*]

21.6.4 **R** For the certificates to be *listed*, the *equity shares* which the certificates represent must:

- (1) conform with the law of the *issuer's* place of incorporation;
- (2) be duly authorised according to the requirements of the *issuer's constitution*; and
- (3) have any necessary statutory or other consents.

[Note: article 45 of *CARD*]

21.6.5 **R** (1) For the certificates to be *listed*, the *equity shares* which the certificates represent must be freely transferable.

[Note: article 46 of CARD]

- (2) For the certificates to be *listed*, the *equity shares* which the certificates represent 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)).

**21.6.6** **G** The FCA may modify **LR 21.6.5R** to allow partly paid *equity shares* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the *equity shares* to take place on an open and proper basis.

[Note: article 46 of CARD]

**21.6.7** **G** The FCA may, in exceptional circumstances, modify or dispense with **LR 21.6.5R** where the *issuer* has the power to disapprove the transfer of *equity shares* if the FCA is satisfied that this power would not disturb the market in those *equity shares*.

**21.6.8** **R**

(1) For the certificates to be *listed*, the *applicant* must demonstrate that the rights attaching to the *equity shares* which the certificates represent are capable of being exercised by the holders of the certificates as if they were the holders of the relevant *equity shares*.

(2) For the certificates to be *listed*, the *applicant* must demonstrate that it has arrangements in place which enable the holders of the certificates to exercise the rights attaching to the *equity shares* which the certificates represent as if they were the holders of the relevant *equity shares*.

**Additional requirements for the issuer**.....

**21.6.9** **R** For *certificates representing shares* to be admitted to *listing*, an *issuer* must comply with:

**LR 6** (Additional requirements for premium listing (commercial company)) except **LR 6.1.1R** and **LR 6.14.1R** to **LR 6.15.1R** and subject to the modifications and additional requirements set out in **LR 21.6.10G** to **LR 21.6.13R**; and

**LR 21.6.14R** to **LR 21.6.21R**.

**21.6.10** **G** For the purposes of **LR 21.6.9R(1)**, in **LR 6.4.3G** factors that may indicate that an *applicant* does not satisfy **LR 6.4.1R** also include situations where an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.

**21.6.11** **R** For the purposes of **LR 21.6.9R(1)**, in **LR 6.5** references to a *controlling shareholder* must be read as excluding a *sovereign controlling shareholder*.

**21.6.12** **R** For the purposes of **LR 21.6.9R(1)**, references to *shares* or *equity shares* must be read as references to *certificates representing shares* in the following:

- (1) **LR 6.3.2G(2)**;
- (2) **LR 6.4.2G**;
- (3) **LR 6.5.2G**;
- (4) **LR 6.6.2G**;
- (5) **LR 6.7.1R**;
- (6) **LR 6.10.1R**;
- (7) **LR 6.10.2R**;
- (8) **LR 6.10.3R(1)**;
- (9) **LR 6.11.1R**; and
- (10) **LR 6.12.1R**.

**21.6.13** **R** **LR 21.6.9R(1)** does not apply where:

- (1) the *applicant* meets the following conditions:
  - (a) it has an existing *premium listing (sovereign controlled commercial company) of certificates representing shares*;
  - (b) it is applying for the *admission of certificates representing shares of the same class as the certificates that have been admitted to premium listing*; and
  - (c) it is not entering into a transaction classified as a *reverse takeover*; or
- (2) the following conditions are met:
  - (a) a *company* has an existing *premium listing (sovereign controlled commercial company) of certificates representing shares*;
  - (b) the *applicant* is a new *holding company* of the company in (a); and
  - (c) the *company* in (a) is not entering into a transaction classified as a *reverse takeover*.

**21.6.14** **R** If the *prospectus* or *listing particulars* for the *certificates representing shares* that are being admitted does not include a working capital statement which demonstrates that **LR 6.7.1R** is satisfied, then:

- (1) an *applicant* must prepare and publish a working capital statement which demonstrates that **LR 6.7.1R** is satisfied;
- (2) the working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 11 of the *PR Regulation*; and

(3) the working capital statement required by paragraph (1) must be published at the same time as the *prospectus* or *listing particulars*, as applicable.

