

10/2

Financial Services Authority

Listing Regime Review

Feedback on CP09/24 and CP09/28
with final rules

February 2010

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Annex 1: Lists of respondents

Appendix 1: Final Handbook text

This Policy Statement reports on the main issues arising from Consultation Papers CP09/24 (*Listing Regime review: Policy Statement for CP08/21 and further minor consultation*) and CP09/28 (*Listing Regime review; Consultation on changes to the listing categories consequent to CP09/24*) and publishes final rules.

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Copies of this Policy Statement are available to download from our website – www.fsa.gov.uk. Alternatively, paper copies can be obtained by calling the FSA order line: 0845 608 2372.

1 Overview

Introduction

- 1.1 This Policy Statement represents the end of a three-year review of the structure of the UK Listing Regime, which was initiated in 2007 with the Investment Entities Listing Review. It was expanded into a broader review in DP08/01, *A review of the structure of the Listing Regime*, and was subsequently consulted on in CP08/21, *Consultation on amendments to the Listing Rules and feedback on DP08/1*.

The Listing Regime had grown organically over the decades and concerns were expressed to us by market participants about its clarity. Consequently, the overall aim of the review has been to provide greater clarity about the regime's structure and the rights and obligations it creates, so that:

- (i) investors will be able to make more informed investment decisions; and
- (ii) issuers have appropriate flexibility over the route they wish to pursue to raise capital.

- 1.2 This Policy Statement provides a summary of the feedback, our policy decisions and the final rules in relation to two Consultation Papers: CP09/24, *Listing Regime review: Policy Statement for CP08/21 and further minor consultation*; and CP09/28, *Listing Regime review: Consultation on changes to the listing categories consequent to CP09/24*.
- 1.3 We are grateful for all the responses and engagement we received over the three-year review. In particular, we value the engagement on the final two Consultation Papers, with which this Policy Statement mainly concerns itself, where we were only able to provide relatively short response periods to allow the new regime to come into force by 6 April 2010.

Background

- 1.4 CP09/24 set out amendments to the Listing Rules to implement the main changes to the Listing Regime as set out in CP08/21 namely to:
- restructure the regime into two listing segments, Premium and Standard – the former denoting the more stringent super-equivalent requirements, and the latter based on EU-minimum standards;
 - further sub-divide these segments into listing categories under which each listed security will be admitted to listing;
 - strengthen corporate governance standards for overseas companies; and
 - open the Standard Listing segment to UK companies to provide a level playing field.
- 1.5 There were two areas of further consultation in CP09/24 where we sought feedback on the workability of our draft rules:
- extending the requirement to offer pre-emption rights to overseas issuers of Premium Listed equity shares; and
 - clarifying the market practice and expectation, that to be admitted to the Official List, equity shares must be admitted to trading on a Regulated Market in the UK.
- 1.6 CP09/28 proposed consequential amendments to clarify the application of the Listing Rules in relation to individual listed securities under the Premium and Standard Listing structure. The specific proposals we sought feedback on were to:
- clarify that the Premium Listing segment is only available to equity shares that allow the issuer to meet all the super-equivalent requirements attaching to such a listing;
 - rename the fourth listing category Standard Listing (shares) in order to accommodate shares that are not eligible for a Premium Listing; and
 - define ‘miscellaneous securities’ and the rules applicable to such securities.

The main clarification is that shares that are not capable of meeting all the super-equivalent requirements, for example because they do not carry voting rights, will be listed under a Standard Listing category in the new structure. The Standard Listing categories will therefore include preference shares, convertibles and non-voting classes of equity shares.

Responses received

- 1.7 We received 14 responses to CP09/24 from trade bodies representing the buy-side, advisers, exchanges and a number of individual firms. We received seven responses to CP09/28. The lists of non-confidential respondents are included in Annex 1. The points raised by respondents are summarised and addressed in Chapter 2.

- 1.8 The consultation in CP09/24 sought comment on the drafting of the rules, rather than the policy underpinning them. The majority of the respondents were satisfied with our drafting, but a few put forward some suggestions on the drafting of the pre-emption obligation for overseas issuers with a Premium Listing. A number of respondents also urged us to provide a transitional period for overseas companies to comply with this new requirement.
- 1.9 We have taken on board most of those suggestions and have now introduced final rules requiring overseas Premium Listed issuers to offer pre-emption rights unless they have received shareholder approval to disapply such rights. This will apply from 6 April 2011. This provides a transitional period of approximately 13 months from when the rules will have been made. Our clarification that the requirements for admission to listing include admission to trading on a regulated market in the UK received substantial support.
- 1.10 In CP09/28 we argued that the changes were necessary to allow all securities on the Official List, as well as any future applications for listing of securities, to be objectively listed in the most appropriate listing category. This is so that the standards required of the issuer of the securities can be met in all cases.
- 1.11 Four of the respondents had an alternative view about how the Listing Rules should be applied for some types of shares (such as non-voting shares and preference shares) for a security to be able to be categorised in the Premium Listing segment and therefore carry the premium 'badge of quality'. We do not share this view.
- 1.12 A summary of the alternative views and our reasoning in support of our proposed amendments is set out in Chapter 2. Consequently, we will be proceeding with our proposed categorisation.
- 1.13 Under the new arrangements, an issuer that does not have a Premium Listing of equity shares must not describe itself as having a Premium Listing (LR 1.5.2).
- 1.14 In addition to the points discussed in this paper, we have also included small textual changes to the rules arising from the consultations, although the final rules do not differ significantly from the text that was consulted on.

Timing

- 1.15 The rule changes will come into effect on 6 April 2010, except for:
 - the requirement for overseas companies with a Premium Listing to offer pre-emption rights to their shareholders, where we have added a transitional provision delaying the obligation until after 5 April 2011; and
 - a two-year transition, until 31 May 2012, for securities that previously had a Primary Listing but will not qualify for a Premium Listing and will move to a Standard Listing.

- 1.16 In response to a number of direct enquiries, we have also added a new transitional provision (TR 6) to confirm our intention in CP09/24 that overseas companies need only comply with the Company Reporting Directive requirements set out in LR9.8.7A and LR14.3.24 (to which LR18.4.3(2) cross refers) for financial years beginning after 31 December 2009.

Next steps

- 1.17 Subject to the transitional arrangements described above, the rule changes in this Policy Statement, as well as ones previously made in CP09/24, come into effect from 6 April 2010. (CP09/24 had also included rule changes that were effective from 6 October 2009, which opened up a Secondary Listing of securities to UK companies.)
- 1.18 The UKLA website will be amended to reflect the new listing structure. This will include adding the listing category of each security onto the UKLA Official List.
- 1.19 We will continue to work with Primary Information Providers (PIPs) and Secondary Information Providers (SIPs) to assess the most appropriate method of displaying the segment and category to which the company's securities belong.

Who should read this Policy Statement?

- 1.20 This statement will be of interest to:
- UK and overseas issuers with UK-listed securities;
 - issuers contemplating a UK listing of securities;
 - firms advising on the issuance of UK-listed securities;
 - firms investing in or dealing with UK-listed securities; and
 - investors in UK-listed securities.

2 Consultation responses

CP09/24

- 2.1 14 respondents replied to our consultation in CP09/24. This represented a good cross section of the market and gives us confidence that the proposed changes have widespread support.
- 2.2 While the questions we asked were quite narrowly focused, some respondents also chose to provide comments on already finalised policy.

Pre-emption rights

- 2.3 We set out in CP09/24 our intention to require overseas issuers with Premium Listed equity shares to offer pre-emption rights to their shareholders, and we sought feedback to ensure that is workable in practice. We explained that extending pre-emption to the overseas Premium segment would provide uniformity and therefore clarity to the Listing Regime on the same basis as the requirement to ‘comply or explain’ against the UK Combined Code.

In CP09/24 we asked:

Q1: Do you have any comments on how the drafting of this rule, which requires overseas Premium Listed companies to offer pre-emption rights to their shareholders, may be improved?

- 2.4 We received 12 responses on this question. Respondents overall agreed with our policy of extending the requirement to offer pre-emption rights to shareholders of Premium Listed overseas companies. They saw this as creating consistency with the rules for UK companies and affording shareholders equal protections. Responses focused on four detailed issues:
 - deletion of the words ‘by shareholders’ in the draft LR9.3.12;
 - extending the scope of the rule to close ‘loopholes’ that allow pre-emption rights to be disappplied without shareholder approval;
 - transitional arrangements; and
 - practicality.

- 2.5 A couple of respondents also made recommendations about the corporate governance requirements for overseas companies, already consulted on in CP08/21. This included extending the transitional period for overseas companies to ‘comply or explain’ against the UK Combined Code, and providing recognition for the adoption of a form of the Combined Code that has been endorsed by the Financial Reporting Council (FRC) as equivalent.
- 2.6 Deleting ‘by shareholders’ in the draft LR9.3.12(1) was commented on by five respondents representing investor interests. They thought that the deletion represented a notable weakening of shareholder rights as it would allow pre-emption rights to be disapplied without time limit if such power is granted under the company’s articles of association before listing. Some of them also urged us to expand the remit of LR9.3.12 to counter the potential abuse of disapplying pre-emption rights by overseas issuers, either by structures such as cash-box placings, or by the influence of prominent controlling shareholders.
- 2.7 Some respondents urged us to consider a transitional or grandfathering arrangement for overseas companies with a Premium Listing, to comply with the pre-emption obligations. One suggestion was that companies be allowed to make the necessary amendments to their articles at or before the company’s next annual general meeting (AGM). It was argued that this would be consistent with the decision to provide transitional arrangements for overseas Premium Listed companies to ‘comply or explain’ against the UK Combined Code, but that the transitional period should be extended to ‘financial years beginning on or after 31 December 2010’.
- 2.8 One respondent thought that our draft rule was ‘over-reaching’ and that requiring overseas companies to amend their constitutional documents to enshrine UK style pre-emption rights may not be practical, depending on whether the concepts are recognised by the law of the country of incorporation. Instead, they suggested that the draft rule be amended so that the overseas company undertakes, as a condition of its Premium Listing, to ensure that it complies with LR9.3.11 whenever it proposes to issue equity securities for cash.

