

LISTING RULES (OPEN-ENDED INVESTMENT COMPANIES) INSTRUMENT 2021

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 88 (Sponsors);
 - (3) section 96 (Obligations of issuers of listed securities);
 - (4) section 137A (The FCA’s general rules);
 - (5) section 137T (General supplementary powers);
 - (6) section 139A (Power of the FCA to give guidance); and
 - (7) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 4 January 2022.

Amendments to the Handbook

- D. 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
Fees manual (FEES)	Annex B
Listing Rules sourcebook (LR)	Annex C

Citation

- E. This instrument may be cited as the Listing Rules (Open-ended Investment Companies) Instrument 2021.

By order of the Board
28 January 2021

Annex A

Amendments to the Glossary of definitions

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

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

<i>premium listing (closed-ended investment fund)</i>	a <i>premium listing of equity shares of a closed-ended investment fund.</i>
<i>standard listing (open-ended investment company)</i>	a <i>standard listing of equity shares of an open-ended investment company.</i>

Amend the following definitions as shown.

<i>closed-ended</i>	(in LR) (in relation to investment entities) an <i>investment company</i> <u><i>investment entity</i></u> which is not an <i>open-ended investment company</i> .
<i>premium listing</i>	(a) in relation to <i>equity shares</i> (other than those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i> or of a <i>sovereign controlled commercial company</i> that is required to comply with the requirements in LR 21), means a <i>listing</i> where the <i>issuer</i> is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> ;
	...
	(c) in relation to <i>equity shares</i> of an <i>open-ended investment company</i>, means a <i>listing</i> where the <i>issuer</i> is required to comply with LR 16 (Open-ended investment companies: Premium listing) and other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i>; [deleted]
	...
<i>premium listing</i>	a <i>premium listing of equity shares</i> (other than those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i> or of a <i>sovereign</i>

Annex B

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

...

3 Annex UKLA transaction fees 12R

...

Category A2 includes:

...

- (e) ~~where an issuer is an open ended investment company, applying for the approval of listing particulars; [deleted]~~

Category A3 includes:

...

- (b) applying for eligibility for *listing* of *equity shares* under *LR 16A*; or

...

...

Annex C

Amendments to the Listing Rules sourcebook (LR)

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

1 Preliminary: All securities

...

1.5 Standard and Premium Listing

Standard and premium listing explained

1.5.1 G ...

(3) *Premium listing* exists for:

(a) *equity shares* of:

(i) commercial companies,

(ii) *closed-ended investment funds*, and

(iii) ~~*open-ended investment companies*~~, and [deleted]

(iv) *sovereign controlled commercial companies*; and

(b) ...

Any other *listing* will be a *standard listing*.

...

(6) In one case, for further classes of *equity shares* of ~~an investment entity~~ a closed-ended investment fund, the *equity shares* may be admitted to a *standard listing* provided that, and only for so long as, the *issuer* has a *premium listing* of *equity shares*.

...

...

1.6 Listing Categories

1.6.1A R An *issuer* must comply with the *rules* that are applicable to every *security* in the category of *listing* which applies to each *security* the *issuer* has *listed*. The categories of *listing* are:

...

- (3) ~~premium listing (open-ended investment companies); [deleted]~~
- (3A) premium listing (sovereign controlled commercial company);
- (4) standard listing (shares);
- (4A) standard listing (open-ended investment companies);
- (5) standard listing (debt and debt-like securities);
- ...

...

4 Listing particulars for professional securities market and certain other securities: All securities

4.1 Application and Purpose

Application

- 4.1.1 R This chapter applies to an *issuer* that has applied for the *admission* of:
 - (1) securities specified in article 1(2) of the *Prospectus Regulation* (other than securities specified in article ~~1(2)(b)~~ 1(2)(a), (b) or (d) of that regulation); or
 - ...

...

5 Suspending, cancelling and restoring listing and reverse takeovers: All securities

...

5.2 Cancelling listing

...

Examples of when FCA may cancel

- 5.2.2 G Examples of when the *FCA* may cancel the *listing* of securities include (but are not limited to) situations where it appears to the *FCA* that:
 - ...
 - (4) the securities are equity shares with a standard listing issued by ~~an investment entity~~ a closed-ended investment fund where the ~~investment entity~~ closed-ended investment fund no longer has a premium listing of equity shares.

...

Cancellation of listing of securities with a premium listing

...

- 5.2.7A G Where ~~an investment entity~~ a closed-ended investment fund no longer has a premium listing of equity shares it must apply under LR 5.2.8R for cancellation of the listing of any other class of listed equity shares.

