

# UK Listing Rules Sourcebook

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# Chapter 1

## Preliminary: all securities

## 1.1 Introduction

### Application

#### 1.1.1

**R**

UKLR applies as follows:

- (1) all of UKLR (other than ■ UKLR 24) applies to an *issuer*; and
- (2) ■ UKLR 1 and ■ UKLR 24 apply to a *sponsor* and a *person* applying for approval as a *sponsor*.

[**Note:** The following table provides a general indication of which chapters in UKLR are relevant to *applicants, issuers, listed companies, sponsors* and *persons* applying to be *sponsors*. The table does not provide definitive guidance as to the provisions which will be relevant to a particular *person*, nor does it take account of exceptions that may apply in respect of particular *persons*.]

UKLR 1 – Preliminary: all securities	Applies to all <i>issuers, sponsors</i> and <i>persons</i> applying for approval as a <i>sponsor</i> .
UKLR 2 – Listing Principles	Applies to all <i>listed companies</i> .
UKLR 3 – Requirements for listing: all securities	Applies to all <i>applicants</i> for <i>admission to listing</i> unless a <i>rule</i> is specified only to apply to a particular type of <i>applicant</i> or <i>security</i> .
UKLR 4 – Sponsors: responsibilities of issuers	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>equity shares (commercial companies)</i> category, the <i>closed-ended investment funds</i> category or the <i>equity shares (shell companies)</i> category.
UKLR 5 – Equity shares (commercial companies): requirements for admission to listing	Applies to <i>applicants</i> for <i>admission to listing</i> in the <i>equity shares (commercial companies)</i> category.
UKLR 6 – Equity shares (commercial companies): continuing obligations	Applies to <i>companies</i> with a <i>listing</i> in the <i>equity shares (commercial companies)</i> category.
UKLR 7 – Equity shares (commercial companies): significant transactions and reverse takeovers	Applies to <i>companies</i> with a <i>listing</i> in the <i>equity shares (commercial companies)</i> category.
UKLR 8 – Equity shares (commercial companies): related party transactions	Applies to <i>companies</i> with a <i>listing</i> in the <i>equity shares (commercial companies)</i> category.
UKLR 9 – Equity shares (commercial	Applies to <i>companies</i> with a <i>listing</i>

companies): further issuances, dealing in own securities and treasury shares	in the <i>equity shares (commercial companies)</i> category.
UKLR 10 – Equity shares (commercial companies): contents of circulars	Applies to <i>companies</i> with a <i>listing</i> in the <i>equity shares (commercial companies)</i> category.
UKLR 11 – Closed-ended investment funds: requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>closed-ended investment funds</i> category.
UKLR 12 – Open-ended investment companies: requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>open-ended investment companies</i> category.
UKLR 13 – Equity shares (shell companies): requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>equity shares (shell companies)</i> category.
UKLR 14 – Equity shares (international commercial companies secondary listing): requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>equity shares (international commercial companies secondary listing)</i> category.
UKLR 15 – Certificates representing certain securities (depository receipts): requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>certificates representing certain securities</i> category.
UKLR 16 – Non-equity shares and non-voting equity shares: requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>non-equity shares and non-voting equity shares</i> category.
UKLR 17 – Debt and debt-like securities: continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> in the <i>debt and debt-like securities</i> category.
UKLR 18 – Securitised derivatives: requirements for listing and continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> and <i>applicants</i> for <i>admission to listing</i> in the <i>securitised derivatives</i> category.
UKLR 19 – Warrants, options and other miscellaneous securities: continuing obligations	Applies to <i>issuers</i> with a <i>listing</i> in the <i>warrants, options</i> and other <i>miscellaneous securities</i> category.
UKLR 20 – Admission to listing: processes and procedures	Applies to <i>applicants</i> for <i>admission to listing</i> .
UKLR 21 – Suspending, cancelling and restoring listing and transfer between listing categories: all securities	Applies to all <i>issuers</i> .
UKLR 22 – Equity shares (transition): continuing obligations	Applies to <i>companies</i> with a <i>listing</i> in the <i>equity shares (transition)</i> category.
UKLR 23 – Listing particulars for professional securities market and certain other securities: all securities	Applies to <i>applicants</i> for <i>admission to listing</i> which are required to prepare <i>listing particulars</i> .
UKLR 24 – Sponsors	Applies to <i>sponsors</i> and <i>persons</i> applying for approval as a <i>sponsor</i> .

