

# Listing Rules



## 8.2 When a sponsor must be appointed or its guidance obtained

### When a sponsor must be appointed

8.2.1

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A company with, or applying for, a *premium listing* of its *equity shares* 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 equity shares* to *premium listing*:
    - (a) a *prospectus*, *supplementary prospectus* or *equivalent document*; or
    - (b) a certificate of approval from another competent authority; or
    - (c) a summary document as required by ■ PR 1.2.3 R (8); or
    - (d) *listing particulars* referred to in ■ LR 15.3.3 R or ■ LR 16.3.4 R or *supplementary listing particulars*; or
  - (2) is required to submit to the *FCA* a *class 1 circular* for approval; or
  - (3) is required to submit to the *FCA* a *circular* that proposes a reconstruction or a refinancing which is required by ■ LR 9.5.12 R to include a working capital statement; or
  - (4) is required to submit to the *FCA* a *circular* for the proposed purchase of own *shares*: which is required by ■ LR 13.7.1 R (2) to include a working capital statement; or
- [Note: This does not include a *circular* issued by a *closed-ended investment company*.]
- (5) is required to do so by the *FCA* because it appears to the *FCA* that there is, or there may be, a breach of the *listing rules*, the *disclosure rules* or the *transparency rules* by the *listed company*; or

- (6) is required by ■ LR 11.1.10 R (2)(b) to provide the *FCA* with a confirmation that the terms of the proposed *related party transaction* are fair and reasonable; or
- (7) is required to submit to the *FCA* a *related party circular* which is required by ■ LR 13.6.1 R (5) to include a statement by the board that the transaction or arrangement is fair and reasonable; or
- (8) is required by ■ LR 8.4.3R (4) to submit to the *FCA* a letter from a *sponsor* in relation to the *applicant's* eligibility; or
- (9) is required to make an announcement or request a suspension in connection with a *reverse takeover* under ■ LR 5.6.6 R; or
- (10) provides to the *FCA* a disclosure regime confirmation in connection with a *reverse takeover* under ■ LR 5.6.12 G (1); or
- (11) makes a disclosure announcement in connection with a *reverse takeover* under ■ LR 5.6.15 G that contains a declaration described in ■ LR 5.6.15 G (3) or ■ LR 5.6.15 G (4); or
- (12) submits to the *FCA* a letter in relation to the *issuer's* eligibility in connection with a *reverse takeover* under ■ LR 5.6.23 G (2); or
- (13) provides confirmation to the *FCA* of its severe financial difficulty for the purposes of ■ LR 10.8.3 G (2); or
- (14) is required to provide an assessment of the appropriateness of an investment exchange or *multilateral trading facility* under ■ LR 13.5.27B R.

8.2.1A

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A company must appoint a *sponsor* where it applies to transfer its category of *equity shares' listing* from:

- (1) a *standard listing (shares)* to a *premium listing (commercial company)*; or
- (2) a *standard listing (shares)* to a *premium listing (investment company)*; or
- (3) a *premium listing (investment company)* to a *premium listing (commercial company)*; or
- (4) a *premium listing (commercial company)* to a *premium listing (investment company)*.

**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. For that purpose, the *FCA* may take into account certificates of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 *CARD*]  
**FCA**

**18.2.10** **R** [deleted]

**Certificates representing securities of an investment entity.**

**18.2.10A** **R** Certificates representing *equity securities* of an *investment entity* (wherever incorporated or established) will be *admitted to listing* only if the *equity securities* they represent are already *listed* or are the subject of an application for *listing* at the same time.  
**FCA**

**Additional requirements for the certificates**

**18.2.11** **R** To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in ■ LR 2.2.2 R to ■ LR 2.2.11 R. For this purpose, in those *rules* references to *securities* are to be read as references to the *certificates representing certain securities* for which application for *listing* is made.  
**FCA**

**18.2.12** **R** To be *listed*, the *certificates representing certain securities* must not impose obligations on the *depository* that issues the certificates except to the extent necessary to protect the certificate-holders rights to, and the transmission of entitlements of, the *securities*.  
**FCA**

**Additional requirements for a depository**

**18.2.13** **R** [deleted]  
**FCA**

**18.2.14** **R** A *depository* that issues *certificates representing certain securities* must maintain adequate arrangements to safeguard certificate holders' rights to the *securities* to which the certificates relate, and to all rights relating to the *securities* and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the *issuer* of the certificates.  
**FCA**



### 18.3 Listing applications

- 18.3.1 **R** An *applicant for admission of certificates representing certain securities* must comply with ■ LR 3.2 and ■ LR 3.4.4 R to ■ LR 3.4.8 R subject to the following modifications.

**FCA**
- 18.3.1A **R** An *applicant for admission of certificates representing certain securities* must submit a letter to the *FCA* setting out how it satisfies the requirements in ■ LR 2 and ■ LR 18.2 no later than when the first draft of a *prospectus* for the certificates is submitted, or if the *FCA* is not approving a *prospectus*, at a time agreed with the *FCA* .