...

5.4A Transfer between listing categories

Application

- 5.4A.1 R This section applies to an *issuer* that wishes to transfer the category of its *listing* from:
- (1) ...
 - (2) a standard listing (shares) to a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund); or
 - ...
 - (2C) a standard listing (shares) to a standard listing (open-ended investment company); or
 - (2D) a standard listing (open-ended investment company) to a standard listing (shares); or
 - (2E) a standard listing (open-ended investment company) to a premium listing (commercial company); or
 - (2F) a standard listing (open-ended investment company) to a premium listing (sovereign controlled commercial company); or
 - (3) a premium listing (commercial company) to a standard listing (shares); or
 - (4) a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund) to a premium listing (commercial company); or
 - (5) a premium listing (commercial company) to a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund); or
 - (5A) a premium listing (commercial company) to a standard listing (open-ended investment company); or

- (6) ~~a premium listing (investment company)~~ premium listing (closed-ended investment fund) to a standard listing (shares); ~~or~~
- ...
- (9) a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund) to a premium listing (sovereign controlled commercial company); or
- (10) a premium listing (sovereign controlled commercial company) to a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund); or
- (11) a premium listing (sovereign controlled commercial company) to a standard listing (shares); or
- (12) a premium listing (sovereign controlled commercial company) to a standard listing (certificates representing certain securities); ~~or~~
- (13) a premium listing (sovereign controlled commercial company) to a standard listing (open-ended investment company).

5.4A.2 G An issuer will only be able to transfer a listing of its equity shares from a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund) to a standard listing (shares) if it has ceased to be ~~an investment entity~~ a closed-ended investment fund (for example if it has become a commercial company) or if it continues to have a premium listing of a class of equity shares. This is because LR 14.1.1R(1) provides that LR 14 does not apply to equity shares of an investment entity a closed-ended investment fund without a premium listing of equity shares.

5.4A.2 G An issuer will only be able to transfer a listing of its equity shares from a
A standard listing (open-ended investment company) to a standard listing
(shares) if it has ceased to be an open-ended investment company (for
example if it has become a commercial company). This is because LR
14.1.1 R(1A) provides that LR 14 does not apply to equity shares of an
open-ended investment company.

...

Shareholder approval required in certain cases

- 5.4A.4 R (1) This rule applies to a transfer of the listing of:
- (a) equity shares with a premium listing into or out of the category of ~~premium listing (investment company)~~ premium listing (closed-ended investment fund); or
- (b) equity shares with a premium listing out of the category of premium listing (commercial company); or

- (c) *equity shares or certificates representing shares with a premium listing out of the category of premium listing (sovereign controlled commercial company) into the category of standard listing (shares) or standard listing (certificates representing certain securities) or standard listing (open-ended investment company).*

...

- (3) (a) In the case of a transfer of the *listing of equity shares with a premium listing* into or out of the category of ~~*premium listing (investment company)*~~ *premium listing (closed-ended investment fund)*, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; or
- (b) in the case of a transfer of the *listing of equity shares with a premium listing (commercial company)* into the category of *standard listing (shares) or standard listing (open-ended investment company)*, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from:
- (i) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and
- (ii) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution; or

...

- (d) in the case of a transfer of the *listing of equity shares with a premium listing (sovereign controlled commercial company)* into the category of *standard listing (shares) or standard listing (open-ended investment company)*, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from:
- (i) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and
- (ii) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution; or

...

...

5.6 Reverse takeovers

...

Acquisitions of targets from different listing categories: issuer changing listing category

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5.6.28 G An issuer wishing to transfer a listing of its equity shares from a ~~premium listing (investment company)~~ premium listing (closed-ended investment fund) to a standard listing (shares) should note LR 5.4A.2G which sets out limitations resulting from the application of LR 14.1.1R(1) (application of the listing rules to a company with or applying for a standard listing of shares).

5.6.28 A G An issuer wishing to transfer a listing of its equity shares from a standard listing (open-ended investment company) to a standard listing (shares) should note LR 5.4A.2AG which sets out limitations resulting from the application of LR 14.1.1R(1A) (application of the listing rules to a company with or applying for a standard listing of shares).

...

8 Sponsors: Premium listing

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8.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

8.2.1 R A company with, or applying for, a premium listing of its securities must appoint a sponsor on each occasion that it:

- (1) is required to submit any of the following documents to the FCA in connection with an application for admission of securities to premium listing:

...

