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**FIRST SUPERVISORY NOTICE**  
**NOTICE OF CANCELLATION OF LISTING**

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**To:** **Umuthi Healthcare Solutions plc ("the Company")**

**Reference Number:** **WS00496**

**Address:** **27-28 Eastcastle Street, London, United Kingdom,  
W1W 8DH**

**Date:** **4 July 2022**

**ACTION**

1. Pursuant to section 77(1) and 77(2A) of the Financial Services and Markets Act 2000 ("the Act"), the FCA has decided to cancel (or "discontinue") the following security ("the Company's Shares" or "the Shares") from the Official List:

| <b>Security Description</b>                  | <b>ISIN</b>  |
|--|--------------|
| Ordinary Shares of GBP0.001 each; fully paid | GB00BJ56HG01 |

**EFFECTIVE DATE**

2. The discontinuance takes effect immediately. The Company's Shares have been suspended since 7:30am on 3 June 2021.

**SUMMARY OF REASONS**

3. Under FSMA s77(1) the FCA may "*in accordance with Listing Rules*" cancel (or "*discontinue*") the listing of any security "*if satisfied that there are special circumstances which preclude normal regular dealings in them*". Under s77(2A) the FCA may do this on its own initiative.
4. Umuthi Healthcare Solutions Plc ("the Company") is parent to LEMS Pharmaceutical Ltd which holds itself out as a South African-based healthcare business. On 4 March

2021 the Company was admitted to the Official List. At that time, the Company had a market capitalisation of approximately £27.6m. As of 3 June 2021, its market capitalisation was in the region of £35m.

5. The Authority has concluded that there are special circumstances which preclude normal regular dealing in the Company's shares, as follows:
  - i. The supply of Shares is fundamentally uncertain. The Company has been unable to provide an adequate account of when and how shares were issued and allocated to shareholders at the time of admission, and it is in an ongoing public dispute with individuals as to the existence of certain Shares.
  - ii. The Company's financial position is fundamentally uncertain. The Company has had to correct published financial information on two occasions; in its Prospectus and then its Supplementary Prospectus. The Company has failed to post yearly and half-yearly results in compliance with the Company's continuing obligations for listing under the Authority's Disclosure and Transparency Rules ("DTRs"). Those results remain outstanding as at the date of this Notice.
  - iii. The Authority sees no realistic prospect of the Company resolving the above issues in the foreseeable future, having already been provided with a reasonable time period to address them. The Authority has provided the Company with numerous opportunities to explain to the Authority why and how those issues arose and how they may be avoided in the future but its responses have been consistently late, incomplete and / or inadequate. Adequate systems and controls and timely responses to the Authority are an important part of the Company's continuing obligations for listing. In particular, Listing Rule 2 requires that a listed company must deal with the Authority in an open and cooperative manner.
  - iv. Listing Rule 5.2.1 provides as an example of a special circumstance precluding normal regular dealings in the Shares that "*the listing has been suspended for more than six months*". As of the date of this Notice, the most recent suspension of the Shares has been in force for more than 12 months and the Shares have been suspended in total for all but 2 weeks since their Listing in March 2021.
6. As set out at LR7.1.2G the purpose of the Listing Rules is to ensure that listed companies pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets. As a result of the above special circumstances, the Authority has concluded that it is not possible for there to be a fair and orderly market in the Shares, that ordinary, regular dealings in the Shares are precluded, and that this is likely to persist for the foreseeable future.
7. The integrity and reputation of the Official List is a matter of paramount importance to the proper functioning of the market in listed securities. The Authority is concerned to ensure that those firms which gain admission to the Official List satisfy and are seen to satisfy all of the continuing obligations of such listing, including those under the DTRs.
8. The Authority may, and does, suspend listed securities if the smooth operation of the market is temporarily jeopardised or it is necessary to protect investors.

