

**LISTING RULES (SPONSORS) (AMENDMENT NO 4) INSTRUMENT 2013****WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise the functions referred to in Article 5(1) of the Designation Order, which include the functions of the Financial Conduct Authority of making rules, giving guidance and issuing codes.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2 of the Third Commencement Order commenced the Financial Conduct Authority's rule making powers under sections 17 and 18 of the Financial Services Act 2012.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "Third Commencement Order" means the Financial Services Act 2012 (Commencement No. 3) Order 2013;
  - (4) "the Authority" means the Financial Services Authority;
  - (5) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (6) "the 2012 Act" means the Financial Services Act 2012; and
  - (7) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act.

**Rules etc. made or amended by the Financial Conduct Authority**

- 2. In accordance with Article 2(1) of the Early Commencement Order, Article 2 of the Third Commencement Order and in the exercise of the powers and related provisions specified in paragraph 4, the Financial Conduct Authority makes, amends, issues, gives or imposes each provision in Annex A and Annex B to this Instrument.
- 3. In Annex B to this Instrument, the "notes" (indicated by "**Note:**") are included for the convenience of readers but do not form part of the legislative text.

4. The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in Annex A and Annex B to this Instrument in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 73A (Part 6 Rules);
  - (2) section 88 (Sponsors);
  - (3) section 137A (General rule-making power);
  - (4) section 137T (General supplementary powers);
  - (5) section 139A (Power of the FCA to give guidance).
- 5 The rule-making powers in paragraph 4 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 6 The Financial Conduct Authority directs that this Instrument comes into force on the 1 April 2013.

**Amendments to the Handbook**

- 7 The modules of the FCA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Listing Rules sourcebook (LR)	Annex B

**Citation**

- 8 This Instrument may be cited as the Listing Rules (Sponsors) (Amendment No 4) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body.**

19 March 2013

## Annex A

### Amendments to the Glossary of definitions

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

*operational objectives* [FCA/PRA] as defined in section 1B(3) of the *Act*.

## Annex B

### Amendments to Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 8.6 Criteria for approval as a sponsor

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##### Criteria for approval as a sponsor

8.6.5 R The *FCA* will approve a *person* as a *sponsor* only if it is satisfied that the  
[FCA] *person*:

- (1) is an *authorised person* or a *member* of a *designated professional body*;
- (2) is competent to perform *sponsor services*; and
- (3) has appropriate systems and controls in place to ensure that it can carry out its role as a *sponsor* in accordance with this chapter.

8.6.5A R The *FCA* may impose restrictions or limitations on the services a *sponsor* can  
[FCA] provide at the time of granting a *sponsor's* approval.

8.6.5B G Situations when the *FCA* may impose restrictions or limitations on the services  
[FCA] a *sponsor* can provide include (but are not limited to) where it appears to the  
*FCA* that:

- (1) the employees of the *person* applying to be a *sponsor* whom it is proposed will perform *sponsor services* have 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 *person* applying to be a *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *person* applying to be a *sponsor* proposes 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*.]

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#### 8.7 Supervision of sponsors

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##### Supervisory tools

- 8.7.2 G The *FCA* uses a variety of tools to monitor whether a *sponsor*:  
[FCA]
- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in *LR* 8.6.5R; 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.  
[FCA]
- 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:  
[FCA]
- (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*.]

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## Discipline of sponsors

- 8.7.19 R ~~If the *FCA* considers that a *sponsor* has breached any provision of the *listing rules* and considers it appropriate to impose a sanction it will publish a statement censuring the *sponsor*. [deleted]~~  
[FCA]
- 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*. This includes, at *EG* 18, its approach to cancellation of a *sponsor's* approval on the *FCA's* own initiative. 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*.~~  
[FCA]

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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:  
[FCA]
- (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.  
[FCA]

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*.  
[FCA]

[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*.]

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## **Appendix 1 Relevant definitions**

[FCA]

Insert the following new definition in the appropriate alphabetical position in Appendix 1. The text is not underlined.

*operational objectives* as defined in section 1B(3) of the *Act*.