[Note: Other parts of the *Handbook* that may also be relevant to *issuers* or *sponsors* include the Disclosure Guidance and Transparency Rules sourcebook

(*DTR*), the Prospectus Regulation Rules sourcebook (*PRR*), the Conduct of Business sourcebook (*COBS*), the Decision Procedure and Penalties manual (*DEPP*), Chapter 9 of the Supervision manual (*SUP*) and General Provisions (*GEN*).

The Enforcement Guide (*EG*) may also be relevant to *issuers* or *sponsors*.]



## 1.2 Modifying rules and consulting the FCA

### Modifying or dispensing with rules

- 1.2.1 **R**
- (1) The *FCA* may dispense with or modify the *listing rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the *Act*).
  - (2) A dispensation or modification may be either unconditional or subject to specified conditions.
  - (3) If an *issuer* or *sponsor* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
  - (4) The *FCA* may revoke or modify a dispensation or modification.
- 1.2.2 **R**
- (1) An application to the *FCA* to dispense with or modify a *listing rule* must be in writing.
  - (2) The application must:
    - (a) contain a clear explanation of why the dispensation or modification is requested;
    - (b) include details of any special requirements – for example, the date by which the dispensation or modification is required;
    - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
    - (d) contain any statement or information that is required by the *listing rules* to be included for a specific type of dispensation or modification; and
    - (e) include copies of all documents relevant to the application.
- 1.2.3 **G**
- An application to dispense with or modify a *listing rule* should ordinarily be made:
- (1) for a *listing rule* that is a continuing obligation, at least 5 *business days* before the proposed dispensation or modification is to take effect; and
  - (2) for any other *listing rule*, at least 10 *business days* before the proposed dispensation or modification is to take effect.

**Early consultation with the FCA**

1.2.4

G

An *issuer* or *sponsor* should consult with the *FCA* at the earliest possible stage if it:

- (1) is in doubt about how the *listing rules* apply in a particular situation;  
or
- (2) considers that it may be necessary for the *FCA* to dispense with or modify a *listing rule*.

1.2.5

G

Where a *listing rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency or in the case of a submission from a *sponsor* in relation to the provision of a *sponsor service*.

Address for correspondence

The Financial Conduct Authority  
12 Endeavour Square  
London, E20 1JN  
Tel: 020 7066 8333

[**Note:** <https://www.fca.org.uk/markets/primary-markets/contact/request-individual-guidance>]



## 1.3 Information gathering and publication

### Information gathering

1.3.1

**R**

An *issuer* must provide to the *FCA* as soon as possible:

- (1) any information and explanations that the *FCA* may reasonably require to decide whether to grant an application for *admission*;
- (2) any information that the *FCA* considers appropriate to protect investors or ensure the smooth operation of the market; and
- (3) any other information or explanation that the *FCA* may reasonably require to verify whether *listing rules, disclosure requirements, transparency rules* and *corporate governance rules* are being and have been complied with.

### The *FCA* may require issuer to publish information

1.3.2

**R**

- (1) The *FCA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market.
- (2) If an *issuer* fails to comply with a requirement under (1), the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published).

### Misleading information not to be published

1.3.3

**R**

An *issuer* must take reasonable care to ensure that any information it notifies to a *RIS* or makes available through the *FCA* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

### Notification when a *RIS* is not open for business

1.3.4

**R**

If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business, it must distribute the information as soon as possible to:

- (1) not less than 2 national newspapers in the *United Kingdom*;

- (2) 2 newswire services operating in the *United Kingdom*; and
- (3) a *RIS* for release as soon as it opens.