However, where a security is merely suspended from the Official List, it may be assumed by investors or other stakeholders that it will, at some point, be restored. In circumstances where fundamental and persistent problems have arisen with the listing of a security, discontinuance may be a more appropriate option. The Authority has considered the potential detriment to Shareholders which may arise as a result of the discontinuance.

9. In all the circumstances of this case, the Authority has decided to discontinue the Listing with immediate effect.

## **DEFINITIONS**

The definitions below are used in this Notice:

“the Accountants” means the firm of accountants engaged by the Company in respect of the Prospectus and Supplementary Prospectus

“the Act” means the Financial Services and Markets Act 2000

“the Action Group” means the group of shareholder activists referred to in the Notice

“the Broker” means the broker referred to in the Notice and which had been contracted to facilitate share accounts relating to the Company

“the Company” means Umuthi Healthcare Solutions Plc

“the Consultant” means the individual referred to in the Notice as a consultant to the Company

“the Director” means the individual referred to in the Notice as a director of the Company

“the DTRs” means the Disclosure and Transparency Rules

“the First Suspension” means the action taken to suspend the listing on 10 March 2021

“the Information Request” means the detailed request that was sent out seeking further information from the Company on 10 June 2021.

“the January 2022 Statement” means the statement published by Umuthi Healthcare Solutions Plc on 28 January 2022

“the Listing” means the admission of the Shares to the Official List on 4 March 2021

“the NED” means the non-executive director of the Company referred to in the Notice

“the Prospectus” means the listing prospectus published by the company on 27 August 2020

“the Second Suspension” means the action taken to suspend the Listing on 3 June 2021

“the Shares” means shares in the Company

“the Supplementary Prospectus” means the supplementary prospectus published by the Company on 25 May 2021

## **FACTS AND MATTERS**

10. On 27 August 2020 the Company published a listing prospectus (“the Prospectus”). By 4 January 2021 the Company had been informed by its then firm of accountants (“the Accountants”) that it had not consented to the financial statements contained in the Prospectus. The Company confirmed in a letter dated 14 January 2021 to the Authority that it would submit a supplementary prospectus to the Authority. Following approval of that Supplementary Prospectus by the Authority on 26 February 2021, the Company published it on the same date, containing amended financial statements.
11. On 4 March 2021 the Company was admitted to the Official List. On the same day, the Authority received notification from the Accountants that they had not consented to the amended financial statements in the Supplementary Prospectus. The Accountants also published a statement on their website that consent had not been provided to the Company. The Authority engaged with the Company between 5 and 9 March in an attempt to obtain clarification, but the information requested by the Authority was not provided. As a result, on 10 March 2021, the Listing was suspended by the Authority on its own initiative (“the First Suspension”), pending resolution of this issue. The Company published audited historical financial information in several announcements made between 12 and 19 May 2021 following which the Authority lifted the First Suspension on 25 May 2021.
12. During the remainder of the week commencing 24 May 2021 and the following week commencing 31 May the Authority conducted further enquiries of the Company and its broker (“the Broker”) following receipt of complaints from certain investors in the Company who alleged they had not received their allocation of Shares. The Authority learned from these enquiries, and from complaints received directly from investors, that:
  - i. certain shareholders were unable to deal in their Shares, either because they did not have access to their trading accounts or certain of the Company’s Shares had not been allocated to them.
  - ii. it was unclear, due to anomalies in the information provided by the Company, whether the Company’s major shareholdings had been accurately disclosed to the market, including whether the percentage of Shares in public hands was in accordance with the requirements under the Listing Rules, LR 14.2.2. (as in force at the time), which required 25% of Shares to be held in public hands.
13. The Authority considered that these issues could jeopardise the smooth operation of the market, such that to avoid this and to protect investors, it was necessary for the Authority to suspend the Shares on its own initiative for a second time (“the Second Suspension”). At that time, it appeared these difficulties, while potentially serious, were due to operational issues in share allocation which were potentially resolvable. The Second Suspension took effect on 3 June 2021.