21.6.15 **R** A working capital statement published for the purposes of **LR 21.6.14R** must be published by means of a *RIS*.

21.6.16 **R** An *applicant* must have a *sovereign controlling shareholder*.

21.6.17 **R** To comply with **LR 21.6.16R**, a State which is a *sovereign controlling shareholder* must be either:

- (1) recognised by the government of the *UK* as a State at the time the application is made; or
- (2) the *UK*.

#### **Certificates in public hands**

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21.6.18 **R** (1) If an application is made for the *admission* of a *class* of *certificates representing shares*, a sufficient number of certificates must, no later than the time of *admission*, be distributed to the public.

(2) [deleted]

(3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 10% of the certificates for which application for *admission* has been made are in public hands.

(4) For the purposes of paragraphs (1), (2) and (3), certificates are not held in public hands if they are:

(a) held directly or indirectly by:

a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or

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

any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or

any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the certificates of the relevant *class*; or

(b) subject to a lock-up period of more than 180 calendar days.

[Note: article 48 of *CARD*]

21.6.19 **G** [deleted]

21.6.20 **G** When calculating the number of certificates for the purposes of ■ LR 21.6.18R(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.

#### Certificates of a third country

21.6.21 **R** The *FCA* will not admit *certificates representing shares* of an *applicant* incorporated in a *third country* where the *class of equity shares* which the certificates represent is not listed either in its country of incorporation or in the country in which a majority of its *equity shares* are held, unless the *FCA* is satisfied that the absence of listing is not due to the need to protect investors.

[Note: article 51 of *CARD*]

#### Additional requirements for the certificates

21.6.22 **R** (1) To be *listed*, the *certificates representing shares* must satisfy the requirements set out in ■ LR 2.2.2R and ■ LR 2.2.4R to ■ LR 2.2.11R.

(2) For this purpose, in those *rules* references to *securities* must be read as references to the *certificates representing shares* for which application for *listing* is made.

21.6.23 **R** To be *listed*, the *certificates representing shares* must be admitted to trading on a *regulated market for listed securities*.

21.6.24 **R** To be *listed*, the *certificates representing shares* must not impose obligations on the *depository* that issues the certificates except to the extent necessary to protect the certificate holders' rights to, and the transmission of entitlements of, the *equity shares*.

#### Additional requirements for a depository

21.6.25 **R** A *depository* that issues *certificates representing shares* must maintain adequate arrangements to safeguard certificate holders' rights to the *equity*

*shares to which the certificates relate, and to all rights relating to the equity shares and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the issuer of the certificates.*

21.6.26

**G**

The requirement to maintain adequate arrangements to safeguard all rights relating to the *equity shares* includes enabling the holders of the *certificates representing shares* to exercise the votes attaching to the *equity shares* to which the certificates relate. A *depository* must not vote or attempt to exercise the votes attaching to the *equity shares* to which the certificates relate except pursuant to and in accordance with instructions from the holders of the *certificates representing shares*.



## 21.7 Listing applications and procedures: Certificates representing shares

21.7.1 **R** An *applicant* for admission of certificates representing shares must comply with ■ LR 3.2 and ■ LR 3.4.4R to ■ LR 3.4.6R subject to the modification and additional requirement set out in ■ LR 21.7.2R.

21.7.2 **R** In addition to the documents referred to in ■ LR 3.4.6R, an *applicant* for admission of certificates representing shares must keep a copy of the executed deposit agreement for six years after the admission of the relevant certificates.

### Sponsors

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21.7.3 **G** An *applicant* that is seeking admission of certificates representing shares is required to retain a *sponsor* in accordance with ■ LR 8 (Sponsors: Premium listing).

21.7.4 **R** An *applicant* must appoint a *sponsor* on each occasion that it makes an application for admission of certificates representing shares which requires the production of *listing particulars*.