**Key persons contact details**

- 1.3.5 **R** (1) An *issuer* must ensure that the *FCA* is provided, at all times, with up-to-date contact details of at least 2 of its executive *directors* (or, where the *issuer* has no executive *directors*, at least 2 of its *directors*), including their name, business telephone number and business email address. Where the *issuer* has only 1 executive *director* or has only 1 *director*, then the *issuer* must ensure the *FCA* is provided with the details of this *director*.
- (2) The *issuer* must notify the *FCA* of any changes to the contact details under (1) as soon as possible.

- 1.3.6 **G** The *directors* whose contact details are provided under **UKLR 1.3.5R** will be expected to be key persons who are able to assist the *FCA* regarding matters that require an urgent response.

**Service of notices**

- 1.3.7 **R** An *issuer* must ensure that the *FCA* is provided, at all times, with up-to-date contact details of a nominated person at the *issuer*, including their address for the purposes of receiving service of *relevant documents*.

- 1.3.8 **R** The address referred to in **UKLR 1.3.7R** must be:
  - (1) an email address where the *issuer* provides written consent to receive service of *relevant documents* by email; or
  - (2) a postal address in the *UK* where written consent to email service mentioned in (1) above is not given.

[**Note:** There are additional requirements to provide first point of contact details set out in **UKLR 6.2.19R** including as applied by **UKLR 11.4.1R**, **UKLR 12.3.6R**, **UKLR 13.3.11R**, **UKLR 14.3.8R**, **UKLR 16.3.7R** and **UKLR 22.2.8R**.]





## 1.4 Miscellaneous

### Appointment of sponsors

- 1.4.1 **R** (1) If it appears to the *FCA* that there is, or there may be, a breach of the *listing rules*, the *disclosure requirements* or the *transparency rules* by an *issuer* with a *listing of shares* in:
- (a) the *equity shares (commercial companies)* category;
  - (b) the *closed-ended investment funds* category; or
  - (c) the *equity shares (shell companies)* category,
- the *FCA* may in writing require the *issuer* to appoint a *sponsor* to advise the *issuer* on the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.
- (2) If required to do so under (1), an *issuer* must, as soon as practicable, appoint a *sponsor* to advise it on the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.
- [**Note:** ■ UKLR 4.2 sets out the various circumstances in which an *issuer* must appoint, or obtain guidance from, a *sponsor*.]

### Overseas companies

- 1.4.2 **R** If a *listing rule* refers to a requirement in legislation applicable to a *listed company* incorporated in the *United Kingdom*, a *listed overseas company* must comply with the requirement so far as:
- (1) information available to it enables it to do so; and
  - (2) compliance is not contrary to the law in its country of incorporation.

- 1.4.3 **R** A *listed overseas company* must, if required to do so by the *FCA*, provide the *FCA* with a letter from an independent legal adviser explaining why compliance with a requirement referred to in ■ UKLR 1.4.2R is contrary to the law in its country of incorporation.

### English language

- 1.4.4 **R** A document that is required under a *listing rule* to be filed, notified to a *RIS*, provided to the *FCA* or sent to *security holders* must be in English.

**Fees**

- 1.4.5 **G** The provisions relating to periodic fees for *issuers* and *sponsors* are set out in ■ FEES 1, ■ 2 and ■ 4.

**Electronic communication**

- 1.4.6 **G** If the *listing rules* require an *issuer* to send documents to its *security holders*, the *issuer* may, in accordance with ■ DTR 6.1.8R, use *electronic means* to send those documents.

- 1.4.7 **R** A reference to a copy (or copies) of a document in the *listing rules* includes a copy (or copies) of a document produced, recorded or stored using *electronic means*.

**Use of an RIS**

- 1.4.8 **R** Where a *listing rule* requires an *issuer* subject to ■ DTR 6.3.1R to use the services of a *RIS*, the *issuer* must comply with the provisions of ■ DTR 6.3.