**FCA**
- 18.3.2 **R** In addition to the documents referred to in ■ LR 3.4.6 R, an *applicant for admission of certificates representing certain securities* must keep a copy of the executed deposit agreement for six years after the *admission* of the relevant certificates.

**FCA**
- 18.3.3 **G** [deleted]

	(k)	<i>future</i> (article 84); for the purposes of the <i>permission regime</i> , this is sub-divided into: (i) <i>future</i> (excluding a <i>commodity future</i> and a <i>rolling spot forex contract</i> ); (ii) <i>commodity future</i> ; (iii) <i>rolling spot forex contract</i> ;
	(l)	<i>contract for differences</i> (article 85); for the purposes of the <i>permission regime</i> , this is sub-divided into: (i) <i>contract for differences</i> (excluding a <i>spread bet</i> and a <i>rolling spot forex contract</i> ); (ii) <i>spread bet</i> ; (iii) <i>rolling spot forex contract</i> ;
	(m)	<i>underwriting capacity of a Lloyd's syndicate</i> (article 86(1));
	(n)	<i>membership of a Lloyd's syndicate</i> (article 86(2));
	(o)	<i>funeral plan contract</i> (article 87);
	(oa)	<i>regulated mortgage contract</i> (article 61(3));
	(ob)	<i>home reversion plan</i> (article 63B(3));
	(oc)	<i>home purchase plan</i> (article 63F(3));
	(od)	<i>regulated sale and rent back agreement</i> (article 63J(3));
	(p)	<i>rights to or interests in investments</i> (article 89).
<i>sponsor</i>		a <i>person</i> approved, under section 88 of the <i>Act</i> by the <i>FCA</i> , as a <i>sponsor</i> .
<i>sponsor service</i>		a service relating to a matter referred to in LR 8.2 that a <i>sponsor</i> provides or is requested or appointed to provide including preparatory work that a <i>sponsor</i> may undertake before a decision is taken as to whether or not it will act as <i>sponsor</i> for a <i>listed company</i> or in relation to a particular transaction, and including all the <i>sponsor's</i> communications with the <i>FSA</i> in connection with the service . But nothing in this definition is to be taken as requiring a <i>sponsor</i> when requested to agree to act as a <i>sponsor</i> for a <i>company</i> or in relation to a transaction.
<i>standard listing</i>		in relation to <i>securities</i> , means a <i>listing</i> that is not a <i>premium listing</i> .
<i>standard listing (shares)</i>		a <i>standard listing</i> of <i>shares</i> other than <i>preference shares</i> that are <i>specialist securities</i> .
<i>state finance organisation</i>		a legal person other than a <i>company</i> :

	(1)	which is a national of an <i>EEA State</i> ;
	(2)	which is set up by or pursuant to a special law;
	(3)	whose activities are governed by that law and consist solely of raising funds under state control through the issue of <i>debt securities</i> ;
	(4)	which is financed by means of the resources they have raised and resources provided by the <i>EEA State</i> ; and
	(5)	the <i>debt securities</i> issued by it are considered by the law of the relevant <i>EEA State</i> as securities issued or guaranteed by that state.
<i>state monopoly</i>		a <i>company</i> or other legal person which is a national of an <i>EEA State</i> and which:
	(1)	in carrying on its business benefits from a monopoly right granted by an <i>EEA state</i> ; and
	(2)	is set up by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by an <i>EEA state</i> or one of the federated states of an <i>EEA state</i> .
<i>subsidiary undertaking</i>		as defined in section 1162 of the Companies Act 2006 .
<i>substantial shareholder</i>		as defined in LR 11.1.4A R.
<i>summary</i>		(in relation to a <i>prospectus</i> ) the <i>summary</i> included in the <i>prospectus</i> .
<i>SUP</i>		the Supervision manual.
<i>supplementary listing particulars</i>		(in accordance with section 81(1) of the <i>Act</i> ), supplementary listing particulars containing details of the change or new matter.
<i>supplementary prospectus</i>		a supplementary prospectus containing details of a new factor, mistake or inaccuracy.
<i>Takeover Code</i>		the City Code on Takeovers and Mergers issued by the <i>Takeover Panel</i> .
<i>target</i>		the subject of a <i>class 1 transaction</i> or <i>reverse takeover</i> .
<i>tender offer</i>		an offer by a <i>company</i> to purchase all or some of a <i>class</i> of its <i>listed equity securities</i> at a maximum or fixed price (that may be established by means of a formula) that is:



## Listing Rules

### Schedule 4 Powers exercised

#### Sch 4.1 G

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#### Sch 4.2 G

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# Prospectus Rules



In order to obtain the inclusion of a new category in Annex XIX a Member State shall notify its request to the Commission. The Commission shall update this list following the Committee procedure provided for in Article 24 of [the *prospectus directive*].

2. By way of derogation of Articles 3 to 22, where an issuer, an offeror or a person asking for admission to trading on a regulated market applies for approval of a prospectus or a base prospectus for a security which is not the same but comparable to the various types of securities mentioned in the table of combinations set out in Annex XVIII, the issuer, the offeror or the person asking for admission to trading on a regulated market shall add the relevant information items from another securities note schedule provided for in Articles 4 to 20 to the main securities note schedule chosen. This addition shall be done in accordance with the main characteristics of the securities being offered to the public or admitted to trading on a regulated market.

