

Primary Market Procedural Note

Review and approval of documents

The information in this note is designed to help issuers and practitioners interpret our UK Listing Rules (UKLR), Prospectus Rules: Admission to Trading on a Regulated Market (PRM), Disclosure Guidance and Transparency Rules (DTR), and related legislation. The guidance notes provide answers to the most common queries we receive and represent FCA guidance as defined in section 139A FSMA

Rules and guidance

PRM 9; UKLR 10.2

Both the Prospectus Rules: Admission to Trading on a Regulated Market (PRM) and the UK Listing Rules (UKLR) contain provisions requiring issuers to obtain formal approval before publishing certain investor documents. These are prospectuses and also certain shareholder circulars published by issuers. The aim of our review and approval process is to ensure, before publication, that the document includes all the information our rules require. We grant approval after we have reviewed the document and our comments have been addressed.

This procedural note is intended to give issuers (and their advisers) guidance on the review and approval of these documents, explaining how the process works and what can be done to make it go smoothly.

Scope of this note

This note covers all documents required to be approved by us under PRM 9 or UKLR 10.2. However, as the process differs depending on whether the document is a circular or a prospectus, this note deals with these documents in separate sections.

Most of the documents we approve are submitted in connection with an application to list securities referred to in the relevant document. However, issuers should note that the listing application process is a separate process not covered in this note. Further information regarding an application for listing securities can be found in UKLR 20.

Similarly, where an applicant applies for listing for the first time, we will perform an eligibility review to check that the applicant is eligible for listing. This is also a separate process and we have published a separate procedural note (Primary Market/PN/901) covering this process.

A) Circulars

How to submit circulars for review

You can submit a draft circular for review in electronic form via the Electronic Submission System (ESS) on our website. For security reasons, we do not accept email submissions.

What to include with your initial submission

When submitting a draft circular for review, we would expect you to include the following items with your submission:

- the draft circular itself
- contact details of the person submitting the circular (where a sponsor has been appointed, we would expect these to be contact details of the 'key contact' within the sponsor, in order for the sponsor to meet the requirement in UKLR 24.4.28R)
- variation request letter (if applicable)
- copies of any information incorporated by reference into the circular
- relevant checklists
- vetting fee (see fees set out in FEES 3 Annex 12R) or electronic payment form

- sanctions confirmation, and
- other information that we may require or that might be helpful (for example a covering letter, particularly if our attention needs to be drawn to previous correspondence on the case).

All forms and checklists are available on our [website](#).

Condition of the draft circular submitted for review

We would expect the draft circular submitted for review and approval to be annotated in the margin to indicate where the document satisfies the applicable UK Listing Rule requirements.

We would also expect the draft circular to be substantially complete. We would not normally consider a circular to be substantially complete if any of the following information, where required under the UK Listing Rules, has been omitted:

- financial information or relevant statements where this is not available
- the terms and conditions of the transaction
- disclosure required by the litigation, material contracts and significant change statements
- a complete Chairperson's letter setting out full terms of a transaction for which shareholder approval is required under UK Listing Rules, and
- any other information which is key to understanding the transaction contemplated by the document.

Draft circular submission – what happens next

Cases are allocated to members of our staff for vetting and approval on the day of receipt, provided the submission is received before 4pm. Submissions received after this time will be allocated on the following day.

Circulars will only be allocated if they are in substantially complete form (as explained above) and are accompanied by all other necessary documents.

As part of the allocation process, our allocations manager will carry out a high-level review of the circular. This review is to assess the level of complexity and risk, to identify any omissions from the circular that

will need to be addressed before allocation, and to assign the appropriate staff to review the document.

Following allocation, we will inform you of the names of the relevant member(s) of staff, including the Transaction Manager, as soon as practicable. We will also notify you when you can expect a response to your submission. Once notified of the review team allocated, all related queries should be directed in the first instance to those staff and not via any of our enquiry lines.