Our response: The drafting of LR9.3.12(1) was intended to reflect the requirements to disapply pre-emption rights as set out in section 570 and 571 of the Companies Act 2006. Section 570 in particular allows for the directors to disapply pre-emption rights if such power is provided by the articles of the company. Deleting ‘by shareholders’ was therefore seen as a technical amendment. The current requirement in the Listing Rules for express shareholder approval to disapply pre-emption rights arguably gives a higher degree of protection for shareholders than under the Companies Act. However, it was not our intention to make changes to these standards and, taking into account the strong view held by a number of respondents, we have decided to retain the wording.

While a company can disapply pre-emption rights through shareholder approval at a general meeting, the standard practice for UK companies seeking a routine disapplication of pre-emption rights is to obtain an annual authority from shareholders at the AGM. The same opportunity should be provided to overseas companies and so we have decided to provide a transitional period of one year for overseas companies to comply with the pre-emption requirements in LR9.3.11. A significant proportion of overseas issuers already offer pre-emption rights.

We do not believe it is necessary to amend our transitional arrangement for overseas companies to 'comply or explain' against the UK Combined Code (LR9.8.7) as under the existing transitional provision, the earliest a company with a normal accounting period would need to report against the Combined Code would be for companies reporting before the end of April in 2011 (against financial year beginning on or after 1 January 2010). We believe this is sufficient time for overseas companies to be in position to explain those areas where they may not have complied throughout the financial year. Our analysis also shows that many overseas companies already 'comply or explain' against the UK Combined Code and many other jurisdictions have regimes based on the UK Combined Code.

In response to queries to our Helpdesk we have incorporated a similar transitional provision for overseas companies to comply with the Company Reporting Directive as set out in LR9.8.7A and LR14.3.24 (to which LR18.4.3(2) cross refers). This clarifies our intention for the requirement to apply for financial years beginning after 31 December 2009, and not to apply retrospectively.

Extending the rule to prevent overseas companies from using 'cash-box placings', or to limit the ability of controlling shareholders from influencing a vote on the disapplication of pre-emption rights, would be a significant change and would require further consultation. We do not intend to consult on this as we feel that these are matters best monitored by shareholders and their interest groups.

Admission to trading

In CP09/24 we asked:

Q2: Do you agree with the new rule, which clarifies that to be admitted to the Official List, equity securities must be admitted to trading on a Regulated Market in the UK?

- 2.9 We received 11 responses, all in favour of this clarification, with one respondent questioning why we were restricting the available regulated markets to those of the UK only. Respondents did not want greater flexibility about who can operate a market for listed securities to be at the expense of a decrease in investor protection. Consequently, they were not supportive of allowing securities admitted to trading only on a multilateral trading facility (MTF) to be admitted to the Official List.

Our response: Given the overwhelming support in favour of this new rule, we are making this change, other than for securities to which Chapter 4 of the Listing Rules apply. In our view the Consolidated Admissions Requirements Directive (2001/34/EC) prevents the FSA from listing securities that are not admitted to trading in the UK. Non-UK regulated markets are able to seek recognition as a recognised investment exchange, in order for equity shares admitted to trading on their market to be eligible for a UK listing.

Cost-benefit analysis

In CP09/24 we asked:

Q3: Do you agree with this cost-benefit analysis?

- 2.10 We received seven responses on this question. Four respondents broadly agreed with our analysis that the incremental costs of our proposals would be minimal. Two respondents thought we had significantly underestimated the cost and time of preparing or updating a corporate governance statement. One respondent thought we had underestimated the cost of requiring overseas companies in the Premium Listing segment to provide pre-emption rights to their shareholders. For example, in relation to offering pre-emption rights, the cost of making pre-emptive offers in all jurisdictions where they may have shareholders could become very costly due to local prospectus requirements. However, one respondent commented that, in absolute terms, the overall costs for the corporate governance statements are not material in the context of overall compliance costs of a listed company.

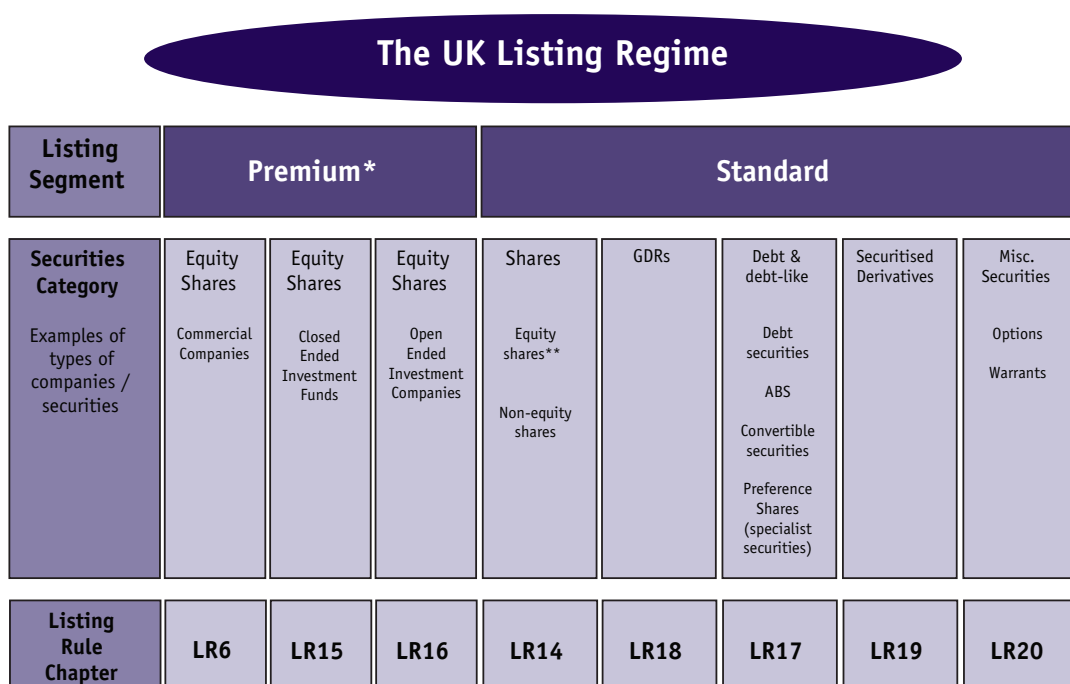
Our response: We concur that the costs of ‘comply or explain’ against the UK Corporate Governance Code for overseas Premium Listed companies are not material in the context of overall compliance costs for a listed company. The transitional period provided for overseas Premium Listed companies to provide pre-emption rights will allow time for companies to incorporate this change through their AGMs and constitutions and this will mitigate the cost implications.

CP09/28

Categorisation of securities

- 2.11 One of the main goals of reviewing the Listing Regime has been to provide more clarity to issuers and investors about what standards apply to different types of securities. The principal amendments were set out in CP09/24, *Listing Regime review: Policy Statement for CP08/21 and further minor consultation*. These included:
- restructuring the regime into two segments, Premium and Standard – ‘Premium’ being a listing that meets the more stringent super-equivalent requirements and ‘Standard’ being a listing that meets EU-minimum standards; and
 - a further sub-division of these segments into listing categories according to the characteristics of each security and the type of entity issuing them (e.g. commercial company or investment entity).
- 2.12 When we came to allocate the securities on the Official List into the listing categories it became apparent that for a small number of securities (certain types of preference shares, securities convertible into equity shares, options, warrants and non-voting classes of equity shares) it was not obvious which listing category they fell into. We therefore proposed amendments in CP09/28 to make it clear which category these securities fell into.

- 2.13 In particular, the paper explained that there are certain rules – for example, those in Chapter 10 (significant transactions) – with which Premium Listed equity shares are required to comply. It then explained that the nature of equity securities other than equity shares – for example, the fact that they do not typically carry voting rights – is such that some of these obligations cannot be readily applied. Consequently, in CP09/28 we proposed that, to achieve a proper alignment of the super-equivalent obligations, the term ‘equity securities’ should be replaced with ‘equity shares’ where the rules relate to a Premium Listing. We also proposed removing certain super-equivalent rules that specifically refer to preference shares, securities convertible into equity shares, or warrants.
- 2.14 The listing categories and the applicable chapters of the Listing Rules that apply were shown in the below diagram in CP09/28.



* further obligations in LR7 to LR13 apply for Premium Listed equity shares

** an investment entity will only be able to benefit from this Standard Listing category for a further class of equity shares if it already has (and only for so long as it maintains) a Premium Listing of a class of its equity shares

In CP09/28 we asked:

- Q1: Do you agree with the implementation of our policy to clarify that the Premium Listing segment is only available to equity shares, and the consequent deletion of certain super-equivalent rules for securities other than equity shares (e.g. preference shares and securities convertible into equity shares) that are not eligible for the Premium Listing segment under the model that has been previously consulted upon and agreed?
- Q2: Do you agree with our proposal to limit LR12.5.1 and LR12.5.2 to purchases of securities convertible into Premium Listed equity shares?
- Q3: Given that there are a number of shares that cannot at present be allocated to a listing category, do you agree with our proposal to rename the fourth listing category 'Standard Listing (shares)'?
- Q4: Do you agree with the definition of miscellaneous security and the rules applicable to such securities?