**21.8 Continuing obligations: Certificates representing shares**

**Compliance with LR 9 (Continuing obligations)**

- 21.8.1** **R** A *listed company* must comply with ■ LR 9 (Continuing obligations) except:
- (1) ■ LR 9.2.1R to ■ LR 9.2.2R;
  - (2) ■ LR 9.2.5G to ■ LR 9.2.6DR;
  - (3) ■ LR 9.2.15R to ■ LR 9.2.15AG;
  - (4) ■ LR 9.2.21R to ■ LR 9.2.22FG; and
  - (5) ■ LR 9.2.26G; and
- subject to the modifications and additional requirements set out in ■ LR 21.8.2R to ■ LR 21.8.12R.
- 21.8.2** **R** For the purposes of ■ LR 21.8.1R, references to the *listed company* or the *issuer* must be read as references to the *issuer* of the *equity shares* which the certificates represent in ■ LR 9.
- 21.8.2A** **R** For the purposes of ■ LR 21.8.1R, in ■ LR 9.2.23R the reference to ■ LR 9.2.21R should be read as a reference to ■ LR 21.8.22R.
- 21.8.2B** **R** For the purposes of ■ LR 21.8.1R, references to *listed equity shares* in ■ LR 9.2.6ER to ■ LR 9.2.6HR must be read as references to:
- (1) *listed certificates representing shares*; and
  - (2) the *equity shares* which the *listed certificates* represent.
- 21.8.3** **G** For the purposes of ■ LR 21.8.1R, in ■ LR 9.2.2AAG factors that may indicate that a *listed company* does not satisfy ■ LR 9.2.2AR also include situations where a *listed company* has granted or may be required to grant security over its business in connection with the funding of a *sovereign controlling shareholder*.

21.8.4 **R** For the purposes of ■ LR 21.8.1R, references to *controlling shareholder* must be read as excluding a *sovereign controlling shareholder* in, or for the purposes of, the following:

- (1) ■ LR 9.2.2ABR and ■ LR 9.2.2ACG;
- (2) ■ LR 9.2.2ADR(1);
- (3) ■ LR 9.2.2BR;
- (4) ■ LR 9.2.2CR;
- (5) ■ LR 9.2.2GR and ■ LR 9.2.2HG;
- (6) ■ LR 9.8.4 R(11); and
- (7) ■ LR 9.8.4R(14).

21.8.5 **G** For the purposes of obtaining the shareholder approvals required by:

- LR 9.2.2ER;
- LR 9.2.2FR;
- LR 9.4.1R(2);
- LR 9.4.4R(2); and
- LR 9.5.10R(3)(a),

a *listed company* is required under ■ LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.

21.8.6 **G** For the purposes of ■ LR 9.3.11R the *listed company* is required under ■ LR 21.8.13R to ensure that, where the offer is made to holders of the *class of equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the offer.

21.8.7 **R** For the purposes of ■ LR 21.8.1R, ■ LR 9.5 is modified as follows:

- (1) in ■ LR 9.5.1R(4) the *equity securities* which are the subject of the *rights issue* must be of the same *class* as the *equity shares* which are represented by the *listed certificates representing shares*;
- (2) ■ LR 9.5.3G does not apply;
- (3) in ■ LR 9.5.10R(1):
  - (a) the reference to a *class already listed* must be read as a reference to a *class of equity shares* which the *listed certificates* represent; and
  - (b) for the purposes of ■ LR 9.5.10R, if the *equity shares* are not listed, then the middle market price of those *equity shares* shall be

determined by reference to the middle market price of the *listed certificates representing shares*; and

- (4) a *listed company* must comply with the requirements in ■ LR 9.5.15R and ■ LR 9.5.16R so far as relevant to *certificates representing shares*.

**21.8.8** **G** For the purposes of ■ LR 21.8.1R, in ■ LR 9.5 the *listed company* is required under ■ LR 21.8.13R to ensure that in relation to:

- (1) any *rights issue*; or
- (2) any *open offer* where the offer relates to the *class of equity shares* which the certificates represent,

the holders of its *certificates representing shares* have an equal opportunity to participate in the *rights issue* or *open offer*.