The review team will review the first draft thoroughly and check that all supporting documents relevant to approval of the circular have been received. For some circulars, typically those relating to complex transactions, we may request a conference call with you to orientate ourselves quickly. We will then provide written comments on the draft by the date initially indicated by us.

Submitting further drafts of the circular

Subsequent drafts of the circular need to be sent via our ESS system. We would expect that drafts are supplied marked up to show changes made since the last draft of the circular we reviewed. We also expect you to provide a written response to each of our comments. Where the response to a comment results in a change to the circular, we would expect the comment response to refer to the page where we will find the change. We would expect that page references relate to the 'blacklined' (marked up) version of the circular where 'clean' and 'blacklined' versions of the circular are supplied. We would expect that subsequent drafts of circulars submitted are accompanied by all the relevant checklists.

Once we receive a subsequent draft, we review this, together with the responses to our comments. It may be necessary for us to provide further comments. However, except in exceptional circumstances, subsequent drafts are turned round more quickly than the first draft. Once we receive a draft that addresses all of our outstanding comments, we will indicate that we have no further comments and are in a position to approve the circular.

Length of the circular review process

The process is iterative: we receive a draft circular, we send comments on the draft, the issuer's advisers respond to the comments usually by

amending the document, we then review the next draft, and so it continues until we have no further comments.

The number of drafts required before we can approve the circular varies as it depends whether the response to our comments addresses our concerns. But the key to a more efficient process is to keep the number of drafts required to address our comments to as few as possible. The review process can be greatly speeded up by only submitting substantially complete drafts, turning drafts around quickly after our comments are received while at the same time addressing each comment fully, to keep the number of drafts to a minimum.

For the majority of circulars we review, we would expect to review and comment on no more than three drafts. However, for circulars relating to highly complex transactions more drafts may be required.

If the circular changes substantially, there is a change in the structure of the transaction, or other matters come to light during the course of the vetting process that would change the risk assessment profile of the document, we reserve the right to re-allocate the document to a different review team or to re-set the timetable. We advise you to contact the relevant staff as soon as you are aware of any such issues.

Our [website](#) shows our response times for each draft we receive. We understand that our review invariably forms part of a corporate finance transaction and we are therefore committed to meeting our response times for returning comments on draft documents.

Approval process

We expect that circulars are submitted to us for formal approval:

- in final printed form (as will be sent to shareholders) via ESS
- on a business day between 9am and 5.30pm (unless you make specific alternative arrangements with us in advance), and
- accompanied by, in final form and at the issuer's own expense, all the relevant documents, letters, declarations, statements, reports or other things that are required under the UK Listing Rules or that we may otherwise require. (Where the transaction requires a sponsor (see UKLR 4.2.1R), this will include submitting a Sponsor's Declaration on the Production of a Circular (see UKLR 24.3.11R).)

B) Prospectuses

How to submit prospectuses for review and approval

The requirements regarding the application, review and approval process for prospectuses are set out in PRM 9.

PRM 9 also applies to supplementary prospectuses. As such, please note that references to prospectuses in this note also includes supplementary prospectuses.

You can submit a draft prospectus for review in electronic form via the Electronic Submission System (ESS).

For security reasons, we do not accept email submissions.

What to include with your initial submission

The draft prospectus must be substantially complete (PRM 9.4.1R) prior to your initial submission. When submitting a draft prospectus for review you should also include the following items with your submission:

- contact details of the person submitting the document (where a sponsor has been appointed, we would expect these to be contact details of the 'key contact' within the sponsor, in order for the sponsor to meet the requirement in UKLR 24.4.28R)
- a completed and signed Form A
- variation request letter (if applicable)
- copies of any information incorporated by reference into the document (where that information has not already been approved by or filed with us)
- relevant cross-reference lists
- vetting fee (see fees set out in FEES 3 Annex 12R) (electronic payment form)
- sanctions confirmation,
- other information that we may require or that might be helpful (for example a covering letter, particularly if our attention needs to be drawn to previous correspondence on the case).