- (d) listing particulars referred to in LR 15.3.3R, ~~LR 16.3.4R~~, LR 21.3.3R or LR 21.7.4R or supplementary listing particulars; or

...

8.2.1A R A company must appoint a sponsor where it applies to transfer its category of listing from:

...

- (2) a *standard listing (shares)* to a ~~*premium listing (investment company)*~~ *premium listing (closed-ended investment fund)*; or
- (3) a ~~*premium listing (investment company)*~~ *premium listing (closed-ended investment fund)* to a *premium listing (commercial company)*; or
- (4) a *premium listing (commercial company)* to a ~~*premium listing (investment company)*~~ *premium listing (closed-ended investment fund)*; or
- ...
- (9) a ~~*premium listing (investment company)*~~ *premium listing (closed-ended investment fund)* to a *premium listing (sovereign controlled commercial company)*; or
- (10) a *premium listing (sovereign controlled commercial company)* to a ~~*premium listing (investment company)*~~ *premium listing (closed-ended investment fund)*; or
- (11) *a standard listing (open-ended investment company) to a premium listing (commercial company)*; or
- (12) *a standard listing (open-ended investment company) to a premium listing (sovereign controlled commercial company)*.

...

8.4 Role of a sponsor: transactions

Application for admission

- 8.4.1 R ...
- (4) *listing particulars* or *supplementary listing particulars* under *LR 15.3.3R* ~~or *LR 16.3.4R*~~.

...

New applicants: procedure

- 8.4.3 R A *sponsor* must:
- ...
- (4) submit a letter to the *FCA* setting out how the *applicant* satisfies the criteria in *LR 2* (Requirements for listing - all securities), *LR 6* (Additional requirements for premium listing (commercial company)) and, if applicable, *LR 15*, ~~*LR 16*~~ or *LR 21*, no later than when the first draft of the *prospectus* or *listing particulars* is

submitted (or, if the *FCA* is not approving a *prospectus*, at a time to be agreed with the *FCA*).

...

9 Continuing obligations

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9.3 Continuing obligations: holders

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Pre-emption rights

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9.3.12 R *LR* 9.3.11R does not apply to:

...

- (4) an *overseas company* with a *premium listing* if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC or article 33 of Directive 2012/30/EU and the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority; ~~or~~
- (5) ~~an open-ended investment company.~~ [deleted]

...

14 Standard listing (shares)

14.1 Application

14.1.1 R This chapter applies to a *company* with, or applying for, a *standard listing* of *shares* other than:

- (1) *equity shares* issued by a *company* that is ~~an investment entity~~ a closed-ended investment fund unless it has a *premium listing* of a class of its *equity shares*; ~~and~~
- (1A) *equity shares* issued by an open-ended investment company (unless applied by *LR* 16A); and
- (2) *preference shares* that are *specialist securities*.

...

Delete LR 16 (Open-ended investment companies: Premium listing) in its entirety. The deleted text is not shown but the chapter is marked [deleted], as shown below.

16 Open-ended investment companies: Premium listing [deleted]

After LR 16 (Open-ended investment companies: Premium listing), insert the following new chapter as LR 16A. The text is not underlined.

16A Open-ended investment companies: Standard listing

16A.1 Application

16A.1.1 R This chapter applies to an *open-ended investment company* applying for, or with, a *standard listing*.

16A.2 Requirements for listing and listing applications

Requirements for listing

16A.2.1 R To be *listed*, an *applicant* must:

(1) be an *open-ended investment company* which is:

(a) an *ICVC* that has been granted an *authorisation order* by the *FCA*; or

(b) an *overseas collective investment scheme* that is a *recognised scheme*; and

(2) comply with *LR 2* (Requirements for listing: All securities).

Listing applications

16A.2.2 R An *applicant* for admission must comply with *LR 3* (Listing applications).

16A.2.3 G The *FCA* will admit to *listing* such number of *securities* as the *applicant* may request for the purpose of future issues. At the time of issue the *securities* will be designated to the relevant *class*.

Multi-class fund or umbrella fund

16A.2.4 R An *applicant* which is a multi-class or umbrella fund is not required to make a further *listing application* when creating a new *class* of *security*, if the *applicant*:

(1) does not increase its share capital for which *listing* has previously been granted; and

(2) provides the *FCA* with details of the new *class*.

16A.3 Requirements with continuing application

Authorisation or recognition

- 16A.3.1 R An *open-ended investment company* must comply with LR 16A.2.1R(1) at all times.