- 1.4.9 **R** Where a *listing rule* requires an *issuer* that is not subject to ■ DTR 6.3.1R to use the services of a *RIS*, the *issuer* must comply with the provisions of ■ DTR 6.3, except in relation to information which is required to be disclosed under articles 17 and 19 of the *Market Abuse Regulation* or the *DTR*.



## 1.5 Listing categories

**1.5.1** **R** 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) equity shares (commercial companies);
- (2) closed-ended investment funds;
- (3) open-ended investment companies;
- (4) equity shares (shell companies);
- (5) equity shares (international commercial companies secondary listing);
- (6) certificates representing certain securities;
- (7) non-equity shares and non-voting equity shares;
- (8) debt and debt-like securities;
- (9) securitised derivatives;
- (10) warrants, options and other miscellaneous securities; and
- (11) equity shares (transition).

**1.5.2** **R** An issuer must inform the FCA 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.

### Misleading statements about status

**1.5.3** **R** An issuer that has securities listed in a particular listing category must not describe itself or hold itself out (in whatever terms) as being listed in a different listing category from the one in which those securities are listed. An issuer must not make any representation which suggests, or which is reasonably likely to be understood as suggesting, that it has a listing in a different listing category or complies, or is required to comply, with the requirements that apply to a different listing category from the one in which its securities are listed.



## Chapter 2

# Listing Principles

## 2.1 Application and purpose

### Application

- 2.1.1 **R** The Listing Principles in **■ UKLR 2.2.1R** apply to every *listed company* in respect of all its obligations arising from the *listing rules, disclosure requirements, transparency rules and corporate governance rules*.
- 2.1.2 **G** This chapter is also relevant to *applicants* in relation to the confirmation in respect of procedures, systems and controls required by **■ UKLR 20.3.1R**.  
**[Note: The Procedures, Systems and Controls Confirmation Form can be found on the Primary Markets section of the FCA's website.]**

### Purpose

- 2.1.3 **G** The purpose of the 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.
- 2.1.4 **G** The Listing Principles are designed to assist *listed companies* in identifying their obligations and responsibilities under the *listing rules, disclosure requirements, transparency rules and corporate governance rules*. The Listing Principles should be interpreted together with relevant *rules and guidance* which underpin the Listing Principles.
- 2.1.5 **G** **■ DEPP 6 (Penalties)** and **■ EG 7** set out *guidance* on the consequences of breaching a Listing Principle.

## 2.2 The Listing Principles

2

2.2.1 **R** The Listing Principles are as follows:

Listing Principle 1	A <i>listed company</i> must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.
Listing Principle 2	A <i>listed company</i> must deal with the FCA in an open and cooperative manner.
Listing Principle 3	A <i>listed company</i> must take reasonable steps to enable its <i>directors</i> to understand their responsibilities and obligations as <i>directors</i> .
Listing Principle 4	A <i>listed company</i> must act with integrity towards the holders and potential holders of its <i>listed securities</i> .
Listing Principle 5	A <i>listed company</i> must ensure that it treats all holders of the same class of its <i>listed securities</i> that are in the same position equally in respect of the rights attaching to those <i>listed securities</i> .
Listing Principle 6	A <i>listed company</i> must communicate information to holders and potential holders of its <i>listed securities</i> in such a way as to avoid the creation or continuation of a false market in those <i>listed securities</i> .

### Guidance on the Listing Principles

2.2.2 **G** Listing Principle 1 is intended to ensure that *listed companies* have adequate procedures, systems and controls to enable them to comply with their obligations under the *listing rules*, *disclosure requirements*, *transparency rules* and *corporate governance rules*. In particular, the FCA considers that *listed companies* should place particular emphasis on ensuring that they have adequate procedures, systems and controls in relation to, where applicable:

- (1) identifying whether any obligations arise under **UKLR 7** (Equity shares (commercial companies): significant transactions and reverse takeovers) and **UKLR 8** (Equity shares (commercial companies): related party transactions);
- (2) the timely and accurate disclosure of information to the market; and