All forms and cross reference lists are available on our website.

Draft prospectus submission – what happens next

We allocate cases to members of our staff on the day we receive them for vetting and approval, provided we get your submission before 4pm. Submissions received after this time will be allocated on the following day.

Documents will only be allocated if they are accompanied by all necessary documents.

Our allocations manager will carry out a high-level review of the document. They will assess the level of complexity and risk relating to the document, to identify any omissions that need addressing before allocation, and to assign the appropriate staff to review the document.

Following allocation, we will inform the issuer (or its advisers), via ESS, the names of the relevant member(s) of staff who will be reviewing the document, including the Transaction Manager, as soon as possible and no later than close of business on the second working day following receipt. We will also notify you when you can expect a response to your first draft.

After this, please direct any queries in the first instance to those staff and not via any of our enquiry lines.

The review team will review the first draft thoroughly and check that all relevant supporting documents have been received. For some documents, typically those that appear more complex, we will request a conference call with you to orientate ourselves quickly. We will then provide written comments on the draft by the date initially indicated by us. Our response times can be found on our [website](#).

Submitting further drafts

You need to send subsequent drafts of the document via our ESS system. Please mark up these further drafts to show the changes made since our review and also supply, a 'clean' version of the prospectus at the same time. We also need you to provide a written response to each of our comments.

Where the response to a comment results in a change to the document, the comment response should refer to the page where we will find the change. Page references should always be to the 'blacklined' (marked up) version. Where only limited further changes are made to the prospectus, you can submit blacklined extracts of the

draft prospectus ('page pulls'), but you must also submit a 'clean' revised version of the full prospectus at the same time.

Once we receive a subsequent draft, we review this, together with the responses to our comments. We may need to provide further comments. Response times on subsequent drafts depend on the purpose of the prospectus (more information is available on our website). However, except in exceptional circumstances, we turn around subsequent drafts more quickly than the first draft. Once we receive a draft that addresses all of our outstanding comments, we will indicate that we have no further comments and are in a position to approve the document.

Length of the document review process

The process is iterative: we receive a document, we send comments on the draft, you respond to our comments (in particular, by amending the document), we then review the next draft, and so it continues until we have no further comments.

The number of drafts required before we can approve the document varies as it depends whether the response to our comments addresses our concerns. So the key to a more efficient process is to keep the number of drafts required to address our comments to as few as possible. The review process can be greatly speeded up if you submit substantially complete drafts, turning drafts around quickly after our comments are received while at the same time addressing each comment fully, to keep the number of drafts to a minimum. For completeness, we also note that we are able to terminate the review process and refuse to approve the prospectus if the document is inadequate and requested information is not forthcoming.

For the majority of documents we review, we would expect to review and comment on no more than four drafts of a document. However, for some highly complex documents, more drafts may be required. If the document changes substantially or other matters come to light during the course of the vetting process that would change the risk-assessment profile of the document, we reserve the right to re-allocate the document to a different review team. We advise you to contact the relevant staff as soon as you are aware of any such issues.

We have response times for each draft we receive. We understand that our review invariably forms part of a corporate finance transaction, so

we are committed to meeting our response times for returning comments on draft documents.

Approval process

The requirements set out in PRM 9.4 apply. The final draft of the prospectus should be submitted to us via ESS, accompanied by:

- any information set out in PRM 9.2.3R(2) to PRM 9.2.3R(5) which has changed or
- written confirmation that no changes have been made to the previously submitted information

This information must be submitted before midday on the day on which approval is required (PRM 9.4.6R).

Please note that where the issuer is an applicant for listing in a category that requires a sponsor, due to the requirements set out in UKLR 24 regarding sponsors, a Sponsor's Declaration on an Application for Listing must be submitted at this time (see UKLR 24.3.3R, PRM 9.2.13R and 9.2.14R).

Once we have formally approved the document, we will provide you with confirmation in writing that we have approved the document.