Continuing obligations

- 16A.3.2 R An *open-ended investment company* must comply with LR 14.3.1R, LR 14.3.4R, LR 14.3.6R to LR 14.3.8R and LR 14.3.24R.
- 16A.3.3 G An *open-ended investment company* whose *equity shares* are admitted to trading on a *regulated market* in the *United Kingdom* should consider its obligations under the *disclosure requirements*.

Changes to tax status

- 16A.3.4 R An *open-ended investment company* must notify any change in its taxation status to a *RIS* as soon as possible.

Insert the following new definitions in the appropriate alphabetical position and amend or delete the existing definitions as shown.

Appendix 1 Relevant definitions**App 1.1 Relevant definitions**

App 1.1.1 ...

...

<i>closed-ended</i>	(in relation to investment entities) an <i>investment company</i> <i>investment entity</i> which is not an <i>open-ended investment company</i> .
<i>premium listing</i>	(a) in relation to <i>equity shares</i> (other than those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i> or of a <i>sovereign controlled commercial company</i> that is required to comply with the requirements in LR 21), means a <i>listing</i> where the <i>issuer</i> is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> ;
	...
	(c) in relation to <i>equity shares</i> of an <i>open-ended investment company</i>, means a <i>listing</i> where the <i>issuer</i> is required to comply with LR 16 (Open-ended investment companies: Premium listing) and other

		requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities with a premium listing</i> ; [deleted]
	...	
<i>premium listing (commercial company)</i>		a <i>premium listing</i> of <i>equity shares</i> (other than those of a <i>closed-ended investment fund</i> or of an open-ended investment company or of a <i>sovereign controlled commercial company</i> that is required to comply with the requirements in LR 21).
<i>premium listing (closed-ended investment fund)</i>		<u>a premium listing of equity shares of a closed-ended investment fund.</u>
<i>premium listing (sovereign controlled commercial company)</i>		a <i>premium listing</i> of:
	(a)	<i>equity shares</i> (other than those of a <i>closed-ended investment fund</i> or of an open-ended investment company); or
	...	
<i>premium listing (investment company)</i>		a premium listing of equity shares of a closed-ended investment fund or of an open-ended investment company.
...		
<i>standard listing (open-ended investment company)</i>		<u>a standard listing of equity shares of an open-ended investment company.</u>
<i>standard listing (shares)</i>		a <i>standard listing</i> of <i>shares</i> other than <u><i>equity shares of an open-ended investment company</i></u> or <i>preference shares</i> that are <i>specialist securities</i> .

...

TR 3 Transitional Provisions for Investment Entities already listed under LR 14

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
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1.	LR 5.2.7AR, LR 14, LR 15 and LR 16	R	<p>These transitional provisions apply to an entity that is an <i>overseas company</i> and an <i>investment entity</i> and that immediately before 6 March 2008 did not comply with the requirements of LR 15 or LR 16 (as in force at the time) but complied with the requirements of LR 14.</p> <p><u>Note: LR 16A replaced LR 16 for the listing of open-ended investment companies on 4 January 2022.</u></p>	6 April 2010 Indefinite	6 April 2010
2.	LR 5.2.7AR, LR 14, LR 15 and LR 16A	R	LR 14 continues to apply to the entity for so long as it is listed after that date (and LR 15 and LR 16A do not apply) unless the entity makes an election under rule 3 of these transitional provisions.	6 April 2010 4 January 2022 Indefinite	6 April 2010 4 January 2022
3.	LR 5.2.7AR, LR 14, LR 15 and LR 16A	R	The entity may by notice in writing given to the FCA elect to comply with the requirements of LR 15 or LR 16A (whichever is applicable to the entity) instead of the requirements in LR 14 from a date specified in the notice. An entity should not give notice under this transitional rule unless it has come to a reasonable opinion, after having made due and careful enquiry, that it can satisfy the requirements of LR 15 and 16A (as the case may be).	6 April 2010 4 January 2022 Indefinite	6 April 2010 4 January 2022
4.	LR 5.2.7AR, LR 14, LR 15 and LR 16A	R	If an entity gives a notice under TR3 3R of these transitional provisions it must comply with the requirements of LR 15 or LR 16A (as the case may be) from the date specified in the notice and the requirements of LR 14 no longer apply to the entity from that date.	6 April 2010 4 January 2022 Indefinite	6 April 2010 4 January 2022

Note: An entity which intends to give notice under ~~LR 3~~ LR TR 3 3R should consult with the FCA at the earliest possible stage if it intends to comply with the requirements of LR 15 or LR 16A (whichever is applicable to the entity) instead of the requirements in LR 14.