14. On 31 August 2021, the Company missed the deadline to publish its year-end results under the DTRs. DTR 4.1.3R states that the Company had a period of four months after its year end to publish its annual accounts. In addition, the FCA had provided a period of two months temporary relief in light of the coronavirus pandemic. 31 August 2021 was the date upon which this extension expired.
15. On 13 September 2021, a non-executive director of the Company ("the NED") wrote to the Authority stating that on 23 August 2021 the Company had received a letter from a group of shareholder activists ("the Action Group") alleging fraud in the sale of the Shares and identifying a consultant and advisor to the Company ("the Consultant") as a person of interest in that alleged fraud. The NED stated that he had not previously been aware of this issue and that he had resigned his directorship and no longer wished to be associated with the Company.
16. In October 2021, a director of the Company ("the Director") and the Consultant were arrested and charged by South African police on suspicion of fraud. The suspected fraud appeared to relate to allegations that certain Shares or purported Shares had been sold by the Company or on its behalf but these had not been listed when the Company was admitted to the Official List. The Consultant had held no formal position as an officer or director of the Company but had been held out as its advisor and representative. The Consultant's role had included representing the Company directly in its dealings with the Authority. The charges against the Director were dropped in December 2021. So far as the Authority is aware, the Consultant remains in custody awaiting the determination of criminal charges.
17. On 31 December 2021, the Company missed a further extended financial reporting deadline, this time to publish its half-yearly financial report for the period ending 31 August 2021. Under DTR 4.2.2R, the Company had a period of three months after its period end to publish its half-yearly accounts, in addition to the period of one month's temporary relief provided by the FCA in light of the coronavirus pandemic. 31 December 2021 was the date upon which this extension expired.
18. On 28 January 2022, the Company made a statement ("the January 2022 Statement") regarding the Second Suspension, which it referred to as a "*temporary suspension of Trading*". It informed the market that the "*Annual Report and Accounts*" of the Company were "*in the process of being finalised and will be released as soon as practicable*" and that the Company's management was "*in [the] final stages of securing financing from shareholders*".
19. It further stated that the Company had "*obtained legal advice on the issues raised by shareholders*". It alleged that allegations from certain members of the Action Group amounted to a "*deliberate and premeditated salacious slandering of the Company and its Board*" and indicated that "*criminal and civil litigation*" may be brought against the individuals concerned.
20. As at the date of this Notice, the Company has still not published either its annual or half yearly financial reports, which were due to be published more than six and nine months ago respectively.

*The Company's delayed response to the Authority's Information Request*

21. On 10 June 2021, one week after the Second Suspension came into effect, the Authority sent a detailed request seeking further information on the material issues which had been identified up to that point ("the Information Request"). This Information Request set a deadline of 24 June 2021 for a response to certain aspects of the request with other elements requiring a full response as soon as possible.
22. The Company provided certain responses to the Information Request on 18 June 2021 and 22 June 2021 but these were materially incomplete. On 9 September, the Authority wrote to the Company providing a breakdown of unresolved key issues. The Company provided a response to the 9 September letter, as well as to a further email from the Authority to the Company on 13 September 2021, on 14 September 2021. The Authority wrote again to the Company on 30 September outlining material information still missing and informing the Company that the Authority would not consider restoration of the listing until all of the outstanding material information requested had been received.
23. Following further correspondence, in the course of which the Authority continued to press for that outstanding material information, on 1 February 2022, the Company informed the Authority that it would provide the outstanding responses "*in due course this week*". This did not occur. The Company further stated to the Authority on 22 February that it hoped a response would be made "*later today*".
24. As of 24 March 2022, no such response had been received and the Authority wrote to the Company again setting out the seriousness of its concerns at both the substantive issues and its lack of any adequate response to the Information Request. That letter set out explicitly that the Authority was considering discontinuance of the Listing on its own initiative and without further notice to the Company.