- 2.15 Two respondents agreed with our proposed amendments clarifying that the Premium Listing segment is only available to equity shares that meet the super equivalent Listing Rules. However, one respondent, while supporting the principle, commented that the eligibility of non-voting shares needed to be carefully considered.
- 2.16 Four other respondents did not agree with our policy of what adherence to the requirements of a Premium Listing entails. In particular, they were concerned with the categorisation of non-voting equity shares and certain types of preference shares resulting from our proposed amendments. Overall, they suggested that our amendments would risk eroding investor protections and would not increase consumer understanding.
- 2.17 These respondents argued that eligibility of a security for a Premium Listing should be based on the overall 'quality' of the issuer and whether it is complying with the full set of super-equivalent obligations overall, not on the basis of full compliance with the suite of super-equivalent rules attached to the individual security. They also suggested that any concern about confusion could be resolved by creating an additional Premium Listing category for those shares that did not allow the issuers to comply with a sub-set of the super-equivalent rules.
- 2.18 A concern was raised that LR 9.3.11 as currently drafted would allow a company with an overseas Premium Listing to issue convertible securities on a non-pre-emptive basis, which would be dilutive for holders of equity shares.

- 2.19 We asked about our changes to LR 12.5.1 and 12.5.2 where we proposed that they should be limited to purchases of securities convertible into Premium Listed equity shares. Not all respondents commented on this, but of those who did one thought it would lead to less information in the event that an issuer purchases its own preference shares.
- 2.20 Respondents generally agreed with the proposed change of name of the fourth listing category to ‘standard listing (shares)’ and the introduction of the additional category ‘standard listing (miscellaneous securities)’. One respondent expressed a preference for investment entities to be able to have all securities within Chapter 15, which is a chapter applying to a Premium Listing category.
- 2.21 Some securities that were included in the Primary Listing category will have a Standard Listing after these rule changes are made. A few respondents raised an issue about the potential impact of changes to the listing categories on the criteria for being included in indices. A small number of issuers may be affected by this. Based on the information we did receive, we have revised the cost benefit analysis.

Revised cost-benefit analysis

- 2.22 Were any Standard Listed shares to be excluded from indices, this could have a negative impact on the share price of the affected securities, which would have a negative impact on shareholders and increase the cost of capital for the firm. Any such impact could be temporary or permanent. There may also be an impact on liquidity.
- 2.23 There is economic evidence that deletions from an index have a negative short-term impact on the share price through a shift in demand. There is, however, less agreement about whether this effect is permanent. A number of academic studies find that share prices revert to the level they had before the announcement of the index exclusion within a few weeks.¹
- 2.24 Any potential impact is also likely to be mitigated by a two-year transition period to allow affected existing Primary Listed equity to be listed with a Premium Listing until 31 May 2012. This gives market participants time to adjust to the new listing structure.

Our response: We are proceeding with our policy that Premium Listing will only be available to equity shares that meet all super-equivalent requirements. Allowing securities that do not meet all the super-equivalent requirements to have a Premium Listing would reduce clarity between Premium and Standard Listings. Standard Listings exist for securities that do not meet the full super-equivalent requirements.

We do not accept the view that the Listing Rules should be applied to allow a Premium Listing of non-voting equity shares or preference shares. We have required issuers with overseas Premium Listings to provide pre-emption rights and to ‘comply or explain’ against the UK Combined Code in order that there is uniformity for all issuers. Requiring non-voting equity shares and preference shares to have Standard Listings is consistent with this approach. If a company is meeting enhanced disclosure obligations from its Premium Listing of equity shares, other holders of its Standard Listed securities will also receive the benefit of these public disclosures. But we do not believe this means that those other securities should also qualify for a Premium Listing (or Premium Listing label).

¹ See, for example, Mazouz K. and Saadouni B. (2007), in: *Applied Financial Economics*, Vol. 17, pp. 501-510.

Ongoing eligibility for a Premium Listing is dependent upon the issuer fulfilling all the obligations in Chapters 6 to 13 of the Listing Rules. For example, for non-voting and preference shares there will only be compliance with a subset of the requirements of these chapters. We do not believe that creating an additional Premium Listing category to accommodate shares that could meet a sub-set of the super-equivalent obligations is an appropriate way of providing clarity on the Listing Regime. This is because it would dilute the Premium Listing brand. Nor would clarity be provided if we were to allow some Premium Listing shares to be labelled 'non-voting'.

Where a commercial company maintains a Premium Listing of equity shares, there is no reduction in information for holders of non-voting shares. This is because the company will be complying with the ongoing obligations in Chapter 9 and the requirements for significant transactions and related party transactions set out in Chapters 10 and 11 of the Listing Rules. However, there will be some change in the requirements for dealings in own securities in Chapter 12 for Standard Listings. For investment entities there will be no significant decline in overall protection for holders of non-voting shares because the company will at all times be required to maintain a Premium Listing of equity shares.

We are therefore proceeding with our proposed amendments largely unchanged. However, as a small number of issuers may have potential issues with being included in indices, we are providing a two-year transitional period to enable any existing affected Primary Listed equity shares to be listed with a Premium Listing until 31 May 2012.

In moving to this clear distinction between Premium and Standard Listings we will achieve consistency in the treatment of different types of securities and issuers and achieve our objective of improving the transparency of the Listing Regime. This clear labelling between Premium Listed securities, where all the super-equivalent rules apply, and Standard Listing, where they do not, avoids the blurring that would arise from creating intermediate segments and categories for securities that could meet various sub-sets of the Premium Listing requirements. By avoiding such intermediate categories we are putting in place a clearer and simpler structure.

The new arrangements will allow clear recognition of the issuers and securities that the full requirements of a Premium Listing apply to. The new structure will allow the relationship between the Listing segments and categories to be matched to the obligations of the issuer of the securities and the rights and protections for investors.

Following the principle that super-equivalent requirements should apply only by virtue of the presence of the Premium Listing of equity shares, we have amended LR 12.5.1 and 12.5.2 to limit their scope to purchases of securities convertible into Premium Listed equity shares. We have renamed the fourth listing category 'standard listing (shares)' as we believe that this is the most appropriate way to achieve clarity at the security level that the Listing Regime review is designed to promote. We have similarly introduced the new category 'standard listing (miscellaneous securities)' and this could accommodate any security that complied with Chapter 2 of the Listing Rules that was not a share, debt or debt-like security.

We have also made some modifications to our proposed amendments for Chapters 9, 12 and 13 where we have retained 'securities' rather than use 'shares'. 'Securities' has been retained in LR 9.5.1 to 9.5.15 and in LR 9.6.4, LR 9.8.4 and LR 13.8.2, LR 13.8.5(2) and

LR 13.8.6(2). In Chapter 12 we have retained 'securities' in LR 12.3.1 to ensure that convertible securities are captured by this rule, which applies to Premium Listings of equity shares. We will consult separately on whether 'securities' should be used in LR 9.3.11 so that issues of convertible securities do not fall outside the pre-emptive rule for overseas companies with a Premium Listing.

Lists of respondents

CP09/24

Association of British Insurers

Association of Investment Companies

Company Law Committee of the Law Society of England and Wales

F&C Management Ltd

GC100 Group

Governance for Owners LLP

The Institute of Chartered Accountants in England and Wales

Investment Management Association

London Stock Exchange plc

Manifest

Oriel Securities Limited

The Quoted Companies Alliance

CP09/28

Association of British Insurers

Association of Investment Companies

Company Law Committee of the City of London Law Society

London Stock Exchange plc

The Quoted Companies Alliance

Final Handbook text

LISTING RULES SOURCEBOOK (AMENDMENT NO 4) INSTRUMENT 2010

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000:
- (1) section 73A (Part 6 rules);
 - (2) section 75 (Applications for listing);
 - (3) section 77 (Discontinuance and suspension of listing);
 - (4) section 79 (Listing particulars and other documents);
 - (5) section 80 (General duty of disclosure in listing particulars);
 - (6) section 81 (Supplementary listing particulars);
 - (7) section 88 (Sponsors);
 - (8) section 89 (Public censure of sponsor);
 - (9) section 96 (Obligations of issuers of listed securities);
 - (10) section 99 (Fees);
 - (11) section 101 (Part 6 rules: general provisions);
 - (12) section 138 (General rule-making power);
 - (13) section 156 (General supplementary powers);
 - (14) section 157(1) (Guidance); and
 - (15) schedule 7 (The Authority as Competent Authority for Part VI).

Commencement

- B. This instrument comes into force on 6 April 2010.

Amendments to the Handbook

- C. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- D. The Listing Rules sourcebook (LR) is amended in accordance with Annex B to this instrument.

Notes

- E. In Annex B (LR) to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the Listing Rules Sourcebook (Amendment No 4) Instrument 2010.

By order of the Board
25 February 2010

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.