- (3) the provision of information to the *FCA* in accordance with ■ UKLR 1.3.1R and to their *sponsor* in accordance with ■ UKLR 4.5.1R.
- 2.2.3 **G** For the purposes of Listing Principle 1, *directors* should take reasonable steps to ensure that adequate governance arrangements are established and maintained at all times to enable the *listed company* to comply with Listing Principle 1.
- 2.2.4 **G** Timely and accurate disclosure of information to the market is a key obligation of *listed companies*. For the purposes of Listing Principle 1, a *listed company* should have adequate procedures, systems and controls to be able to:
- (1) ensure that it can properly identify information which requires disclosure under the *listing rules, disclosure requirements, transparency rules or corporate governance rules* in a timely manner; and
  - (2) ensure that any information identified under (1) is properly considered by the *directors* and that such a consideration encompasses whether the information should be disclosed.
- 2.2.5 **G** For the purposes of Listing Principle 1, a *listed company* should have adequate procedures, systems and controls to be able to:
- (1) explain to the *FCA* where information is held and how it can be accessed (regardless of whether the information is held in the *UK* or *overseas*); and
  - (2) access easily from the *UK* information that may be held outside the *UK*.
- 2.2.6 **G** For the purposes of Listing Principle 2:
- (1) a *listed company* should take reasonable steps to ensure that its *directors* deal with the *FCA* in an open and cooperative manner; and
  - (2) the *FCA* expects the *directors* of the *listed company* to deal with the *FCA* in an open and cooperative manner, including when responding to requests for information and attending interviews with the *FCA*.



## Chapter 3

# Requirements for listing: all securities

## 3.1 Preliminary

### Application

- 3.1.1 **R** This chapter applies to all *applicants for admission to listing* (unless a *rule* is specified only to apply to a particular type of *applicant* or *security*).

### Refusal of applications

- 3.1.2 **G** Under the *Act*, the *FCA* may not grant an application for *admission* unless it is satisfied that:
- (1) the requirements of the *listing rules* are complied with; and
  - (2) any special requirement (see **■ UKLR 3.1.4R**) is complied with.

- 3.1.3 **G** Under the *Act*, the *FCA* may also refuse an application for *admission* if it considers that:
- (1) *admission* of the *securities* would be detrimental to investors' interests; or
  - (2) for *securities* already listed in a *third country*, the *issuer* has failed to comply with any obligations under that listing.

### Special requirements

- 3.1.4 **R**
- (1) The *FCA* may make the *admission* of *securities* subject to any special requirement that it considers appropriate to protect investors.
  - (2) The *FCA* must explicitly inform the *issuer* of any special requirement that it imposes.

### No conditional admission

- 3.1.5 **G** The *FCA* is not able to make the *admission* of *securities* conditional on any event. The *FCA* may, in particular cases, seek confirmation from an *issuer* before the *admission* of *securities* that the *admission* does not purport to be conditional on any matter.



## 3.2 Requirements for all securities

### Incorporation

3.2.1

**R**

An *applicant* (other than a *public sector issuer*) must be:

- (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
- (2) operating in conformity with its *constitution*.

### Validity

3.2.2

**R**

To be *listed*, *securities* must:

- (1) conform with the law of the *applicant's* place of incorporation;
- (2) be duly authorised according to the requirements of the *applicant's constitution*; and
- (3) have any necessary statutory or other consents.

### Admission to trading

3.2.3

**R**

Other than in regard to *securities* to which **■ UKLR 23** applies, to be *listed*, *equity shares* must be admitted to trading on a *regulated market* for *listed securities*. All other *securities* must be admitted to trading on a *RIE's* market for *listed securities*.

### Transferability

3.2.4

**R**

- (1) To be *listed*, *securities* must be freely transferable.
- (2) To be *listed*, *shares* must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

3.2.5

**G**

The *FCA* may modify **■ UKLR 3.2.4R** to allow partly paid *securities* to be *listed* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the *securities* to take place on an open and proper basis.