*The Company's Response of 28 March 2022 ("the March 2022 Response")*

25. On 28 March, the Company provided a response with enclosures.
  - (i) *The Supply of Shares*
26. The March 2022 Response provided a revised Share Register which it assured the Authority was correct and could be relied upon. The Company acknowledged that it had at the time of admission allocated shares "*incorrectly*" and subsequently had to "*correct*" this by taking shares from other shareholders. The March 2022 Response stated that the Company then issued 9.4m further shares "*to ensure all shareholders had the correct allocation*". It provided some detailed information to accompany its narrative explanation in the form of spreadsheets. However, none of the material provided explained adequately, in the Authority's view, how this "*incorrect allocation*" of Shares had occurred nor how the correction process worked.
27. Furthermore, in its Information Request, the Authority had requested full details of communications between the Company, the Broker, the Shareholders and other stakeholders in the listing and allocation process. The March 2022 Response provided only a very small selection of communications between the Company and the Broker, citing – as its purported justification for not providing any additional communications – unparticularised requirements of "*confidentiality*", "*privilege*", and

"*legislation pertaining to protection of personal information*". The Authority does not accept these purported justifications.

28. The March 2022 Response also purported to draw a distinction between claims by a class of "*legitimate*" shareholders whose shares had been incorrectly allocated elsewhere, and others whose claims to ownership of shares resulted from a "*fraud*" with which, if it had been perpetrated upon them, the Company was "*not involved*". The March 2022 Response suggested that any culpability for any such fraud would lie with the Consultant, but also explained that it had not been able to discuss the matter with the Consultant, who was on remand awaiting trial in Johannesburg.
29. The Authority takes no position on the merits of any of the claims by Shareholders or alleged Shareholders. Nor does it take any position on the assertions in the Response that certain claims result from "*fraud*". The Authority notes, however, in relation to resolving such claims, that the Company has relied in its response on its inability to obtain information from the Consultant due to her incarceration. As the Consultant appears to be central to those claims by Shareholders or alleged Shareholders, and had a key role in the Company's affairs at the relevant time, the Authority infers that the Company's ability to give a complete or authoritative account of the matter at this stage is compromised, and that it is uncertain when this will change. As such, the fundamental uncertainty as to the supply of Shares is unlikely to be resolved quickly.
30. The Authority further notes that, on the Company's own account, the Director was aware from March 2020 that allegations of fraud existed against the Consultant, but the Company continued to hold the Consultant out as its advisor and representative (including in dealings with the Authority) both prior to and after Listing.
31. Furthermore, although the March 2022 Response named certain shareholders and stated categorically that their "*trading issues*" had been resolved, from which the Authority infers that the Company considers their claims to be "*legitimate*", since the March 2022 Response was received three of those Shareholders subsequently complained to the Authority that they have still not been allocated the Shares to which they were entitled.
32. In light of the above the Authority considers that it is unable to rely upon the Company's statements that the issues as to Share issuance and allocation have been resolved, and that fundamental uncertainties about the supply of Shares and the integrity of the Share Register remain. The Authority sees no reasonable prospect that those uncertainties will be resolved in the foreseeable future.
  - (ii) *Fundamental uncertainty as to the Company's financial position*
33. The March 2022 Response gives no substantive reason for the lack of publication of the yearly and half-yearly accounts to date, stating only that "*the relevant financial reports for the group have been prepared and will shortly be audited*". The Company has subsequently, in a letter of 31 May 2022, indicated that the auditors are working on "*financial statements of the company*" and that the Company is confident it will be "*be in a position to submit these by the end of June*". As of the date of this Notice the Company has not issued any further financial statements.

34. Furthermore, the Authority must consider that previous financial reports published by the Company have proved subsequently to be unreliable, and the Company has not provided the Authority with either an adequate diagnosis of previous mistakes, or adequate information as to its current systems and controls. This is despite clearly being required to do so by the Authority in the Information Request.
35. The March 2022 Response, even taken together with the Company's subsequent correspondence, therefore gives no reasonable prospect that the fundamental uncertainty about the Company's financial position will be resolved in the foreseeable future.