- miscellaneous securities* (in *LR*) *securities* which are not:
- (a) *shares*; or
 - (b) *debt securities*; or
 - (c) *asset backed securities*; or
 - (d) *certificates representing debt securities*; or
 - (e) *convertible securities* which convert to *debt securities*; or
 - (f) *convertible securities* which convert to *equity securities*; or
 - (g) *convertible securities* which are exchangeable for *securities* of another *company*; or
 - (h) *certificates representing certain securities*; or
 - (i) *securitised derivatives*.
- standard listing (shares)* a *standard listing* of *shares* other than *preference shares* that are *specialist securities*.

Amend the following as shown.

- preference share*
- (1) ~~(except in *GENPRU*) a *share* conferring preference as to income or return of capital which is not convertible into an *equity share* and does not form part of the *equity share capital* of a *company*.~~
 - (2) ~~(in *GENPRU*) a *share* conferring preference as to income or return of capital which does not form part of the *equity share capital* of a *company*.~~
- premium listing*
- (a) in relation to *equity securities* *shares* (other than those of a *closed-ended investment fund* or of an *open-ended investment company*), means a *listing* where the *issuer* is required to comply with those requirements in *LR 6*

(Additional requirements for premium listing (commercial company)) and the other requirements in the *listing rules* that are expressed to apply to such *securities* with a *premium listing*;

(b) in relation to *equity securities shares* of a *closed-ended investment fund*, means a *listing* where the *issuer* is required to comply with the requirements in *LR 15 (Closed-Ended Investment Funds: Premium listing)* and other requirements in the *listing rules* that are expressed to apply to such *securities* with a *premium listing*;

(c) in relation to *equity securities shares* of an *open-ended investment company*, means a *listing* where the *issuer* is required to comply with *LR 16 (Open-ended investment companies: Premium listing)* and other requirements in the *listing rules* that are expressed to apply to such *securities* with a *premium listing*.

~~*standard listing (commercial company)*~~

~~*a standard listing of equity securities.*~~

tender offer

(in *LR*) an offer by a *company* to purchase all or some of a *class* of its *listed equity securities* ~~or preference shares~~ at a maximum or fixed price (that may be established by means of a formula) that is:

...

Annex B

Amendments to the Listing Rules sourcebook (LR)

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

- 1.5.1 G ...
- (3) *Premium listing exists for equity securities shares of commercial companies, ~~closed-ended investment funds~~ and ~~open-ended investment companies~~. Any other listing will be a standard listing.*
 - (4) In one case, for *equity securities shares* of a commercial company, an issuer will have a choice under the listing rules as to whether it has a *standard listing* or a *premium listing*. The type of listing it applies for will therefore determine the requirements it must comply with.
 - (5) LR 5.4A provides a process for the transfer of the category of listing of *equity securities shares*.
 - (6) In one case, for further classes of equity shares of an investment entity, 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.

Misleading statements about status

- 1.5.2 R An issuer that is not an issuer with a *premium listing* of its ~~securities equity shares~~ must not describe itself or hold itself out (in whatever terms) as having a *premium listing* or make any representation which suggests, or which is reasonably likely to be understood as suggesting, that it has a *premium listing* or complies or is required to comply with the requirements that apply to a *premium listing*.

After LR 1.5 insert the following new section. The text is not underlined.

1.6 Listing Categories

- 1.6.1 G Under other provisions of LR 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:
- (1) *premium listing (commercial company);*
 - (2) *premium listing (closed ended investment fund);*

- (3) *premium listing (open ended investment companies);*
- (4) *standard listing (shares);*
- (5) *standard listing (debt and debt-like securities);*
- (6) *standard listing (certificates representing certain securities);*
- (7) *standard listing (securitised derivatives);*
- (8) *standard listing (miscellaneous securities).*

- 1.6.2 R An *issuer* must inform the *FSA* if the characteristics of a *security* change so that the *security* no longer meets the definition of a *security* in the category in which it has been placed.

Amend the following as shown.

- 2.2.3 R Other than in regard to *securities* to which *LR 4* applies, ~~To~~ to be listed, *equity securities* must be admitted to trading on ~~an~~ a *regulated market for listed securities* operated by a *RIE*. All other *securities* must be admitted to trading on a *RIE*'s market for *listed securities*.

...

Convertible securities and miscellaneous securities carrying the right to buy or subscribe for other securities

- 2.2.12 R *Convertible securities and miscellaneous securities* giving the holder the right to buy or subscribe for other *securities* may be admitted to listing only if the *securities* into which they are convertible or over which they give a right to buy or subscribe are already, or will become at the same time:

...

~~Warrants or options to subscribe~~

- 2.2.14 R ~~The requirements for listing of warrants to subscribe, or options to subscribe, for *equity securities* (not being options or warrants accompanied by other *securities*) are the same as would apply if the application was for listing of the *equity securities* to be subscribed. [deleted]~~

Overseas company applying for a premium listing

- 2.2.15 R If the law of the country of its incorporation does not confer on *shareholders* rights which are at least equivalent to *LR 9.3.11R*, an *overseas company* applying for a *premium listing* must:

- (1) ensure its constitution provides for rights which are at least equivalent to the rights provided for in LR 9.3.11R (as qualified by LR 9.3.12R); and
- (2) be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.

...

3.2.2 R An *applicant* for admission must apply to the FSA by:

- (1) submitting, in final form:
 - (a) the documents described in LR 3.3 in the case of an application in respect of *equity securities shares*;

...

...

...

3.3 ~~Equity securities~~ Shares

Application

3.3.1 R LR 3.3.2R to LR 3.3.7R apply to an *applicant* which is applying for a listing of its ~~equity securities or other shares~~ except for preference shares that are specialist securities.

Documents to be provided 48 hours in advance

3.3.2 R The following documents must be submitted, in final form, to the FSA by midday two *business days* before the FSA is to consider the application:

- (1) ...
- (2) ...
- (b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another EEA State is the home Member State for the *securities shares*; or
- (c) ...

...

- (5) written confirmation of the number of *securities shares* to be allotted (pursuant to a board resolution allotting the *securities shares*); and [**Note:** If this is not possible, see LR 3.3.4R.]

- (6) if a *prospectus* or *listing particulars* have not been produced, a copy of the *RIS* announcement detailing the number and type of *securities shares* that are the subject of the application and the circumstances of their issue.

...

Documents to be provided on the day

- 3.3.3 R The following documents signed by a *sponsor* (if a *sponsor* is required under *LR 8*) or by a duly authorised officer of the *applicant* (if a *sponsor* is not required under *LR 8*) must be submitted, in final form, to the *FSA* before 9 a.m. on the day the *FSA* is to consider the application:
- (1) a completed Shareholder Statement, in the case of an *applicant* that is applying for a *listing* of a class of *equity shares* ~~or preference shares~~ for the first time; or [**Note:** see *LR 8.4.3R* and *LR 8.4.9R*];

...

- 3.3.4 R If written confirmation of the number of *securities shares* to be allotted pursuant to a board resolution cannot be submitted to the *FSA* by the deadline set out in *LR 3.3.2R* or, the number of *securities shares* to be *admitted* is lower than the number notified under *LR 3.3.2R*, written confirmation of the number of *securities shares* to be allotted or *admitted* must be provided to the *FSA* by the *applicant* or its *sponsor* at least one hour before the *admission to listing* is to become effective.
- 3.3.4A R If the *FSA* has considered an application for *listing* and the *securities shares* the subject of the application are not all allotted and *admitted* following the initial allotment of the *securities shares* (for example, under an *offer for subscription*), further allotments of *securities shares* may be *admitted* if before 4pm on the day before *admission* is sought the *FSA* has been provided with:
- (1) written confirmation of the number of *securities shares* allotted pursuant to a board resolution; and
- (2) a copy of the *RIS* announcement detailing the number and type of *securities shares* and the circumstances of their issue.

Other documents to be submitted

- 3.3.5 R Written confirmation of the number of *securities shares* that were allotted (pursuant to a board resolution allotting the *securities shares*) must be submitted to the *FSA* as soon as practicable after *admission* if the number is lower than the number that was announced under *LR 3.2.7G* as being *admitted to listing*.

...

- 3.3.6 R An *applicant* must keep copies of the following for six years after the *admission to listing*:
- (1) any agreement to acquire any assets, business or ~~shares~~ shares in consideration for or in relation to which the company's ~~securities~~ shares are being issued;
 - (2) any letter, report, valuation, contract or other documents referred to in the *prospectus*, *listing particulars*, *circular* or other document issued in connection with those ~~securities~~ shares;
 - ...
 - (7) in the case of an application in respect of ~~securities~~ shares issued pursuant to an *employees' share scheme*, the scheme document;
 - ...
 - (9) copies of board resolutions of the *applicant* allotting or issuing the ~~securities~~ shares.
- ...
- 3.4.1 R LR 3.4.4R to LR 3.4.6R apply to an *applicant* that is seeking *admission* of any of the following types of *securities*:
- ...
 - (3) *certificates representing certain securities*; ~~and~~
 - (4) [deleted]
 - (5) *convertible securities* ~~other than those referred to in LR 3.3.1R(3)~~;
 - (6) *miscellaneous securities*; and
 - (7) *preference shares that are specialist securities*.
- ...
- 5.1.2 G Examples of when the *FSA* may suspend the *listing* of *securities* include (but are not limited to) situations where it appears to the *FSA* that:
- ...
 - (8) ...; or
 - (9) for a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *security* over which the *listed miscellaneous security* carries a right to buy or subscribe has been suspended.
- ...

- 5.2.2 G Examples of when the *FSA* may cancel the *listing* of *securities* include (but are not limited to) situations where it appears to the *FSA* that:
- ...
- (3) the *securities'* *listing* has been suspended for more than six months;
- (4) the *securities* are *equity shares* with a *standard listing* issued by an *investment entity* where the *investment entity* no longer has a *premium listing* of *equity shares*.

