

Chapter 8

Sponsors: Premium listing



8.7 Supervision of sponsors

8.7.1 **G** The *FCA* expects to have an open, co-operative and constructive relationship with a *sponsor* to enable it to have a broad picture of the *sponsor's* activities and its ability to satisfy the criteria for approval as a *sponsor* as set out in **LR 8.6.5 R**.

Requirement to provide information

8.7.1A **R**

- (1) The *FCA* may by notice in writing given to a *sponsor* require it to provide specified documents or specified information to the *FCA*.
- (2) The *sponsor* must as soon as practicable provide to the *FCA* any documents or information that it has been required to provide under (1).
- (3) This rule applies only to documents or information reasonably required by the *FCA* in connection with the performance of its functions in relation to a *sponsor* or a *company* that has appointed a *sponsor*.

Supervisory tools

8.7.2 **G** The *FCA* uses a variety of tools to monitor whether a *sponsor*:

- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in **LR 8.6.5 R**; and
- (2) remains in compliance with all applicable *listing rules*.

8.7.2A **R** The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide at any time following the grant of a *sponsor's* approval.

8.7.2B **G** Situations when the *FCA* may impose restrictions or limitations on the services a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:

- (1) the *sponsor* has no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or
- (2) the *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *sponsor* is undertaking or proposing to undertake.

[**Note:** A *statutory notice* may be required under section 88 of the Act. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

8.7.3 **G** FCA staff, after notifying the *sponsor*, may make supervisory visits to a *sponsor* on a periodic and an ad hoc basis.

8.7.4 **G** The FCA will give reasonable notice to a *sponsor* of requests for meetings or requests for access to a *sponsor's* documents and records.

Requests from other regulators

8.7.5 **G** The FCA, on behalf of other regulators, may request information from a *sponsor* or pass information on to other regulators to enable such regulators to discharge their functions.

Fees

8.7.6 **R** A *sponsor* must pay the annual fee set out in ■ FEES 4 in order to remain on the *list of sponsors*.

Annual notifications

8.7.7 **R** A *sponsor* must provide to the FCA on or after the first *business day* of January in each year but no later than the last *business day* of January in each year:

- (1) written confirmation that it continues to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R; and
- (1A) for each of the criteria in that rule, evidence of the basis upon which it considers that it meets that criterion.
- (2) [deleted]
- (3) [deleted]
- (4) [deleted]

8.7.7A **R** Written confirmation must be provided by submitting a completed Sponsor Annual Notification Form to the FCA at the FCA's address.

[**Note:** The Sponsor Annual Notification Form can be found on the Primary Markets section of the FCA's website.]

General notifications

8.7.8 **R** A *sponsor* must notify the FCA in writing as soon as possible if:

- (1) (a) the *sponsor* ceases to satisfy the criteria for approval as a *sponsor* set out in ■ LR 8.6.5 R or becomes aware of any matter which, in its reasonable opinion, would be relevant to the FCA in

considering whether the *sponsor* continues to comply with ■ LR 8.6.6 R; or

- (b) the *sponsor* becomes aware of any fact or circumstance relating to the *sponsor* or any of its employees engaged in the provision of *sponsor services* by the *sponsor* which, in its reasonable opinion, would be likely to adversely affect market confidence in *sponsors*; or
- (2) the *sponsor*, or any of its *employees* engaged in the provision of *sponsor services* by the *sponsor*, are:
 - (a) convicted of any offence involving fraud, theft or other dishonesty; or
 - (b) the subject of a bankruptcy proceeding, a receiving order or an administration order; or
- (3) any of its *employees* engaged in the provision of *sponsor services* by the *sponsor* are disqualified by a court from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*; or
- (4) the *sponsor*, or any of its *employees* engaged in the provision of *sponsor services* by the *sponsor*, are subject to any public criticism, regulatory intervention or disciplinary action:
 - (a) by the *FCA*; or
 - (b) by any *designated professional body*; or
 - (c) by any body that is comparable to the *FCA* or a *designated professional body*; or
 - (d) under any comparable legislation in any jurisdiction outside the *United Kingdom*; or
- (5) the *sponsor* resigns or is dismissed by a *listed company* or *applicant*, giving details of any relevant facts or circumstances;
- (6) the *sponsor* changes its name; or
- (7) [deleted]
- (8) a *listed company* or *applicant* denies the *sponsor* access to documents or information that have been the subject of a reasonable request by the *sponsor*; or
- (9) it identifies or otherwise becomes aware of any material deficiency in the *sponsor's* systems and controls; or
- (10) there is intended to be a change of control of the *sponsor*, any restructuring of the *sponsor's group*, or a re-organisation of or a substantial change to the *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*, or
- (11) there is expected to be a change in the financial position of the *sponsor* or any of its *group companies* that would be likely to adversely affect the *sponsor's* ability to perform *sponsor services* or otherwise comply with ■ LR 8.