(iii) *Governance and prospects of improvement*

36. In the Information Request, the Authority specifically sought detailed and up-to-date information regarding the Company's systems and controls including the identities of persons holding managerial responsibilities. It also asked explicitly for the Company to provide internal documentation from around the time of the First and Second Suspensions and to identify who at the Company had been involved in relevant decisions in that time period. These were required to evidence – in light of the Authority's concerns – the Company's ability to resolve the issues which had necessitated those suspensions, and its ongoing ability to comply with its listing obligations.
37. The March 2022 Response failed to provide the requested information. In particular, it failed to identify any current employees or directors or persons carrying out managerial responsibilities; the only clear information it gave in this regard was negative: that the Consultant "*carries no managerial responsibilities, is not a director or officer of the Company and will not be in the future*". The Company asserted that it "*has the systems in place*" to ensure that issues such as the incorrect allocation of Shares would "*not happen again*", but not how these purported systems operate, who designed them, nor who would have responsibility for supervising them.
38. Neither did the March 2022 Response identify who had taken relevant decisions during the listing process and in the period of time leading up to the First and Second Suspensions. The Consultant is identified in the March 2022 Response, but is variously characterised in the March 2022 Response as a person who was "*involved*" or "*assisted*" in the Listing process and whose role "*was analogous to that of a sponsoring broker or nominated adviser*". At no point is a managerial role attributed to the Consultant or to anyone else. Relevant decisions from that time period, insofar as they are accounted for at all in the March 2022 Response, are attributed to "*the Company*", "*the board*" or "*management*" without any particularity as to the individuals concerned.
39. The March 2022 Response suggested that incorrect allocation of Shares was unlikely to re-occur because the Listing "*and the initial CREST enablement and allocation of shares is a non-recurring event*", and that the "*issues experienced*" were "*tantamount to a comedy of errors*" the re-occurrence of which would be "*practically impossible*". The Authority considers this to be a wholly inadequate diagnosis of, and approach to resolving, the serious underlying problems which manifested in the Company's listing process.



## CONCLUSIONS

40. Notwithstanding the Company's March 2022 Response, there continue to be special circumstances which preclude ordinary, regular dealings in the Shares. In particular, there exist fundamental uncertainties as to the issue and allocation of the Company's Shares and as to the Company's financial position. The Authority does not consider that a fair and orderly market in the Company's Shares is possible in such circumstances.
41. Despite repeated engagement by the Authority, the Company has been unable to address or resolve these issues adequately or in some cases at all. These failings have occurred for a significant period: the Company has been unable to address the issues adequately despite the Second Suspension already having been in place for more than a year.
42. Due to the Company's inadequate engagement with the Authority, including its responses to the Information Request, the Authority is unable to conclude that the Company has the necessary infrastructure, governance or resources in place to resolve the material issues which have arisen or to give the Authority a reasonable basis to conclude that similar issues will not arise in the future.
43. The Authority also cannot be confident that the Company will conform with its continuing obligations for listing, including those under LR14.3 and those under the DTRs, or that any future enquiries the Authority makes of the Company would be responded to in a timely or candid manner, in accordance with the Company's listing obligations, including that of being open and co-operative with the Authority.
44. The Authority considers that it has allowed a more than reasonable time period for the Company to resolve these special circumstances. The Company has failed to do so. Moreover, the Authority, for the above reasons, does not consider there is a reasonable prospect that the Company will resolve these issues in the foreseeable future, or that any undertaking by the Company to resolve those issues can be relied upon.

