

LISTING RULES (PRIMARY MARKETS EFFECTIVENESS) (SHARES IN PUBLIC HANDS) 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 96 (Obligations of issuers of listed securities);
 - (3) section 101 (Listing rules: general provisions);
 - (4) section 137A (The FCA’s general rules);
 - (5) section 137T (General supplementary powers); and
 - (6) section 139A (Power of the FCA to give guidance).
- 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 3 December 2021.

Amendments to the Handbook

- D. The Listing Rules sourcebook (LR) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Listing Rules (Primary Markets Effectiveness) (Shares in Public Hands) Instrument 2021.

By order of the Board
25 November 2021

Annex

Amendments to the Listing Rules sourcebook (LR)

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

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

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5.2 Cancelling listing

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Examples of when the 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:

(1) ...

(2) the *issuer* no longer satisfies its continuing obligations for *listing*, for example if the percentage of *shares* in public hands falls below ~~25%~~ 10% (the *FCA* may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or

(3) ...

...

...

6 Additional requirements for premium listing (commercial company)

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6.14 Shares in public hands

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6.14.2 R For the purposes of LR 6.14.1R:

(1) [deleted]

- (2) a sufficient number of *shares* will be taken to have been distributed to the public when ~~25%~~ 10% of the *shares* for which application for *admission* has been made are in public hands; and
- (3) ...

...

- 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) ~~{deleted}~~

- (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. [deleted]~~

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9 Continuing obligations

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9.2 Requirements with continuing obligation

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Shares in public hands

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- 9.2.15A G ~~Where the FCA has modified LR 6.14.1R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the FCA considers that in practice the market for the *shares* is not operating properly, the FCA may revoke the modification in accordance with LR 1.2.1 R (4). [deleted]~~

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14 Standard listing (shares)

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14.2 Requirements for listing

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Shares in public hands

14.2.2 R (1) ...

...

(3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when ~~25%~~ 10% of the *shares* for which application for *admission* has been made are in public hands.

...

14.2.3 G ~~The FCA may modify LR 14.2.2 R 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 CARD] [deleted]~~

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14.3 Continuing obligations

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Shares in public hands

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14.3.2A G ~~Where the FCA has modified LR 14.2.2 R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the FCA considers that in practice the market for the *shares* is not operating properly, the FCA may revoke the modification in accordance with LR 1.2.1 R (4). [deleted]~~

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18 Certificates representing certain securities: Standard listing

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18.2 Requirements for listing

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Certificates representing equity securities of an overseas company

- 18.2.8 R (1) ...
- ...
- (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when ~~25%~~ 10% of the certificates for which application for *admission* has been made are in public hands.
- ...
- 18.2.9 G ~~The FCA may modify LR 18.2.8 R 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 certificates of the same class and the extent of their distribution to the public.~~
- ~~[Note: Article 48 CARD] [deleted]~~

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21 Sovereign Controlled Commercial Companies: Premium listing

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21.6 Requirements for listing: Certificates representing shares

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Certificates in public hands

- 21.6.18 R (1) ...
- ...
- (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when ~~25%~~ 10% of the certificates for which application for *admission* has been made are in public hands.
- ...
- 21.6.19 G (1) ~~The FCA may modify LR 21.6.18R 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 certificates of the same class and the extent of their distribution to the public.~~
- ~~[Note: Article 48 of CARD]~~
- (2) ~~In considering whether to grant a modification, the FCA may take into account the following specific factors:~~

...

- (b) the number and nature of the public holders of certificates; and
- (e) in relation to *premium listing (sovereign controlled commercial company)* whether the expected market value of the certificates in public hands at *admission* exceeds £100 million. [deleted]

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21.8 Continuing obligations: Certificates representing shares

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Additional requirements: certificates in public hands and admission to trading

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- 21.8.19 G ~~Where the FCA has modified LR 21.6.18R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the FCA considers that in practice the market for the certificates representing shares is not operating properly, the FCA may revoke the modification in accordance with LR 1.2.1R(4).~~ [deleted]