3.2.6 **G** The FCA may, in exceptional circumstances, modify or dispense with **■ UKLR 3.2.4R** where the *applicant* has the power to disapprove the transfer of *shares* if the FCA is satisfied that this power would not disturb the market in those *shares*.

### Market capitalisation

3.2.7 **R**

- (1) The expected aggregate market value of all *securities* (excluding *treasury shares* and *shares of a closed-ended investment fund or open-ended investment company*) to be *listed* must be at least:
  - (a) £30 million for *shares*; and
  - (b) £200,000 for *debt securities*.
- (2) The expected aggregate market value of *shares of a closed-ended investment fund or open-ended investment company* to be *listed* must be at least £700,000.
- (3) Paragraph (1) does not apply to tap issues where the amount of the *debt securities* is not fixed.
- (4) Paragraphs (1) and (2) do not apply if *securities* of the same *class* are already *listed*.

3.2.8 **G** The FCA may modify **■ UKLR 3.2.7R** to admit *securities* of a lower value if it is satisfied that there will be an adequate market for the *securities* concerned.

### Whole class to be listed

3.2.9 **R** An application for *listing* of *securities* of any *class* must:

- (1) if no *securities* of that *class* are already *listed*, relate to all *securities* of that *class*, issued or proposed to be issued; or
- (2) if *securities* of that *class* are already *listed*, relate to all further *securities* of that *class*, issued or proposed to be issued.

### Prospectus

3.2.10 **R**

- (1) This *rule* applies if:
  - (a) a *prospectus* must be approved and published for the *securities*; or
  - (b) the *applicant* is permitted and elects to draw up a *prospectus* for the *securities*.
- (2) To be *listed*, a *prospectus* must have been approved by the FCA and published in relation to the *securities*.

### Listing particulars

3.2.11 **R** (1) This *rule* applies if, under **■ UKLR 23**, *listing particulars* must be approved and published for *securities*.

- (2) To be *listed*, *listing particulars* for the *securities* must have been approved by the *FCA* and published in accordance with ■ UKLR 23.

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

3.2.12

**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:

- (1) *listed securities*; or
- (2) *securities* listed on a regulated, regularly operating, recognised open market.

3.2.13

**G**

The *FCA* may dispense with ■ UKLR 3.2.12R if it is satisfied that holders of the *convertible securities* have at their disposal all the information necessary to form an opinion about the value of the underlying *securities*.



## Chapter 4

# Sponsors: responsibilities of issuers

## 4.1 Application

### 4.1.1

**R** This chapter applies to all *issuers* with a *listing* of *equity shares* in, or applying for *admission* of *equity shares* to, the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category.



## 4.2 When a sponsor must be appointed or its guidance obtained

### When a sponsor must be appointed

#### 4.2.1

**R**

An issuer with a listing of equity shares in, or applying for admission of its equity shares to, the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category must appoint a sponsor on each occasion that the issuer:

- (1) is required to submit any of the following documents to the FCA in connection with an application for admission of equity shares to the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category:
  - (a) a prospectus or supplementary prospectus;
  - (b) a summary document as required by article 1(5)(j) of the Prospectus Regulation; or
  - (c) for an issuer that is a closed-ended investment fund, listing particulars or supplementary listing particulars;
- (2) is required to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the Prospectus Regulation;
- (3) is required to submit to the FCA a reverse takeover circular for approval;
- (4) is required by [UKLR 11](#) (Closed-ended investment funds: requirements for listing and continuing obligations) to submit to the FCA a relevant related party transaction circular for approval;
- (5) is required to do so by the FCA because it appears to the FCA that there is, or there may be, a breach of the listing rules, the disclosure requirements or the transparency rules by the listed issuer;
- (6) is required by [UKLR 8.2.1R\(3\)](#) (including as modified by [UKLR 11.5.4R](#)) to obtain a confirmation that the terms of a proposed transaction or arrangement with a related party are fair and reasonable;
- (7) is required by the FCA to have a sponsor submit a letter to the FCA setting out how the applicant satisfies the criteria in [UKLR 3](#) and, if applicable, [UKLR 5](#), [UKLR 11](#) or [UKLR 13](#);

4.2.2

**R**

An issuer must appoint a sponsor where it applies to transfer its category of listing from:

- (8) is required to procure that a *sponsor* contact the *FCA* as specified in ■ UKLR 13.4, including so that the *sponsor* provides any requested confirmation; or
- (9) is required to procure that a *sponsor* submits to the *FCA* a letter in relation to the *issuer's* eligibility in connection with a *reverse takeover* under ■ UKLR 7.5.13G(2).