**21.8.9** **R** In addition to complying with ■ LR 9.6.2R, a *listed company* must also forward to the FCA for publication a copy of all resolutions passed by the holders of the *listed certificates representing shares*, by uploading it to the *national storage mechanism*. It must also comply with the notification requirements set out in ■ LR 9.6.3R in relation to such resolutions.

**21.8.10** **R** For the purposes of ■ LR 21.8.1R:

- (1) in ■ LR 9.6.4R(3) the reference to *listed shares* must be read as a reference to *equity shares* of the *class* which the certificates represent; and
- (2) in ■ LR 9.8.4CR the reference to ■ LR 9.8.4R must be read as a reference to ■ LR 9.8.4R as modified by ■ LR 21.8.4R.

**21.8.11** **R** In addition to complying with ■ LR 9.6.18R, a *listed company* must also notify a RIS as soon as possible after a meeting of the holders of the *listed certificates representing shares* of all resolutions passed by the holders.

**21.8.12** **R** In addition to complying with ■ LR 9.7A.2R, a *listed company* must comply with the notification requirements in ■ LR 9.7A.2R in respect of the *equity shares* which the certificates represent.

**Additional requirements: exercise of rights attaching to the equity shares which the certificates represent**

**21.8.13** **R**

(1) The rights attaching to the *equity shares* which the certificates represent must at all times be capable of being exercised by the holders of the certificates as if they were the holders of the relevant *equity shares*.

(2) A *listed company* must at all times have in place arrangements which enable the holders of the certificates to exercise the rights attaching to the *equity shares* which the certificates represent as if they were the holders of the relevant *equity shares*.

(3) Every *circular* which is sent by a *listed company* to the holders of the *equity shares* which the certificates represent must be sent to the holders of its *certificates representing shares* at the same time as the *circular* is despatched to the holders of those *equity shares*.

**Additional requirements: compliance with the disclosure requirements, transparency rules and corporate governance rules**

- 21.8.14** G A *listed company*, whose *certificates representing shares* are admitted to trading on a *regulated market*, should consider its obligations under the *disclosure requirements*.
- 21.8.15** R A *listed company* that is not already required to comply with the obligations referred to under article 17 of the *Market Abuse Regulation* must comply with those obligations as if it were an *issuer* for the purposes of the *disclosure requirements* and *transparency rules* subject to article 22 of the *Market Abuse Regulation*.
- 21.8.16** G A *listed company*, whose *certificates representing shares* 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), ■ DTR 6 (Continuing obligations and access to information) and ■ DTR 7 (Corporate governance).
- 21.8.17** R A *listed company* that is not already required to comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer of shares* for the purposes of the *transparency rules*.
- 21.8.17A** R A *listed company* that is not already required to comply with ■ DTR 7.3 (Related party transactions) 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 21.8.17BR.
- 21.8.17B** R For the purposes of ■ LR 21.8.17AR, ■ DTR 7.3 is modified as follows:

  - (1) ■ DTR 7.3.2R must be read as if the words “has the meaning in *UK-adopted IFRS*” are replaced by:
    - “has the meaning:
    - (a) in *UK-adopted 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 *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*,
      - (i) in *UK-adopted 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 21.8.17BR(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 21.8.17BR(2).

**Additional requirements: certificates in public hands and admission to trading**

**21.8.18** ■ **R** A listed company must comply with ■ LR 21.6.18R at all times.

**21.8.19** ■ **G** [deleted]

**21.8.20** ■ **R** A listed company must comply with ■ LR 21.6.23R at all times.

**21.8.21** ■ **R** A listed company must inform the FCA in writing as soon as possible if it has:

- (1) requested a RIE to admit or re-admit any of its *listed certificates representing shares* to trading; or
- (2) requested a RIE to cancel or suspend trading of any of its *listed certificates representing shares*; or
- (3) been informed by a RIE that trading of any of its *listed certificates representing shares* will be cancelled or suspended.

