

# Primary Market Bulletin



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Issue No. 3

Newsletter from the FSA for primary market participants

## Introduction

Welcome to the third edition of Primary Market Bulletin. This edition is dedicated to communicating the practical implications of forthcoming changes to the UKLA Helpdesk, which are due to come into effect from Monday 1 October 2012.

We give an update on the proposals for providing individual guidance, which we set out in Primary Market Bulletin No. 1, and we detail the operational changes that will result from these including how they will affect the UKLA Helpdesk service.

If you have any comments please email us at: [primarymarketbulletin@fsa.gov.uk](mailto:primarymarketbulletin@fsa.gov.uk).

## Background

### Initial proposals

In Primary Market Bulletin No.1 we set out the results of our review of the UKLA Helpdesk telephone service and explained fully the background to the proposals for providing individual guidance. The proposals were published and consulted on in the Quarterly Consultation Paper No 32 (CP12/5) (QCP) in order for us to make the necessary changes to the handbook rules. We proposed to:

- no longer accept requests for individual guidance that are made on a 'no names' (where the name of the issuer is withheld) basis;
- only accept queries made in writing, on a named basis, which the UKLA, except in the case of simple queries, would respond to in writing within the current turnaround times; and
- receive requests orally in certain limited cases where there was exceptional urgency (the UKLA would retain a stand-alone telephone line, the Emergency Helpline, for this purpose).

### Response to feedback and amended proposals

Our response to feedback received on CP12/5 was published in Handbook Notice 122.

### *'No names' guidance*

The responses to the QCP received from sponsor firms demonstrated that in many cases it is issuers who do not want their identity to be revealed in discussions between the sponsor firms and the UKLA. We did not consider this to be a valid reason for continuing to receive queries on a no names basis. In fact, we require issuers to be open and cooperative with us, and this includes informing us at appropriate times of relevant transactions on a named basis. We therefore intend to proceed with our proposals regarding 'no names' guidance. In doing so we are bringing our practice into line with the practice across the rest of the FSA.

We are aware from additional feedback received from market participants that some issuers may be apprehensive about seeking individual guidance on a named basis, particularly when a transaction is at an early stage, as they believe that, in the event of a leak, it may result in them having to make disclosures in accordance with the Disclosure and Transparency Rules (DTRs), when they would not otherwise be required to do so. We would like to reassure issuers that we do not make presumptions about the stage a transaction is at just because the UKLA has been contacted for technical advice. We do not consider that contacting the UKLA in this way creates a disclosure obligation under the DTRs where one would not otherwise exist.

### *Amended proposals*

Feedback from the QCP revealed that a number of the sponsor firms think the UKLA helpdesk provides a useful service in terms of facilitating the smooth progress of transactions, by allowing a means of discussing complex technical issues with us at an early stage of the process.

Taking into account the views of the sponsor firms who responded to the QCP and recognising the particular importance of the role of sponsor firms under the listing regime, we decided to amend our proposal requiring that all requests for individual guidance are submitted to us in writing.

In addition to allowing oral queries to be submitted in cases of 'exceptional urgency', we intend to allow sponsors to submit oral queries on a named basis regarding technical issues which arise during the provision of a sponsor service on a transaction. We intend to establish a Sponsor Service Enquiry Line (SSEL) for this purpose. We expect such requests to usually be complex and significant, so it is likely that in the majority of cases a written submission will be required before we could provide definitive individual guidance.

We expect all other requests for individual guidance to be submitted to us in writing on a named basis. We intend to continue to provide guidance and support on our handbook rules. Once a written request for individual guidance has been received and is deemed to be reasonable, we may begin an interactive and iterative oral discussion until the issue is resolved and the guidance is given.

We will also provide a written response where the request is complex or significant or where it is specifically requested, within the current turnaround times.

## New UKLA Helpdesk from Monday 1 October 2012

In line with our amended proposals as set above, the new UKLA Helpdesk will operate with three separate telephone lines as follows.

### Line 1 – General administrative queries

- Non-technical questions, e.g. how and where to obtain copies of rulebooks, forms and checklists, electronic submission queries and contact details of review team of transactions.
- The line will be open from 8am until 6pm (Monday to Friday).
- There will be additional information on the UKLA website, which will address administrative queries. This should be accessed before calling the UKLA Helpdesk.
- In addition, the administrative staff will route calls through to the new **Sponsor Service Enquiry Line**.

### Line 2 – Listing applications

- Documents to be submitted when applying for admission to listing, timing of listing applications, block listing applications, listing fees and other general queries in relation to LR3.
- The line will be open from 8am until 6pm (Monday to Friday).

### Line 3 – Emergency Helpline

- This line is specifically for contacting the UKLA in relation to urgent live market situations, such as suspensions (including those in connection with reverse takeovers and companies in severe financial difficulty), and urgent queries relating to disclosure of inside information.
- Recognising the importance and urgency of issues of this kind, it is our intention to provide coverage on the Emergency Helpline where reasonable, outside of office hours.

### Sponsor Service Enquiry Line

This line is for sponsor firms to enable them to submit oral queries on a named basis regarding technical issues which arise during the provision of a sponsor service on a transaction. The SSEL will not have a separate telephone number but will be accessible by calling the general administrative queries line.

Given that we expect requests received via the SSEL to usually be complex and significant in nature, it is likely that in the majority of cases a written submission will be required before we would be able to provide definitive individual guidance.

- The service will be available from 9.30am until 5pm (Monday to Friday).
- ‘No names’ queries will be rejected.
- We expect to deal with experienced members of the sponsor firm.

- We do not expect the SSEL to be used as the first port of call for any query, rather, the query must have been considered from within the sponsor firm before calling the UKLA Helpdesk.
- We will not discuss existing review and approval cases already allocated to a case review team via the SSEL (or the Emergency Helpline). These should be discussed with the team allocated to the case.
- The UKLA does not expect readers to be called directly unless the call is in relation to a current document case under review.

### Submitting a request for individual guidance

With the exception of requests which can be made via the Emergency Helpline or the SSEL, we expect all requests for individual guidance to be submitted in writing on a named basis. Once we have received a written request for individual guidance that is deemed to be reasonable, we may begin an interactive and iterative oral discussion until the issue is resolved and guidance given.

We will reject any ‘no names’ queries and we expect the submitter to have considered the query before submitting the written request. These queries can be submitted via hard copy or fax. We will provide a written response where the request is complex or significant or where it is specifically requested, within the current turnaround times

### Contact numbers for the new UKLA Helpdesk

Contact numbers for the new Helpdesk for each of the three direct lines will be available on the UKLA website before Monday 1 October 2012, plus a central fax number that written queries can be sent to.

Information on the new UKLA Helpdesk will also be available on the website and final details of implementation will be available from Monday 1 October 2012.