3. By way of derogation of Articles 3 to 22, where an issuer, an offeror or a person asking for admission to trading on a regulated market applies for approval of a prospectus or a base prospectus for a new type of security, the issuer, the offeror or the person asking for admission to trading on a regulated market shall notify a draft prospectus or base prospectus to the [FCA].

The [FCA] shall decide, in consultation with the issuer, the offeror or the person asking for admission to trading on a regulated market, what information shall be included in the prospectus or base prospectus in order to comply with the obligation referred to in [sections 87A(2),(3) and (4) of the *Act*]. The [FCA] shall forthwith inform the Commission thereof.

The derogation referred to in the first subparagraph shall only apply in case of a new type of security which has features completely different from the various types of securities mentioned in Annex XVIII, if the characteristics of this new security are such that a combination of the different information items referred to in the schedules and building blocks provided for in Articles 4 to 20 is not pertinent.

4. By way of derogation of Articles 3 to 22, in the cases where one of the information items required in one of the schedules or building blocks referred to in 4 to 20 or equivalent information is not pertinent to the issuer, to the offer or to the securities to which the prospectus relates, that information may be omitted.

Articles 26a, 26b and 26c respectively provide for a proportionate disclosure regime for rights issues (as defined by the *PD Regulation*); for small and medium-sized enterprises and *companies* with reduced market capitalisation; and for issues by *credit institutions* referred to in Article 1 (2) (j) of the PD.

Proportionate schedule for rights issues



- 26a**
- 1.** The proportionate schedules set out in Annexes XXIII and XXIV shall apply to rights issues, provided that the issuer has shares of the same class already admitted to trading on a regulated market or a multilateral trading facility as defined in point 15 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council.
  - 2.** Issuers whose shares of the same class are already admitted to trading on a multilateral trading facility can only make use of the schedules set out in Annexes XXIII and XXIV when the rules of that multilateral trading facility contain the following:
    - (a)** provisions requiring issuers to publish annual financial statements and audit reports within six months after the end of each financial year, half yearly financial statements within four months after the end of the first six months of each financial year and make public inside information as defined in point 1 of the first paragraph of Article 1 of Directive 2003/6/EC pursuant to Article 6 of that Directive;
    - (b)** provisions requiring issuers to make the reports and information referred to in point (a) available to the public by publishing them on their websites;
    - (c)** provisions preventing insider dealing and market manipulation in accordance with Directive 2003/6/EC.
  - 3.** A statement at the beginning of the prospectus shall indicate clearly that the rights issue is addressed to shareholders of the issuer and that the level of disclosure of the prospectus is proportionate to that type of issue.

**Proportionate schedules for small and medium-sized enterprises and companies with reduced market capitalisation**

- 26b** The proportionate schedules set out in Annexes XXV to XXVIII shall apply when securities issued by small and medium-sized enterprises and companies with reduced market capitalisation are offered to the public or admitted to trading on a regulated market situated or operating within a Member State.

However, small and medium-sized enterprises and companies with reduced market capitalisation may instead choose to draw up a prospectus in accordance with the schedules set out in Annexes I to XVII and XX to XXIV.

**Proportionate requirements for issues by credit institutions referred to in Article 1(2)(j) of Directive 2003/71/EC**

- 26c** Credit institutions issuing securities referred to in Article 1(2)(j) of Directive 2003/71/EC that draw up a prospectus in accordance with Article 1(3) of that Directive may choose to include in their prospectus historical financial information

## Prospectus Rules

### Schedule 4 Powers exercised

#### Sch 4.1 G

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#### Sch 4.2 G

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# Disclosure Rules and Transparency Rules



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**FCA performing functions as competent authority**.....

Other relevant parts of Handbook

**Note:** Other parts of the *Handbook* that may also be relevant to persons to whom the *transparency rules* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual) .

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

**Note:** A list of *regulated markets* can be found on the *FCA* website at the following address: [www.fsa.gov.uk/register/exchanges.do](http://www.fsa.gov.uk/register/exchanges.do)



## 1A.2 Modifying rules and consulting the FCA

### Modifying or dispensing with rules

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- (1) The *FCA* may dispense with, or modify, the *transparency rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of directives and the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer*, or other *person* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FCA* may revoke or modify a dispensation or modification.

1A.2.2  
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- (1) An application to the *FCA* to dispense with or modify, a *transparency rule* must be in writing.
- (2) The application must:
  - (a) contain a clear explanation of why the dispensation or modification is requested;
  - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
  - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
  - (d) contain any statement or information that is required by the *transparency rules* to be included for a specific type of dispensation or modification; and
  - (e) include copies of all documents relevant to the application.

1A.2.3  
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An application to dispense with or modify a *transparency rule* should ordinarily be made at least five *business days* before the proposed dispensation or modification is to take effect.

## Disclosure Rules and Transparency Rules

### Schedule 4 Powers Exercised

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