- 5.2.3 G The *FSA* will generally cancel the *listing* of a *listed company's securities equity shares* when it completes a *reverse takeover*.
- ...

Cancellation of listing of ~~ordinary~~ equity shares

- 5.2.5 R Subject to *LR 5.2.7R*, *LR 5.2.10R* and *LR 5.2.12R*, an *issuer* with a *premium listing* that wishes the *FSA* to cancel the *listing* of any of its ~~ordinary~~ *equity shares* with a *premium listing* must:
- ...
- ...

- 5.2.7 R *LR 5.2.5R(2)* will not apply where an *issuer* of ~~ordinary~~ *equity shares* notifies a *RIS*:
- ...

- 5.2.7A R Where an *investment entity* 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*.

Requirements for cancellation of other securities

- 5.2.8 R An *issuer* that wishes the *FSA* to cancel the *listing* of *listed securities* (other than ~~ordinary~~ *equity shares* with a *premium listing*) must notify a *RIS*, giving at least 20 *business days* notice of the intended cancellation but is not required to obtain the approval of the holders of those *securities* contemplated in *LR 5.2.5R(2)*.
- ...

- 5.2.10 R *LR 5.2.5R* does not apply to the cancellation of ~~ordinary~~ *equity shares* of an *issuer* with a *premium listing* when, in the case of a takeover offer:
- ...

- 5.2.11 R In the circumstances of *LR 5.2.10R*, the *company* must notify ~~the security holders~~ shareholders that the required 75% has been attained and that the

notice period has commenced and of the anticipated date of cancellation, or the explanatory letter or other material accompanying the section 979 notice must state that the notice period has commenced and the anticipated date of cancellation.

Cancellation as a result of schemes of arrangement etc

5.2.12 R *LR 5.2.5R and LR 5.2.8R do not apply to the cancellation of ~~ordinary equity shares of an issuer~~ with a premium listing as a result of:*

...

...

5.4.7 G For a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *miscellaneous security's* listing will be restored if the *security* over which the *miscellaneous security* carries a right to buy or subscribe is restored.

5.4A **Transfer between listing categories: Equity securities shares**

...

5.4A.1 R This section applies to an *issuer* that wishes to transfer its category of *equity securities shares* listing from:

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

...

- (6) a *premium listing* (*investment company*) to a *standard listing* (~~*commercial company shares*~~).

5.4A.2 G An *issuer* will only be able to transfer a *listing* of its *equity securities shares* from a *premium listing* (*investment company*) to a *standard listing* (~~*commercial company shares*~~) if it has ceased to be an *investment entity* (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* provides that *LR 14* does not apply to *equity shares* of an *investment entity* without a *premium listing* of *equity shares*.

...

5.4A.3 R (1) If an *issuer* wishes to transfer its category of *equity securities shares* listing it must notify the *FSA* of the proposal.

...

...

5.4A.4 R (1) This rule applies to a transfer of the *listing* of *equity securities shares with a premium listing* into or out of the category of *premium listing (investment company)* or a transfer of the *listing* of *equity securities shares* out of the category of *premium listing (commercial company)*.

(2) The *issuer* must:

(a) send a *circular* to the holders of the *equity securities shares*;

(b) notify a *RIS*, at the same time as the circular is despatched to the relevant holders of the *equity securities shares*, of the intended transfer and of the notice period and meeting date;

(c) obtain at a general meeting, the prior approval of a resolution for the transfer from not less than 75% of the holders of the *equity securities shares* as (being entitled to do so) vote in person or, where proxies are allowed, by proxy; and

...

...

5.4A.5 R (1) This rule applies to any transfer of a *listing* of *equity securities shares* other than a transfer referred to in *LR 5.4A.4R(1)*.

...

...

5.4A.10 R If an *issuer* has initially notified the *FSA* under *LR 5.4A.3R* it may apply to the *FSA* to transfer the *listing* of its *equity securities shares* from one category to another. The application must include:

...

(2) details of the *equity securities shares* to which the transfer relates;

...

Issuer must comply with eligibility requirements

5.4A.11 R (1) An *issuer* applying for a transfer of its *equity securities shares* must comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity securities*

shares to the category of *listing* to which it wishes to transfer.

(2) For the purposes of applying the eligibility requirements referred to in (1) to a transfer then, unless the context otherwise requires, a reference in such a requirement:

(a) to the admission of *equity securities shares* is to be taken to be a reference to the transfer of the *securities equity shares*; and

...

...

5.4A.12 R If an *issuer* applies under LR 5.4A.10R, the *FSA* may approve the transfer if it is satisfied that:

...

(3) the *issuer* and the *equity securities shares* will comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *securities equity shares* to the category of *listing* to which it wishes to transfer.

5.4A.13 G The *FSA* will not generally reassess compliance with eligibility requirements (for example LR 6.1.16R (Working capital)) if the *issuer* has previously been assessed by the *FSA* as meeting those requirements under its existing *listing* category when its *equity securities shares* were *listed*.

...

5.4A.16 G There may be situations in which an *issuer's* business has changed over a period of time so that it no longer meets the requirements of the applicable *listing* category against which it was initially assessed for *listing*. In those situations, the *FSA* may consider cancelling the *listing* of the *securities equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category.

...

5.5.3 G (1) The *FSA* will not automatically suspend, cancel or restore the *listing* of *securities* at the request of an *overseas* exchange or *overseas* authority (for example, if listing of a ~~*secondary*~~ *listed issuer's securities* are suspended, cancelled or restored on its home exchange).

(2) The *FSA* will not normally suspend the *listing* of *securities* where there is a trading halt for the *security* on its home exchange.

(3) If a ~~*secondary*~~ *listed issuer* requests a suspension, cancellation or restoration of the *listing* of its *securities*, after a suspension, cancellation or restoration on its home exchange, the *issuer* should

send to the *FSA* written confirmation:

...

...

6 Additional requirements for premium listing (commercial company)

...

- 6.1.1 R This chapter applies to an *applicant* for the *admission* of *equity securities shares* to *premium listing (commercial company)*.

Applicant must satisfy requirements in this chapter

- 6.1.2 G An *applicant* for the *admission* of *equity securities shares* to a *premium listing (commercial company)* must satisfy the requirements in this chapter (in addition to those in *LR 2*).

Accounts

- 6.1.3 R (1) A *new applicant* for the *admission* of *equity shares* ~~or securities convertible into its own shares~~ to a *premium listing* must have published or filed audited accounts that:

...

...

Nature and duration of business activities

- 6.1.4 R A *new applicant* for the *admission* of *equity shares* ~~or securities convertible into its own shares~~ to a *premium listing* must demonstrate that:

...

...

Mineral companies

- 6.1.8 R If a *mineral company* applies for the *admission* of its *equity securities shares*:

...

- 6.1.9 R *LR 6.1.4R* does not apply to a *mineral company* that applies for the *admission* of its *equity securities shares*.

- 6.1.10 R (1) This rule applies to a *mineral company* that is a *new applicant* for the *admission* of its *equity securities shares*.

...

...

- 6.1.11 R If a *scientific research based company* applies for the *admission* of its *equity securities shares*:

...

- 6.1.12 R An *applicant* for the *admission* of *equity securities shares* of a *scientific research based company* does not need to satisfy LR 6.1.4R but must:

...

- (3) have a capitalisation, before the marketing at the time of *listing*, of at least £20 million (based on the issue price and excluding the value of any *securities equity shares* which have been issued in the six months before *listing*);

...

Other cases where the FSA may modify accounts and track record requirements

- 6.1.13 G The *FSA* may modify or dispense with LR 6.1.3R(1)(a) or LR 6.1.4R if it is satisfied that it is desirable in the interests of investors and that investors have the necessary information available to arrive at an informed judgment about the *applicant* and the *securities equity shares* for which *listing* is sought.

[Note: article 44 CARD]

...

- 6.1.15 G For the purposes of LR 6.1.14G the *FSA* will take into account factors such as whether the *applicant*:

...

- (2) is undertaking a significant marketing of *securities equity shares* in connection with the *admission* and has demonstrated that having listed status is a significant factor in the ability to raise funds; and

...

...

- 6.1.17 G The *FSA* may dispense with the requirement under LR 6.1.16R if an *applicant* already has *equity securities shares listed*, and the *FSA* is satisfied that the *prospectus* or *listing particulars* (as the case may be) contain satisfactory proposals for providing the additional working capital thought by the *applicant* to be necessary.

...

6.1.23 R To be *listed*, ~~securities~~ equity shares must be eligible for electronic settlement.

...

7.1.1 R The Listing Principles apply to every *listed company* with a *premium listing* of ~~equity securities~~ shares in respect of all its obligations arising from the *listing rules* and the *disclosure rules* and *transparency rules*.

...

7.2.1 R The Listing Principles are as follows:

...	
Principle 3	A <i>listed company</i> must act with integrity towards holders and potential holders of its <i>listed equity securities</i> <u>shares</u> .
Principle 4	A <i>listed company</i> must communicate information to holders and potential holders of its <i>listed equity securities</i> <u>shares</u> in such a way as to avoid the creation or continuation of a false market in such <i>listed equity securities</i> <u>shares</u> .
Principle 5	A <i>listed company</i> must ensure that it treats all holders of the same <i>class</i> of its <i>listed equity securities</i> <u>shares</u> that are in the same position equally in respect of the rights attaching to such <i>listed equity securities</i> <u>shares</u> .
...	

