

DRAFT FOR CONSULTATION

[Month Year] / Primary Market / TN / 609.1

Primary Market Technical Note

Fungible securities

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

Prospectus Rules: Admission to Trading on a Regulated Market (PRM)

PRM 1.4.2R, PRM 1.4.3R

Fungible securities

Stakeholders have asked us to clarify how PRM 1.4.2R and PRM 1.4.3R are to apply in relation to securities that are intended to be fungible with securities already admitted to trading on the same regulated market.

We understand that non-equity securities in particular are frequently issued with a temporary period of non-fungibility and under a separate

ISIN, before becoming fungible with non-equity securities already admitted to trading on the same regulated market and commencing trading under the same ISIN as the existing securities. We understand the reason for structuring further issuances in this way is to ensure compliance with non-UK (in particular US) securities laws.

For the purpose of the PRMs, a transferable security should be considered fungible with an existing security admitted to trading on the same regulated market if it is immediately fungible with the existing transferable security on issue.

For the purpose of PRM 1.4.2R and PRM 1.4.3R, a non-equity security should also be considered fungible with an existing non-equity security admitted to trading on the same regulated market if, at the time of issue, the non-equity security is intended to become fungible with the existing transferable security at a known future date, falling not more than 12 months after the date of issue, and where the terms and conditions governing the non-equity security are identical to the terms and conditions governing the existing non-equity security except as necessary, on a temporary basis, to comply with non-UK securities laws.