- (1) a *listing* in the *equity shares (commercial companies)* category to a *listing* in the *closed-ended investment funds* category;
- (2) a *listing* in the *equity shares (commercial companies)* category to a *listing* in the *equity shares (shell companies)* category;
- (3) a *listing* in the *closed-ended investment funds* category to a *listing* in the *equity shares (commercial companies)* category;
- (4) a *listing* in the *open-ended investment companies* category to a *listing* in the *equity shares (commercial companies)* category;
- (5) a *listing* in the *equity shares (international commercial companies secondary listing)* category to a *listing* in the *equity shares (commercial companies)* category;
- (6) a *listing* in the *equity shares (international commercial companies secondary listing)* category to a *listing* in the *equity shares (shell companies)* category;
- (7) a *listing* in the *equity shares (international commercial companies secondary listing)* category to a *listing* in the *closed-ended investment funds* category;
- (8) a *listing* in the *equity shares (transition)* category to a *listing* in the *equity shares (commercial companies)* category;
- (9) a *listing* in the *equity shares (transition)* category to a *listing* in the *equity shares (shell companies)* category; or
- (10) a *listing* in the *equity shares (transition)* category to a *listing* in the *closed-ended investment funds* category.

4.2.3

**R**

An issuer with *equity shares* admitted to the *equity shares (commercial companies)* category or the *closed-ended investment funds* category must appoint a *sponsor* where it proposes to make a request to the *FCA* to modify, waive or substitute the operation of ■ UKLR 7, ■ UKLR 8 or ■ UKLR 11.

4.2.4

**R**

An issuer with a *listing* of *equity shares* in the *equity shares (commercial companies)* category or the *closed-ended investment funds* category must appoint a *sponsor* where it proposes to make a request to the *FCA* for individual guidance in relation to the *listing rules*, the *disclosure requirements* or the *transparency rules* in connection with a matter referred to in ■ UKLR 7, ■ UKLR 8 or ■ UKLR 11.

**4.2.5** **G** If an *issuer* with a *listing of equity shares* in, or applying for *admission* of its *equity shares* to, the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category wishes to seek individual guidance about a matter that is, or will be, the subject of a *sponsor service*, the *FCA* expects to discuss all matters relating to a *sponsor service* directly with a *sponsor*. However, in appropriate circumstances, the *FCA* will communicate directly with the *issuer* or its advisers.

**Other transactions where an issuer must obtain a sponsor’s guidance**

**4.2.6** **R** If an *issuer* with a *listing of equity shares* in the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category is proposing to enter into a transaction which, due to its size or nature, could amount to a *reverse takeover* or an *initial transaction*, it must obtain the guidance of a *sponsor* to assess the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

## 4.3 Notifications to FCA

- 4.3.1** **R** *A listed issuer or applicant must ensure the FCA is informed promptly of the name and contact details of any sponsor appointed in accordance with the listing rules (either by the listed issuer or applicant, or by the sponsor itself).*
- 4.3.2** **R**
- (1) *A listed issuer or applicant must notify the FCA, in writing, immediately of the resignation or dismissal of any sponsor that it had appointed.*
  - (2) *In the case of a dismissal, the reasons for the dismissal must be included in the notification.*
  - (3) *The notification must be copied to the sponsor.*



## 4.4 Issuer appoints more than one sponsor

### 4.4.1

**R** Where a *listed issuer* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*, the *listed issuer* or *applicant* must:

- (1) ensure that one *sponsor* takes responsibility for contact with the *FCA* in respect of administrative arrangements for the *sponsor service*; and
- (2) inform the *FCA* promptly, in writing, of the name and contact details of the *sponsor* taking responsibility under (1).