**Additional requirements: voting on matters relevant to premium listing**

**21.8.22** ■ **R**

- (1) Where pursuant to ■ LR 21.8, ■ LR 21.9 or ■ LR 21.10 the provisions of ■ LR 9.4, ■ LR 9.5, ■ LR 10, ■ LR 11 or ■ LR 12 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *class of equity shares* which the certificates that have been admitted to *premium listing* represent.
- (2) Where pursuant to ■ LR 21.8 the provisions of ■ LR 9.2.2ER require that the resolution must in addition be approved by the *independent shareholders*, only:
  - (a) *independent shareholders* who hold *equity shares* of the *class* which the certificates that have been admitted to *premium listing* represent; and
  - (b) holders of certificates admitted to *premium listing* who would be *independent shareholders* within (a) if they held the *equity shares* which the certificates represent;
 can vote.

21.8.23

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(3) Where the provisions of ■ LR 5.2 or ■ LR 5.4A require a vote of the holders of the certificates to be taken, that vote must be decided by a resolution of the holders of the *listed company's certificates representing shares* that have been admitted to *premium listing*.

(4) Where the provisions of ■ LR 5.2.5R(2A) or ■ LR 5.4A.4R(3)(e)(ii) require that the resolution must in addition be approved by holders of certificates other than the *controlling shareholder*, only holders of the *listed company's certificates representing shares* that have been admitted to *premium listing* can vote.

21.8.23

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(1) In the case of a shareholder vote referred to in ■ LR 21.8.22R(1) the *listed company* is required under ■ LR 21.8.13R to ensure that the holders of the *listed certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.

(2) The purpose of ■ LR 21.8.22R(2) is to ensure that the election or re-election of *independent directors* must be approved by the *independent shareholders* as a class. That class includes those persons whose entitlement to vote on the election of the *independent directors* arises as a result of their holding of *certificates representing shares* that have been admitted to *premium listing*. Accordingly, in the case of approval by the *independent shareholders* referred to in ■ LR 21.8.22R(2) the *listed company* is required under ■ LR 21.8.13R to ensure that the holders of the *listed certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent in relation to any such approval.

21.8.24

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Where the provisions of ■ LR 5.2.5R(2A) or ■ LR 5.4A.4R(3)(e)(ii) require that the resolution must in addition be approved by holders of certificates other than the *controlling shareholder*, the *controlling shareholder* will include a *sovereign controlling shareholder*.

21.8.25

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The *FCA* may modify the operation of ■ LR 21.8.22R in exceptional circumstances, for example to accommodate the operation of:

- (1) special share arrangements designed to protect the national interest;
- (2) dual-listed company voting arrangements; and
- (3) voting rights attaching to *preference shares* or similar *securities* that are in arrears.

21.8.26

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Where a *listed company* is unable to comply with a continuing obligation set out in:

- (1) ■ LR 9.2 as modified by ■ LR 21.8; or

(2) ■ LR 21.8.13R to ■ LR 21.8.25G,

it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2G(2) and ■ LR 5.4A.16G.

#### Additional requirements: working capital statement

21.8.27 **R** In relation to an application for *admission of certificates representing shares* of an *applicant* that has *certificates representing shares* already listed:

- (1) an *applicant* must satisfy the *FCA* that it and its *subsidiary undertakings* (if any) have sufficient working capital available for the *group's* requirements for at least the next 12 months from the date of publication of the *prospectus* or *listing particulars* for the *certificates representing shares* that are being admitted; and
- (2) if the *prospectus* or *listing particulars* for the *certificates representing shares* that are being admitted does not include a working capital statement which demonstrates that the requirement under paragraph (1) is satisfied, then:
  - (a) an *applicant* must prepare and publish a working capital statement which demonstrates that the requirement under paragraph (1) is satisfied;
  - (b) the working capital statement required by paragraph (a) must be prepared in accordance with item 3.1 of Annex 11 of the *PR Regulation*; and
  - (c) the working capital statement required by paragraph (a) must be published at the same time as the *prospectus* or *listing particulars*, as applicable.

21.8.28 **R** A working capital statement published for the purposes of ■ LR 21.8.27R must be published by means of a *RIS*.

#### Additional requirements: sovereign controlling shareholder

21.8.29 **R** A *listed company* must at all times have a *sovereign controlling shareholder*.