...

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

- (1) makes an application for *admission* of ~~equity securities~~ shares which:

...

...

8.2.1A R A *company* must appoint a *sponsor* where it applies to transfer its category of ~~equity securities~~ shares' listing from:

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

- ...
- ...
- 8.4.1 R *LR 8.4.2R to LR 8.4.4G apply in relation to an application for admission of equity ~~securities~~ shares if an applicant does not have equity ~~securities~~ shares already listed and:*
- ...
- ...
- 8.4.3 R *A sponsor must:*
- ...
- (4) *submit a letter to the FSA setting out how the applicant satisfies the criteria in LR 2 (Requirements for listing - all securities), LR 6 (Additional requirements for ~~listing for equity securities~~ premium listing (commercial company)) and, if applicable, LR 15 or LR 16, no later than when the first draft of the prospectus or listing particulars is submitted (or, if the FSA is not approving a prospectus or if it is determining whether a document is an equivalent document, at a time to be agreed with the FSA).*
- ...
- 8.4.4 G *Depending on the circumstances of the case, a sponsor providing services to an applicant on an application for admission to listing may have to confirm in writing to the FSA that the board of the applicant has allotted the equity ~~securities~~ shares.*
- ...
- 8.4.7 R *LR 8.4.8R to LR 8.4.10G apply in relation to an application for admission of equity ~~securities~~ shares of an applicant that has equity ~~securities~~ shares already listed.*
- ...
- 8.4.10 G *Depending on the circumstances of the case, a sponsor providing services to an applicant on an application for admission to listing may have to confirm in writing to the FSA the number of ~~securities~~ equity shares to be allotted or admitted. [Note: see LR 3.3]*
- Class 1 circulars, refinancing and purchase of own equity shares
- 8.4.11 R *LR 8.4.12R to LR 8.4.13R apply in relation to transactions involving a ~~listed company of equity shares with an issuer with a premium listing of~~ equity shares that:*

...

...

Application: ~~equity shares~~

- 9.1.1 R ~~A This chapter applies to a company that has a *premium listing of equity shares* must comply with all of the requirements of this chapter.~~

Application: preference shares

- 9.1.2 R ~~A company that has a *premium listing of preference shares* must comply with: [deleted]~~

(1) ~~LR 9.2.1R to LR 9.2.6BR (other than LR 9.2.2AR);~~

(2) ~~LR 9.2.11R to LR 9.2.12G;~~

(3) ~~LR 9.2.14R to LR 9.2.17G;~~

(4) ~~LR 9.3.1R to LR 9.3.10G;~~

(5) ~~LR 9.5.1R to LR 9.5.9R;~~

(6) ~~LR 9.6.1R to LR 9.6.4R;~~

(7) ~~LR 9.6.6R;~~

(8) ~~LR 9.6.11R;~~

(9) ~~LR 9.6.19R to LR 9.6.22G;~~

(10) ~~LR 9.7A; and~~

(11) ~~LR 9.8, but not:~~

(a) ~~LR 9.8.4R(3);~~

(b) ~~[deleted]~~

(c) ~~[deleted]~~

(d) ~~LR 9.8.6R(5), (6) and (7);~~

(e) ~~LR 9.8.8R.~~

(12) ~~[deleted]~~

- 9.1.2A G ~~For the purposes of compliance with the *transparency rules*, the FSA considers that a *listed company* that issues *preference shares* should comply with *DTR 4* (Periodic financial reporting), *DTR 5* (Vote holder and issuer notification rules) and *DTR 6* (Access to information) as if it were~~

an issuer of debt securities as defined in the *transparency rules*. [deleted]

Application: securities convertible into equity shares

- 9.1.3 R ~~A company that has a premium listing of securities convertible into equity shares must comply with: [deleted]~~
- (1) ~~LR 9.2.1R to LR 9.2.6BR;~~
 - (2) ~~LR 9.2.11R;~~
 - (3) ~~LR 9.2.13G;~~
 - (4) ~~[deleted]~~
 - (5) ~~LR 9.5.11R to LR 9.5.12R;~~
 - (6) ~~LR 9.5.15R to LR 9.5.16R;~~
 - (7) ~~LR 9.6.1R;~~
 - (8) ~~LR 9.6.3R;~~
 - (9) ~~LR 9.6.4R to LR 9.6.6R;~~
 - (10) ~~LR 9.6.19R to LR 9.6.22G; and~~
 - (11) ~~LR 9.8 but not:~~
 - (a) ~~LR 9.8.4R(3);~~
 - (b) ~~[deleted]~~
 - (c) ~~[deleted]~~
 - (d) ~~LR 9.8.6R(6) and LR 9.8.6R(7); and~~
 - (e) ~~LR 9.8.8R.~~
- 9.1.4 R ~~A company that has a premium listing of securities convertible into equity shares must comply with LR 9.2.7R to LR 9.2.10R if the equity shares that the securities convert into are listed. [deleted]~~
- ...
- 9.2.2 R A listed company must inform the FSA in writing as soon as possible if it has:
- (1) requested a RIE to admit or re-admit any of its *listed equity shares securities* or ~~listed preference shares~~ to trading; or
 - (2) requested a RIE to cancel or suspend trading of any of its *listed equity securities* or *listed preference shares*; or

- (3) been informed by a *RIE* that trading of any of its *listed equity securities shares* ~~or listed preference shares~~ will be cancelled or suspended.

Control of assets and independent business

9.2.2A R A *listed company* that has equity shares listed, ~~or securities convertible into its own shares listed~~, must comply with *LR* 6.1.4R(2) and (3) at all times. This rule does not apply to a *mineral company*, a *scientific research based company*, a *closed-ended investment fund* or an *open-ended investment company*.

...

9.2.5 G A *listed company*, whose ~~securities~~ equity shares are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under *DTR* 2 (Disclosure and control of inside information by issuers).

...

9.2.6A G A *listed company*, whose ~~securities~~ equity shares are admitted to trading on a *regulated market*, should consider its obligations under *DTR* 4 (Periodic financial reporting), *DTR* 5 (Vote holder and issuer notification rules), *DTR* 6 (Access to information) and *DTR* 7 (Corporate governance).

...

9.3.11 R A *listed company* proposing to issue *equity shares* for cash or to sell *treasury shares* that are ~~equity securities~~ equity shares for cash must first offer those equity shares in proportion to their existing holdings to:

...

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

- (1) a listed company incorporated in the United Kingdom if a ~~general~~ disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section 570 (Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of *equity securities shares* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority; or
- (2) ~~the a listed company is~~ undertaking a *rights issue* or *open offer* ~~and provided~~ the disapplication of pre-emption rights is with respect to:
 - (a) *equity shares* representing fractional entitlements; or
 - (b) *equity shares* which the *company* considers necessary or

expedient to exclude from the offer on account of the laws or regulatory requirements of ~~another~~ a territory other than its country of incorporation unless that territory is the United Kingdom; or

- (3) ~~the a listed company~~ is selling *treasury shares* for cash to an *employee share scheme*; or
- (4) ~~the company is an overseas company with a primary listing an overseas company with a premium listing~~ that has obtained the consent of its shareholders to issue *equity shares* other than in accordance with *LR 9.3.11R* either:
 - (a) within the terms of an authority equivalent to that required by section 570 or 571 of the Companies Act 2006; or
 - (b) in accordance with the law of its country of incorporation provided that the country has implemented Article 29 of Directive 77/91/EEC.

...

- 9.5.1 R For a placing of rights arising from a *rights issue* before the official start of dealings, a *listed company* must ensure that:
- (1) the placing relates to at least 25% of the maximum number of *equity securities* offered;
 - (2) ...
 - (3) the price paid by the placees does not exceed the price at which the *equity securities which are* the subject of the *rights issue* are offered by more than one half of the calculated premium over that offer price (that premium being the difference between the offer price and the theoretical ex-rights price); and
 - (4) the *equity securities which are* the subject of the *rights issue* are of the same *class* as the *equity securities* already *listed*.

...

- 9.5.3 G In a *rights issue*, the *FSA* may list the *equity securities* at the same time as ~~the securities~~ they are admitted to trading in nil paid form. On the *equity securities* being paid up and the allotment becoming unconditional, the *listing* will continue without any need for a further application to list fully paid *securities*.

- 9.5.4 R If existing ~~*security holders*~~ *shareholders* do not take up their rights to subscribe in a *rights issue*:
- (1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms

that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed 5.00, the proceeds may be retained for the *company's* benefit; and

- (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

...

9.5.7 R A *listed company* must ensure that the timetable for an *open offer* is approved by the *RIE* on which its *equity securities* are traded.

...

9.5.11 R A *listed company* must ensure that for an *offer for sale* or an *offer for subscription of equity securities*:

...

- (2) if the *equity securities* may be held in uncertificated form, there is equal treatment of those who elect to hold the *equity securities* in certificated form and those who elect to hold them in uncertificated form;

...

9.5.13 R If, for an issue of *equity securities* ~~shares~~ (other than an issue in lieu of dividend), a shareholders entitlement includes a fraction of a security, a *listed company* must ensure that the fraction is sold for the benefit of the holder except that if its value (net of expenses) does not exceed 5.00 it may be sold for the *company's* benefit. Sales of fractions may be made before *listing* is granted.

...

9.5.15 R A *listed company* must ensure that any temporary document of title (other than one issued in global form) for an *equity security*:

...