8.7.8A **R** Where a *sponsor* is of the opinion that notwithstanding the circumstances giving rise to a notification obligation under **■ LR 8.7.8 R**, it continues to satisfy the ongoing criteria for approval as a *sponsor* in accordance with **■ LR 8.6.6 R**, it must include in its notification to the *FCA* a statement to that effect and the basis for its opinion.

8.7.9 **G** General notifications may be made in the first instance by telephone, but must be confirmed promptly in writing.

8.7.10 **G** Written notifications should be sent to the Primary Market Specialist Supervision Team at the *FCA*'s address.

8.7.11 **R** [deleted]

8.7.12 **R** [deleted]

8.7.13 **R** [deleted]

8.7.14 **R** [deleted]

8.7.15 **G** [deleted]

Non-delegation of sponsor functions

8.7.16 **R** A *sponsor* must not delegate any of its functions as such, or permit another *person* to perform those functions,

8.7.17 **R** (1) [deleted]

(2) [deleted]

8.7.18 **R** [deleted]

8.7.19 **R** [deleted]

Discipline of sponsors

8.7.20 **G** *EG* sets out the *FCA*'s policy on when and how it will use its disciplinary powers, including in relation to a *sponsor*. A *statutory notice* may be required under section 88B of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.

Cancellation of a sponsor's approval at the sponsor's request

8.7.21 **G** A *sponsor* that intends to request the *FCA* to cancel its approval as a *sponsor* should comply with **■ LR 8.7.22 R**.

- 8.7.21A** **G** Examples of when a *sponsor* should submit a cancellation request pursuant to **■ LR 8.7.22 R** include, but are not limited to:
- (1) situations where the *sponsor* ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with **■ LR 8.6.6 R** and, following a notification made under **■ LR 8.7.8 R**, there are no ongoing discussions with the *FCA* which could lead to the conclusion that the *sponsor* remains eligible; or
 - (2) where there is a change of control of the *sponsor* or any restructuring of the *sponsor's group* that will result in *sponsor services* being provided by a different *person*, in which case the *person* that is intended to provide the *sponsor services* should apply for approval as a *sponsor* under **■ LR 8.6** before it provides any *sponsor services*.
- 8.7.22** **R** A request by a *sponsor* for its approval as a *sponsor* to be cancelled must be in writing and must include:
- (1) the *sponsor's* name;
 - (2) a clear explanation of the background and reasons for the request;
 - (3) the date on which the *sponsor* requests the cancellation to take effect;
 - (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and
 - (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.
- 8.7.23** **G** A *sponsor* may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.
- 8.7.24** **G**
- (1) [deleted]
 - (2) [deleted]
- Suspension of a sponsor's approval at the sponsor's request**.....
- 8.7.25** **R** A request by a *sponsor* for its approval as a *sponsor* to be suspended must be in writing and must include:
- (1) the *sponsor's* name;
 - (2) a clear explanation of the background and reasons for the request;
 - (3) the date on which the *sponsor* requests the suspension to take effect;
 - (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and

- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

8.7.26 G A *sponsor* may withdraw its request at any time before the suspension takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

8.7.26A G A *sponsor* may wish to consider submitting a suspension request under ■ LR 8.7.25 R where the *sponsor*:

- (1) ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ LR 8.6.6 R;
- (2) has notified the *FCA* in accordance with ■ LR 8.7.8 R;
- (3) is having ongoing discussions with the *FCA* regarding remedial action; and
- (4) is undertaking remedial action which may result in the *sponsor* being able to satisfy the ongoing criteria for approval in accordance with ■ LR 8.6.6 R.

Sponsors: advancing the FCA's operational objectives

8.7.27 G The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide or suspend a *sponsor's* approval under section 88E of the *Act* if the *FCA* considers it desirable to do so in order to advance one or more of its *operational objectives*.

[**Note:** A *statutory notice* may be required under section 88F of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]