21.8.30 **R** To comply with ■ LR 21.8.29R, a State which is a *sovereign controlling shareholder* must be either:

- (1) recognised by the government of the *UK* as a *State*; or
- (2) the *UK*.

21.8.31 **R** A *listed company* must notify the *FCA* without delay if it no longer complies with the continuing obligation set out in ■ LR 21.8.29R.

21.8.32 **G** Where a *listed company* is unable to comply with the continuing obligation set out in ■ LR 21.8.29R, it should consider seeking a cancellation of *listing* or



applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2G(2) and ■ LR 5.4A.17G.

### Change of depositary

- 21.8.33 **R** Prior to any change of the *depositary* of *certificates representing shares*, the new *depositary* must satisfy the *FCA* that it meets the requirements of ■ LR 21.6.22R to ■ LR 21.6.26G.

### Notification of change of depositary

- 21.8.34 **R**
- (1) An *issuer* of *equity shares* represented by *listed certificates representing shares* must notify a *RIS* of any change of *depositary*.
  - (2) The notification required by paragraph (1) must be made as soon as possible and in any event by 7:30 a.m. on the *business day* following the change of *depositary*, and must contain the following information:
    - (a) the name, registered office and principal administrative establishment if different from the registered office of the *depositary*;
    - (b) the date of incorporation and length of life of the *depositary*, except where indefinite;
    - (c) the legislation under which the *depositary* operates and the legal form which it has adopted under the legislation; and
    - (d) any changes to the information regarding the *certificates representing shares*.

### Sponsors

- 21.8.35 **G** A *listed company* should consider the requirements in ■ LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■ LR 8.5 (Responsibilities of listed companies), subject to the modification to ■ LR 8.2.3R in ■ LR 21.10.5R.



**21.9 Transactions and circulars:  
certificates representing shares**

**Compliance with LR 10 (Significant transactions: Premium listing)**

- 21.9.1** **R** A *listed company* must comply with ■ LR 10 (Significant transactions: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.2G to ■ LR 21.9.9R.
- 21.9.2** **G** Where a *company* has *certificates representing shares listed*, the purpose of ■ LR 10 is also to ensure that holders of *certificates representing shares*:
- (1) are notified of certain transactions entered into by the *listed company*; and
  - (2) have the opportunity to vote on larger proposed transactions.
- 21.9.3** **R** For the purposes of ■ LR 21.9.1R, references to the *listed company* or the *issuer* must be read as references to the *issuer* of the *equity shares* which the certificates represent in ■ LR 10.
- 21.9.4** **R** For the purposes of ■ LR 21.9.1R, in ■ LR 10.2.7R(1)(b) the figure used to determine the market capitalisation of the *listed company* is calculated as follows:
- (1) where the *class of equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
  - (2) where the *class of equity shares* which the certificates represent is not listed:
    - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
    - (b) then multiplying the result by the total number of *equity shares* in the *class* of the *equity shares* which the certificates represent (excluding *treasury shares*).
- 21.9.5** **G** A *listed company* is required under ■ LR 21.8.13R(3) to ensure that any *circular* which is sent to shareholders pursuant to ■ LR 10.5.1R(2) or ■ LR 10.5.4R(1)(b) is

- sent to holders of its *certificates representing shares* at the same time as the *circular* is despatched to shareholders.
- 21.9.6** **G** For the purposes of obtaining the prior shareholder approval required by ■ LR 10.5.1R, a *listed company* is required under ■ LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.
- 21.9.7** **G** For the purposes of ■ LR 21.9.1R, in ■ LR 10.5.5G it may also be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed certificates representing shares* at least 7 days prior to the convened shareholder meeting as required by ■ LR 13.1.9R.
- 21.9.8** **R** For the purposes of ■ LR 21.9.1R, paragraph 5R(5) of Annex 1 to ■ LR 10 (Significant transactions: Premium listing) does not apply and, for the purposes of paragraph 5R(1) of Annex 1, the figure used to determine market capitalisation is calculated as at the close of business on the last *business day* before the announcement as follows:
- (1) where the *class of equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
  - (2) where the *class of equity shares* which the certificates represent is not listed:
    - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
    - (b) then multiplying the result by the total number of *equity shares* in the *class of the equity shares* which the certificates represent (excluding *treasury shares*).
- 21.9.9** **R** For the purposes of ■ LR 21.9.1R, in paragraphs 7R(4)(a) and 7R(5)(a) of Annex 1 to ■ LR 10 the market value of the *listed company's shares* is to be calculated as follows:
- (1) where the *class of equity shares* which the certificates represent is listed, the aggregate market value of all the *equity shares* which are listed (excluding *treasury shares*); and
  - (2) where the *class of equity shares* which the certificates represent is not listed:
    - (a) by dividing the aggregate market value of all the *equity shares* which are represented by the certificates in issue by the number of *equity shares* represented by the certificates; and
    - (b) then multiplying the result by the total number of *equity shares* in the *class of the equity shares* which the certificates represent (excluding *treasury shares*).