- (2) states where applicable:

...

- (h) for a *rights issue*, the time, being not less than 10 *business days*, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and

- (3) if renounceable:

...

- (b) advises holders of *equity securities* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;

...

- 9.5.16 R A *listed company* must ensure that any definitive document of title for an *equity security share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraphs (5) and (7)):

...

- (6) ~~for a fixed income security, the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion; and [deleted]~~
- (7) for *equity shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

...

- 9.6.4 R A *listed company* must notify a *RIS* as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:

...

- (6) (except in relation to a block listing of *securities*) the results of any new issue of *equity securities* or ~~preference shares~~ or of a public offering of existing ~~shares~~ or other *equity securities*.

...

- 10.1.2 G The purpose of this chapter is to ensure that shareholders of *companies* with *equity securities shares* listed:

...

...

Cancellation of listing

- 10.6.2 G When a *listed company* completes a *reverse takeover*, the *FSA* will generally cancel the *listing* of its ~~securities~~ *equity shares* (see *LR 5.2.3G*) and the *company* will be required to re-apply for the *listing* of the ~~securities~~ *equity shares* and satisfy the relevant requirements for *listing* (except that *LR 6.1.3R(1)(b)*) will not apply in relation to the *listed company's* accounts).

...

- 10.7.2 R (1) In addition to the tests in *LR 10 Annex 1G*, if the transaction is an acquisition of *property* by a *listed property company* and any of the consideration is in the ~~ordinary~~ *equity shares* of that *company*, the *listed company* must determine the *percentage ratios* that result from the calculations under the test in ~~paragraph~~ (2).
- (2) The share capital test is calculated by dividing the number of consideration *shares* to be issued by the number of ~~ordinary~~ *equity shares* in issue (excluding *treasury shares*).

...

- 12.1.1 R This chapter applies to a *company* that has a *premium listing* of *equity securities* or *preference shares*.

...

- 12.5.1 R Except where the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant *securities*, where a *listed company* intends to purchase any of its *securities convertible into its equity shares* ~~*securities with a premium listing*~~ (other than *equity shares*) or *preference shares* it must:

...

...

- 12.5.2 R Any purchases, early redemptions or cancellations of a *company's* own *listed equity securities convertible into equity shares* with a *premium listing* (other than *equity shares*) or *preference shares*, by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* when an aggregate of 10% of the initial amount of the relevant *class* of *securities* has been purchased, redeemed or cancelled, and for each 5% in aggregate of the initial amount of that *class* acquired thereafter.

...

- 12.5.4 R ~~Where a *listed company* purchases or makes an early redemption of *shares* other than *equity shares*, the notification required by *LR 12.5.2R* must include the matters set out in *LR 12.5.3R* and, in addition, the number of the *shares* purchased or redeemed early for cancellation and the number purchased to be held as *treasury shares*. [deleted]~~

...

- 12.5.6 R ~~In the case of *securities* which are convertible into, exchangeable for, or carry a right to subscribe for *equity shares*, unless a *tender offer* is made to all holders of the *class*, purchases must not be made at a price higher than 5% above the average of the market values for the *securities* for the five~~

~~business days immediately prior to the date of purchase.~~ [deleted]

...

- 13.1.2 R A *listed company* must ensure that *circulars* it issues to holders of its *listed equity securities shares* comply with the requirements of this chapter.

...

When circulars about purchase of own equity ~~securities~~ shares need approval

- 13.2.3 R (1) A *circular* relating to a resolution to give a *listed company* authority to purchase its own *equity securities shares* must be approved by the *FSA* under *LR 13.2.1R* if:
- (a) the purchase by the *company* of its own *equity securities shares* is to be made from a *related party* (whether directly or through intermediaries); or

...

13.7 Circulars about purchase of own equity ~~securities~~ shares

Purchase of own equity ~~securities~~ shares

...

- 13.8.2 R A *circular* relating to a resolution proposing to disapply the statutory pre-emption rights under section 561 of the Companies Act 2006 (Existing shareholders' right of pre-emption) must include:

...

- (2) if there is a general disapplication for *equity securities* for cash made otherwise than to existing shareholders in proportion to their existing holdings, the percentage which the amount generally disappplied represents of the total ~~ordinary~~ *equity* share capital in issue as at the latest practicable date before publication of the *circular*.

...

Scrip dividend mandate schemes/dividend reinvestment plans

- 13.8.7 R (1) ...
- (2) The timetable in the *circular* for each scrip alternative covered by a scrip dividend mandate plan must have been approved by the *RIE* on which the *company's equity securities shares* are traded.

Notices of meetings

- 13.8.8 R (1) When holders of *listed equity securities shares* are sent a notice of meeting which includes any business, other than ordinary business at an annual general meeting, an explanatory *circular* must accompany the notice. If the other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the *directors'* report.

...

14 ~~Equity securities: Standard listing (shares)~~

...

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

- (1) *equity shares issued by a company that is an investment entity unless it has a premium listing of a class of its equity shares; and*
- (2) *preference shares that are specialist securities.*

...

- 14.2.1 R An *applicant* which is applying for a *standard listing (shares) of equity securities* must comply with all of *LR 2* (Requirements for listing: All securities).

...

- 14.2.5 G A *company* applying for a *standard listing* of *equity securities shares* will need to comply with *LR 3* (Listing applications: All securities).

...

- 14.3.1 R ~~The~~ Other than in regard to *securities* to which *LR 4* applies, the *listed equity securities* of a *company* must be admitted to trading on ~~an RIE's~~ *market for listed securities at all times a regulated market for listed securities operated by a RIE.*

...

- 14.3.4 R Where *equity security shares* of the same *class* as *equity securities shares* that are *listed* are allotted, an application for *admission to listing* of such *equity securities shares* must be made as soon as possible and in any event within one year of the allotment. [**Note:** Article 64 *CARD*]

...

- 14.3.9 R A *company* must ensure that any temporary document of title (other than one issued in global form) for ~~an *equity security*~~ a *share*:
- ...
- (2) states where applicable:
- ...
- (d) how the ~~*equity securities*~~ *shares* rank for dividend or interest;
- ...
- (g) for a *rights issue*, the time, being not less than 10 *business days*, in which the offer may be accepted, and how ~~*equity securities*~~ *shares* not taken up will be dealt with; and
- (3) if renounceable:
- (a) ...
- (b) advises holders of ~~*equity securities*~~ *shares* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
- (c) states that where all of the ~~*equity securities*~~ *shares* have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;
- ...

Definitive documents of title

- 14.3.10 R A *company* must ensure that any definitive document of title for ~~an *equity security*~~ a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (5) and (7)):
- ...
- (2) the number or amount of ~~*equity securities*~~ *shares* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the ~~*equity security*~~ *share* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which

the ~~equity security~~ share is transferable;

...

Disclosure and Transparency Rules

14.3.11 G A company, whose ~~securities~~ shares are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under the *disclosure rules* and *transparency rules*.

...

14.3.15 R ...

(2) An *overseas company* must appoint a registrar in the *United Kingdom* if:

(a) ...

(b) 10% of more of the ~~equity securities~~ shares are held by *persons* resident in the *United Kingdom*.

...

14.3.17 R A company must notify a *RIS* as soon as possible (unless otherwise indicated in this *rule*) of the following information relating to its capital:

...

(3) any redemption of *listed* ~~equity securities~~ shares including details of the number of ~~equity securities~~ shares redeemed and the number of ~~equity securities~~ shares of that *class* outstanding following the redemption;

...

14.3.18 R Where the ~~equity securities~~ shares are subject to an underwriting agreement a *company* may, at its discretion and subject to *DTR 2* (Disclosure and control of inside information by issuers), delay notifying a *RIS* as required by *LR 14.3.17R(7)* for up to two *business days* until the obligation by the underwriter to take or procure others to take ~~equity securities~~ shares is finally determined or lapses. In the case of an issue or offer of ~~equity securities~~ shares which is not underwritten, notification of the result must be made as soon as it is known.

...

15.2.1 R To be *listed*, an *applicant* must comply with:

(1) *LR 2* (Requirements for listing);

(2) ~~only~~ the following provisions of *LR 6* (Additional requirements for

premium listing (commercial company) for equity securities);

- (a) *LR 6.1.3R(1)(d) and (e)*, if the *applicant* is a *new applicant* for the *admission* of equity shares ~~or securities convertible into its own shares~~ and it has published or filed audited accounts;

...

...

Shares of a non-EEA company

- 15.2.1A R The *FSA* will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FSA* is satisfied that the absence of the listing is not due to the need to protect investors.

[Note: Article 51 CARD]

...

- 15.3.2 G An *applicant* that is seeking *admission* of its *equity securities shares* is required to retain a *sponsor* in accordance with *LR 8* (Sponsors).
- 15.3.3 R In addition to the circumstances set out in *LR 8.2.1R* when a *sponsor* must be appointed, an *applicant* must appoint a *sponsor* on each occasion that it makes an application for *admission* of *equity securities shares* which requires the production of *listing particulars*.

...

Conversion of an existing listed class of equity securities shares

- 15.4.10 R An existing *listed class* of *equity securities shares* may not be converted into a new *class* or an unlisted *class* unless prior approval has been given by the shareholders of that existing *class*.

Cancellation of premium listing

- 15.4.11A G A closed-ended investment fund must comply with LR 5.2.7AR.

...

- 16.2.1 R To be *listed*, an *applicant* must comply with:
- (1) *LR 2* (Requirements for listing); and
 - (2) only *LR 6.1.22R* to *LR 6.1.24G* of *LR 6* (Additional requirements for premium listing commercial company for equity securities).