### *The Impact of Discontinuance upon Shareholders*

45. Prior to taking the decision set out in this Notice, the Authority considered the detriment which may result to existing Shareholders as a result of discontinuing the listing of the Company's Shares. The Authority recognises that discontinuance can in some circumstances be depressive of the value of shares and increase the time and costs incurred by shareholders in selling them.
46. The market capitalisation of the Company at the time of the Second Suspension was £35.49m. The Authority has had regard to the following matters in considering the potential effect of this action upon the interests of existing Shareholders:
  - i. It is likely that there has already been a considerable deterioration in the value of the Company's Shares since the date the Second Suspension took effect. Since the Second Suspension, the Director and the Consultant were arrested in relation to an alleged share fraud, the Company failed to post financial results in repeated non-compliance with the Disclosure and

Transparency Rules, and its disputes with at least some Shareholders and/or alleged Shareholders appear to have escalated.

- ii. It is difficult, if not impossible to apply any fixed value to the Company's Shares at all in circumstances due to fundamental uncertainty about the supply of Shares and the Company's financial position. The Authority considers there is insufficient information for an ordinary, regular price formation process to take place.
- iii. The Authority does not consider there is a reasonable prospect that the Company will sufficiently resolve these issues in the foreseeable future such that the suspension would be lifted. As such, discontinuance of the listing of the Shares (as opposed to an indefinite suspension) will assist in clarifying the position for the benefit of all stakeholders, including shareholders who may be considering further investment in the Company, and who may be under the impression that (as the Company stated on 28 January) the Second Suspension is "*temporary*".
- iv. If appropriate circumstances arise, the Company could in the future apply for readmission to the Official List. For the avoidance of doubt, the Authority entirely reserves its position in respect of any such future application, which is likely to depend on a multitude of factors including (but not limited to) whether the shares are eligible for listing at that time and whether the special circumstances discussed in this Notice have been resolved.

47. The Authority has concluded that the possibility that shareholders may suffer some detriment as a result of the discontinuance is outweighed by the reasons in favour of discontinuance as set out in this Notice, in particular – having regard to the Authority's statutory objectives – the need to maintain market confidence and to ensure fair and orderly markets.

## **PROCEDURAL MATTERS**

### **Decision-maker**

48. The decision which gave rise to the obligation to give this First Supervisory Notice was made by an Authority staff member under executive procedures according to DEPP 2.2.3G and DEPP 4.1.7G of the Handbook.

49. This Notice is given under section 78(2) of the Act and in accordance with section 78(3) of the Act.

50. The following statutory rights are important.

### **Representations**

51. The Company has the right to make written representations to the Authority (whether or not it refers this matter to the Tribunal). The Firm may also request the opportunity to make oral representations but the Authority will only consider this in exceptional circumstances, as per DEPP 2.3.1AG of the Handbook. The deadline for providing written representations is Friday 29 July or such later date as may be permitted by the Authority. Any notification or representations should be sent to Tim

Edgar ([tim.edgar@fca.org.uk](mailto:tim.edgar@fca.org.uk)) and Chris Teasdale ([christopher.teasdale@fca.org.uk](mailto:christopher.teasdale@fca.org.uk)).

### **The Tribunal**

52. The Company has the right to refer the matter to which this First Supervisory Notice relates to the Upper Tribunal ("the Tribunal"). The Tax and Chancery Chamber is part of the Tribunal which, amongst other things, hears references arising from decisions of the Authority. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, the Firm has 28 days from the date on which this First Supervisory Notice is given to it to refer the matter to the Tribunal.
53. A reference to the Tribunal can be made by way of a reference notice (Form FTC3) signed by or on behalf of the Firm and filed with a copy of this First Supervisory Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, 5th Floor, Rolls Building, Fetter Lane, London EC4A 1NL (telephone: 020 7612 9730; email: [uttcc@hmcts.gsi.gov.uk](mailto:uttcc@hmcts.gsi.gov.uk)).
54. Further information on the Tribunal, including guidance and the relevant forms to complete, can be found on the HM Courts and Tribunal Service website: <http://www.justice.gov.uk/forms/hmcts/tax-and-chancery-upper-tribunal>
55. The Firm should note that a copy of the reference notice (Form FTC3) must also be sent to the Authority at the same time as a reference is filed with the Tribunal. A copy of the reference notice should be sent to Tim Edgar ([tim.edgar@fca.org.uk](mailto:tim.edgar@fca.org.uk)) and Chris Teasdale ([christopher.teasdale@fca.org.uk](mailto:christopher.teasdale@fca.org.uk)).