**Compliance with LR 12 (Dealing in own securities and treasury shares: Premium listing)**

- 21.9.10 **R** A *listed company* must comply with all the requirements of ■ LR 12 (Dealing in own securities and treasury shares: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.11R to ■ LR 21.9.17G.
- 21.9.11 **R** For the purposes of ■ LR 21.9.10R, in ■ LR 12:
- references to the *listed company* must be read as references to the *issuer* of the *equity shares* which the certificates represent; and
- the reference in the definition of *tender offer* to a *class* of its *listed equity securities* must be read as a reference to a *class* of *equity shares* which the certificates represent.
- 21.9.12 **G** In relation to the requirement set out in ■ LR 12.3.1R(1), the *listed company* is required under ■ LR 21.8.13R to ensure that, where the *tender offer* is made to holders of the *class* of *equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the *tender offer*.
- 21.9.13 **G** Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*, the *listed company* should note ■ LR 12.3.2R.
- 21.9.14 **G** For the purposes of ■ LR 21.9.10R, in relation to the requirement set out in ■ LR 12.4.2R (for purchases by the *listed company* of 15% or more of any *class* of its *equity shares* to be by way of a *tender offer* to all shareholders of that *class*), the *listed company* is required under ■ LR 21.8.13R to ensure that, where the *tender offer* is made to holders of the *class* of *equity shares* which the certificates represent, the holders of its *certificates representing shares* have an equal opportunity to participate in the *tender offer*.
- 21.9.15 **G** For the purposes of obtaining the shareholder approval required by ■ LR 12.4.2AR, a *listed company* is required under ■ LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.
- 21.9.16 **R** For the purposes of ■ LR 21.9.10R, references to *securities* convertible into *equity shares* with a *premium listing* must be read as references to *securities* convertible into the *equity shares* which the certificates with a *premium listing* represent in the following:
- (1) ■ LR 12.5.1R; and
  - (2) ■ LR 12.5.2R.

**21** 21.9.17 **G** A *listed company* is required under ■ LR 21.8.13R(3) to ensure that any *circular* which is sent to shareholders pursuant to ■ LR 12.5.7R is sent to holders of its *certificates representing shares* at the same time as the *circular* is despatched to shareholders.

**Compliance with LR 13 (Contents of circulars: Premium listing)**

21.9.18 **R** A *listed company* must comply with all the requirements of ■ LR 13 (Contents of circulars: Premium listing) subject to the modifications and additional requirements set out in ■ LR 21.9.19R to ■ LR 21.9.22R.

21.9.19 **R** For the purposes of ■ LR 21.9.18R, in ■ LR 13 references to the *listed company* or to the *issuer* must be read as references to the *issuer* of the *equity shares* which the certificates represent.

21.9.20 **R** A *listed company* must ensure that *circulars* it issues to:

- (1) holders of its *listed certificates representing shares*; and
- (2) holders of the *class* of *equity shares* which the certificates represent,

comply with the requirements of ■ LR 13 as amended by this section.

21.9.21 **R** For the purposes of ■ LR 21.9.18R, references to holders of *listed equity shares* must be read as references to holders of *listed certificates representing share* and holders of the *class* of *equity shares* which the certificates represent in the following:

- (1) ■ LR 13.1.9R;
- (2) ■ LR 13.2.10R; and
- (3) ■ LR 13.8.8R.