...

16.3.3 G An *applicant* that is seeking *admission* of its *equity securities shares* must retain a *sponsor* in accordance with LR 8 (Sponsors).

16.3.4 R In addition to the circumstances set out in LR 8.2.1R when a *sponsor* must be appointed, an *applicant* must appoint a *sponsor* when it makes an application for *admission* of *equity securities shares* which requires the production of *listing particulars*.

...

Cancellation of premium listing

16.4.5 R An open-ended investment company must comply with LR 5.2.7AR.

...

17 Debt and specialist debt-like securities: Standard listing

...

17.1.1 R This chapter applies to:

(1) an *issuer* of any of the following types of *securities*:

...

(c) *certificates representing debt securities*; ~~and~~

(d) *specialist securities* of the following types:

...

(ii) *convertible securities* which convert to *equity securities*; ~~and~~

(iii) *convertible securities* which are exchangeable for *securities* of another *company*; ~~and~~

(iv) *preference shares*.

...

After LR 19 add the following new section. The text is not underlined.

20 Miscellaneous Securities: Standard listing

20.1 Application

20.1.1 R This chapter applies to an *issuer* of *miscellaneous securities*.

- 20.1.2 G *Miscellaneous securities* include *warrants* and *options* and other similar *securities*.

20.2 Requirements for listing

- 20.2.1 R An *applicant* for the *admission* of *miscellaneous securities* must comply with *LR 2* (Requirements for listing: All securities).

20.3 Listing applications

Listing application procedures

- 20.3.1 R An *applicant* for admission of *miscellaneous securities* must comply with:
- (1) *LR 3.2* (Application for admission to listing); and
 - (2) *LR 3.4.4R* to *LR 3.4.8R*.

20.4 Continuing obligations

Application

- 20.4.1 R An *issuer* that has only *miscellaneous securities listed* is subject to the continuing obligations set out in this chapter.
- 20.4.2 R An *issuer* that has both *miscellaneous securities* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities so listed*.

Admission to trading

- 20.4.3 R
- (1) An *issuer's listed miscellaneous securities* must be admitted to trading on a *RIE's* market for *listed securities* at all times.
 - (2) An *issuer* must inform the *FSA* in writing as soon as possible if it has:
 - (a) requested a *RIE* to admit or re-admit any of its *listed miscellaneous securities* to trading; or
 - (b) requested a *RIE* to cancel or suspend trading of any of its *listed miscellaneous securities*; or
 - (c) been informed by a *RIE* that the trading of any of its *listed miscellaneous securities* will be cancelled or suspended.

- 20.4.4 R An *issuer* with *listed miscellaneous securities* must comply with *LR 2.2.12R* at all times.

Disclosure rules and transparency rules

- 20.4.5 R An *issuer* must comply with *DTR 2.1* to *DTR 2.7* as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.
- 20.4.6 G An *issuer*, whose *miscellaneous securities* are admitted to trading on a *regulated market*, should consider its obligations under *DTR 4* (Periodic financial reporting), *DTR 5* (Vote holder and issuer notification rules), *DTR 6* (Access to information) and *DTR 7* (Corporate governance).
- 20.4.7 R An *issuer* that is not already required to comply with the *transparency rules* must comply with *DTR 6.3* as if it were an issuer for the purposes of the *transparency rules*.

Documents of title

- 20.4.8 R An *issuer* must comply with the requirements in *LR 9.5.15R* (Temporary documents of title (including renounceable documents)) and *LR 9.5.16R* (Definitive documents of title) so far as relevant to *miscellaneous securities*.

20.5 Disclosures

- 20.5.1 R An *issuer* must submit to the *FSA* two copies of any document required by *LR 20.5.2R* to *LR 20.5.3R* at the same time as the document is issued.
- 20.5.2 R An *issuer* must notify a *RIS* of all notices to holders of *listed miscellaneous securities* no later than the date of despatch or publication.

Underlying securities

- 20.5.3 R An *issuer* must notify a *RIS* of any adjustment or modification it makes to a *miscellaneous security* as a result of any change to a *security* over which the *listed miscellaneous security* carries a right to buy or subscribe.

Suspension of listing

- 20.5.4 R An *issuer* must inform the *FSA* immediately if it becomes aware that any *security* over which the *listed miscellaneous security* carries a right to buy or subscribe that is listed or traded outside the *United Kingdom* has been suspended.
- 20.5.5 G *LR 5.1.2G(7)* and (8) and *LR 5.4.6G* may be of relevance to an *issuer* of *miscellaneous securities*.

Amend LR Appendix 1 by inserting new definitions in the appropriate alphabetical position and amending the other definitions as shown.

Appendix 1

1.1 Relevant Definitions

<u>equity share</u>	<u>shares comprised in a company's equity share capital.</u>
<u>miscellaneous securities</u>	<p><u>securities which are not:</u></p> <p><u>(a) shares; or</u></p> <p><u>(b) debt securities; or</u></p> <p><u>(c) asset backed securities; or</u></p> <p><u>(d) certificates representing debt securities; or</u></p> <p><u>(e) convertible securities which convert to debt securities; or</u></p> <p><u>(f) convertible securities which convert to equity securities; or</u></p> <p><u>(g) convertible securities which are exchangeable for securities of another company; or</u></p> <p><u>(h) certificates representing certain securities; or</u></p> <p><u>(i) securitised derivatives.</u></p>
<u>preference share</u>	a <i>share</i> conferring preference as to income or return of capital which is not convertible into an equity share and does not form part of the <i>equity share capital</i> of a <i>company</i> .
<u>premium listing</u>	<p>(a) in relation to <i>equity securities shares</i> (other than those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i>), means a <i>listing</i> where the <i>issuer</i> is required to comply with those requirements in <i>LR 6</i> (Additional requirements for premium listing (<u>commercial company</u>)) and <u>the other requirements in the listing rules that are expressed to apply to such securities with a premium listing;</u></p> <p>(b) in relation to <i>equity securities shares</i> of a <i>closed-ended investment fund</i>, means a <i>listing</i> where the <i>issuer</i> is required to comply with the requirements in <i>LR 15</i> (Closed-Ended Investment Funds: 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>;</p> <p>(c) in relation to <i>equity securities 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 <i>LR 16</i> (Open-ended investment companies: Premium listing) and other requirements in the</p>

listing rules that are expressed to apply to such *securities* with a *premium listing*.

standard listing
(*commercial company*)

~~a *standard listing of equity securities*.~~

standard listing (shares)

a *standard listing of shares other than preference shares that are specialist securities*.

tender offer

an offer by a *company* to purchase all or some of a *class* of its *listed equity securities* ~~or *preference shares*~~ at a maximum or fixed price (that may be established by means of a formula) that is:

...

...

LR 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
1.	<u>LR 5.2.7AR,</u> <u>LR 14, LR 15</u> and <u>LR 16</u>	...	...	6 March 2008 <u>6</u> <u>April 2010</u> Indefinite	6 March 2008 <u>6 April 2010</u>
2.	<u>LR 5.2.7AR,</u> <u>LR 14, LR 15</u> and <u>LR 16</u>	...	...	6 March 2008 <u>6</u> <u>April 2010</u> Indefinite	6 March 2008 <u>6 April 2010</u>
3.	<u>LR 5.2.7AR,</u> <u>LR 14, LR 15</u> and <u>LR 16</u>	...	...	6 March 2008 <u>6</u> <u>April 2010</u> Indefinite	6 March 2008 <u>6 April 2010</u>
4.	<u>LR 5.2.7AR,</u> <u>LR 14, LR 15</u> and <u>LR 16</u>	...	...	6 March 2008 <u>6</u> <u>April 2010</u> Indefinite	6 March 2008 <u>6 April 2010</u>
...					

After LR TR 4 insert the following new transitional provisions. The text is not underlined.

TR 5 Transitional Provision for companies incorporated in the United Kingdom

(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
1.	LR 9.3.12R(3)	R	Where a <i>listed company</i> has an authority to disapply statutory pre-emption rights under section 95 of the Companies Act 1985 and that authority remains in force on or after 6 April 2010, the <i>company</i> can continue to rely on it until it expires and will not need to seek a new authority under section 571 of the Companies Act 2006.	From 6 April 2010	6 April 2010

TR 6 Transitional Provision for overseas companies

(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
1.	LR 9.3.11R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 6 April 2010 is only required to comply with LR 9.3.11R after 5 April 2011.	From 6 April 2010	6 April 2010
2.	LR 9.8.7AR	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 6 April 2010 is only required to comply with LR 9.8.7AR in financial years beginning after 31 December 2009.	From 6 April 2010	6 April 2010
3.	LR 14.3.24R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>standard listing</i> on 6 April 2010 is only required to comply with LR	From 6 April 2010	6 April 2010

			14.3.24R in financial years beginning after 31 December 2009.		
--	--	--	---	--	--

TR 7 Transitional Provision for issuers with shares that do not confer full voting rights

(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
1.	LR 10, 11, 12	R	<p>(1) This <i>rule</i> applies to an issuer with a <i>premium listing</i> of <i>equity shares</i> that do not confer full voting rights on 6 April 2010.</p> <p>(2) An <i>issuer</i> to which this <i>rule</i> applies may retain a <i>premium listing</i> of <i>equity shares</i> that do not confer full voting rights until 31 May 2012.</p>	From 6 April 2010 to 31 May 2012	6 April 2010

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