### **Confidentiality and publicity**

56. The Firm should note that this First Supervisory Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining legal advice on its contents).
57. The Firm should note that section 391(5) of the Act requires the Authority, when the First Supervisory Notice takes effect, to publish such information about the matter to which the notice relates as it considers appropriate.

### **Authority contacts**

58. For more information concerning this matter generally, contact Tim Edgar ([tim.edgar@fca.org.uk](mailto:tim.edgar@fca.org.uk)) on 020 7066 9522 or Chris Teasdale ([christopher.teasdale@fca.org.uk](mailto:christopher.teasdale@fca.org.uk)) on 020 7066 2248.
59. Any questions regarding the executive procedures decision-making process should be directed to Tim Edgar ([tim.edgar@fca.org.uk](mailto:tim.edgar@fca.org.uk)) on 020 7066 9522 or Chris Teasdale ([christopher.teasdale@fca.org.uk](mailto:christopher.teasdale@fca.org.uk)) 020 7066 2248.

## **ANNEX**

### **RELEVANT STATUTORY PROVISIONS**

#### FSMA s77 Discontinuance and suspension of listing

(1) The [FCA] may, in accordance with listing rules, discontinue the listing of any securities if satisfied that there are special circumstances which preclude normal regular dealings in them.

[...]

[(2A) The [FCA] may discontinue under subsection (1) or suspend under subsection (2) the listing of any securities on its own initiative or on the application of the issuer of those securities.]

[...]

#### FSMA s78 Discontinuance or suspension: procedure

(1) A discontinuance or suspension [by the [FCA] on its own initiative] takes effect—

- (a) immediately, if the notice under subsection (2) states that that is the case;
- (b) in any other case, on such date as may be specified in that notice.

(2) If [on its own initiative] the [FCA]—

- (a) proposes to discontinue or suspend the listing of securities, or
- (b) discontinues or suspends the listing of securities with immediate effect, it must give the issuer of the securities written notice.

(3) The notice must—

- (a) give details of the discontinuance or suspension;
- (b) state the [FCA's] reasons for the discontinuance or suspension and for choosing the date on which it took effect or takes effect;
- (c) inform the issuer of the securities that he may make representations to the [FCA] within such period as may be specified in the notice (whether or not he has referred the matter to the Tribunal);
- (d) inform him of the date on which the discontinuance or suspension took effect or will take effect; and
- (e) inform him of his right to refer the matter to the Tribunal.

[...]

### **RELEVANT REGULATORY PROVISIONS**

LR 5.2.1: The *FCA* may cancel the *listing of securities* if it is satisfied that there are special circumstances that preclude normal regular dealings in them.

LR 5.2.2 (Guidance): Examples of when the *FCA* may cancel the listing of securities include (but are not limited to) situations where it appears to the *FCA* that:

1. the securities are no longer admitted to trading as required by these rules; or
2. the issuer no longer satisfies its continuing obligations for listing, for example if the percentage of shares in public hands falls below 10% (the FCA may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or
3. the securities' listing has been suspended for more than six months;
4. the securities are equity shares with a standard listing issued by a closed- ended investment fund where the closed- ended investment fund no longer has a premium listing of equity shares.

LR 7.1.2 (Guidance): The purpose of the Listing Principles and the Premium Listing Principles is to ensure that listed companies pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets.

Listing Principle 1 (LR 7.2.1): A listed company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.

Listing Principle 2 (LR 7.2.1): A listed company must deal with the FCA in an open and co-operative manner.