

Chapter 6

Additional requirements for
premium listing (commercial
company)

6.14 Shares in public hands

6.14.1 **R** Where an *applicant* is applying for the *admission* of a *class* of equity shares to *premium listing*, 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*.

[Note: article 48 of the *CARD*]

6.14.2 **R** For the purposes of ■ LR 6.14.1R:

- (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;
- (2) 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; and
- (3) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[Note: article 48 of the *CARD*]

6.14.3 **R** For the purposes of ■ LR 6.14.1R and ■ LR 6.14.2R, *shares* are not held in public hands if they are:

- (1) held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (c) 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
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) 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;
- (2) subject to a lock-up period of more than 180 calendar days.

[Note: article 48 of the *CARD*]

6.14.4 **G** When calculating the number of *shares* for the purposes of ■ LR 6.14.3R(1)(e), 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.

6.14.5 **G** (1) The *FCA* may modify ■ LR 6.14.1R 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.

[Note: article 48 of the *CARD*]

(2) In considering whether to grant a modification, the *FCA* may take into account the following specific factors:

- (a) *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*;
- (b) the number and nature of the public shareholders; and
- (c) in relation to *premium listing (commercial companies)*, whether the expected market value of the *shares* in public hands at *admission* exceeds £100 million.