21.9.22 **R** For the purposes of ■ LR 21.9.18R, in ■ LR 13.8.18R references to *controlling shareholder* must be read as excluding a *sovereign controlling shareholder*.

**21.10 Transactions with related parties:  
certificates representing shares**

**Transactions with related parties**

- 21.10.1** **R** A *listed company* must comply with ■ LR 11 (Related party transactions: Premium listing) subject to the modifications and additional requirements in ■ LR 21.10.2R to ■ LR 21.10.8G.
- 21.10.2** **R** For the purposes of ■ LR 21.10.1R:
- (1) in ■ LR 11 references to a *listed company* must be read as references to the *issuer* of the *equity shares* which the certificates represent; and
  - (2) in ■ LR 11.1.4AR the reference to the *company* must be read as a reference to the *issuer* of the *equity shares* which the certificates represent.
- 21.10.3** **G** For the purposes of ■ LR 21.10.1R, a *listed company* that is required under ■ LR 11.1.7CR to send a supplementary *circular* should have regard to the *guidance* in ■ LR 21.9.5G.
- 21.10.4** **R** In the case of a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*:
- (1) the following provisions do not apply:
    - (a) ■ LR 11.1.1AR to ■ LR 11.1.1ER;
    - (b) ■ LR 11.1.7R(2) to ■ LR 11.1.7R(4);
    - (c) ■ LR 11.1.7CR and ■ LR 11.1.8G;
    - (d) ■ LR 11.1.10R(2)(b); and
    - (e) ■ LR 11.1.11R(3)(a);
  - (2) the following provisions are modified as follows:
    - (a) ■ LR 11.1.7AR must be read as if the words “after obtaining shareholder approval but” are omitted;
    - (b) ■ LR 11.1.9G must be read as follows:
      - (i) the reference to ■ LR 11.1.7R must be read as a reference to ■ LR 11.1.7R as modified by ■ LR 21.10.4R(1); and
      - (ii) as if the words “and ■ LR 11.1.8G” are omitted;

- (c) ■ LR 11.1.11R(1) must be read as if the words “and the transactions or arrangements have not been approved by shareholders” are replaced by “and ■ LR 11.1.11R(2) as modified by ■ LR 21.10.4R(2)(d) has not been complied with in relation to these transactions or arrangements”; and
- (d) ■ LR 11.1.11R(2) must be read as follows:
  - (i) as if the first sentence is omitted and replaced by the following sentence “If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with ■ LR 11.1.7R as modified by ■ LR 21.10.4R(1) in respect of the latest transaction or arrangement, and details of each of the transactions or arrangements being aggregated must be included in the notification required by ■ LR 11.1.7R(1).”; and
  - (ii) as if the “Note” is omitted.

**21.10.5** R The requirement in ■ LR 8.2.3R to obtain the guidance of a sponsor does not apply where a *listed company* is proposing to enter into a transaction which is, or may be, a *related party transaction* and the *related party* concerned is a *sovereign controlling shareholder* or an associate of a *sovereign controlling shareholder*, unless the *related party transaction* is, or may be, a purchase by the *listed company* of its own *equity securities* or *preference shares*.

**21.10.6** G Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an associate of a *sovereign controlling shareholder*, the *listed company* should note ■ LR 12.3.2R.

**Additional requirements**

**21.10.7** G A *listed company* is required under ■ LR 21.8.13R(3) to ensure that any *circular* which is sent to shareholders pursuant to ■ LR 11.1.7R(2) or ■ LR 11.1.8G(2) is sent to holders of its *certificates representing shares* at the same time as the *circular* is despatched to shareholders.

**21.10.8** G For the purposes of obtaining the shareholder approval required by ■ LR 11.1.7R(3) (and any shareholder approval required under ■ LR 11.1.7AR), a *listed company* is required under ■ LR 21.8.13R to ensure that the holders of its *certificates representing shares* are able to exercise the votes attaching to the *equity shares* which the certificates represent on any shareholder vote.