## 4.5 Cooperation with sponsors

- 4.5.1** **R** In relation to the provision of a *sponsor service*, an *issuer* with a *listing of equity shares* in, or applying for *admission* of its *equity shares* to, the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with **UKLR 24**.
- 4.5.2** **G**
- (1) The role of a *sponsor* – including to provide the *FCA* with assurances, explanations and confirmations relating to compliance with the *listing rules* by *issuers* with a *listing of equity shares*, or applying for *admission of equity shares*, and to provide guidance to *issuers* with a *listing of equity shares*, or applying for *admission of equity shares*, in understanding and meeting their responsibilities under the *listing rules*, *disclosure requirements* and *transparency rules* – is set out in **UKLR 24.2** and **UKLR 24.3**.
  - (2) The assurances, explanations and confirmations in (1) may relate to shareholder approvals obtained, or other work undertaken, by an *issuer* before the appointment of a *sponsor* in relation to a particular transaction. Therefore, an *issuer* with a *listing of equity shares*, or applying for *admission* of its *equity shares*, to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category is encouraged to engage with a *sponsor* at the earliest possible stage if it is in doubt about the application of the *listing rules*, the *disclosure requirements* or the *transparency rules* to a particular matter.

## Chapter 5

# Equity shares (commercial companies): requirements for admission to listing

## 5.1 Application

- 5.1.1** **R** This chapter applies to an *applicant* for the *admission of equity shares* other than those of:
- (1) a *closed-ended investment fund*;
  - (2) an *open-ended investment company*;
  - (3) a *shell company*; or
  - (4) an *investment entity* that is not a *closed-ended investment fund* or an *open-ended investment company*.
- 5.1.2** **R** This chapter applies to an *applicant* for the *admission of equity shares* to the *equity shares (commercial companies)* category except where:
- (1) the *applicant* meets the following conditions:
    - (a) it has an existing *listing* in the *equity shares (commercial companies)* category;
    - (b) it is applying for the *admission of equity shares* of the same *class* as the *shares* that have been *admitted* to the *equity shares (commercial companies)* category; and
    - (c) it is not entering into a transaction classified as a *reverse takeover*; or
  - (2) the following conditions are met:
    - (a) a *company* has an existing *listing* in the *equity shares (commercial companies)* category;
    - (b) the *applicant* is a new *holding company* of the *company* in (2)(a); and
    - (c) the *company* in (2)(a) is not entering into a transaction classified as a *reverse takeover*.





## 5.2 Externally managed companies

5.2.1

**R**

An *applicant* must satisfy the FCA that:

- (1) the discretion of its board to make strategic decisions on behalf of the *applicant* has not been limited or transferred to a *person* outside the *applicant's group*; and
- (2) its board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *applicant's group*.

5.2.2

**G**

In considering whether an *applicant* has satisfied **■** UKLR 5.2.1R, the FCA will consider, among other things, whether the *applicant's* board consists solely of non-executive *directors* and whether significant elements of the strategic decision-making of or planning for the *applicant* take place outside the *applicant's group* – for example, with an *external management company*.

## 5.3 Controlling shareholders

- 5.3.1** **R** An *applicant* with a *controlling shareholder* must demonstrate that, despite having a *controlling shareholder*, the *applicant* is able to carry on the business it carries on as its main activity independently from such *controlling shareholder* at all times.
- 5.3.2** **G** Factors which may indicate that an *applicant* does not satisfy the requirement in **■ UKLR 5.3.1R** include:
- (1) an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *controlling shareholder* or a member of a *controlling shareholder's group*; or
  - (2) an *applicant* cannot demonstrate that it has access to financing other than from a *controlling shareholder* (or an *associate* thereof).
- 5.3.3** **R** Where:
- (1) an *applicant* is a *sovereign controlled commercial company*; and
  - (2) the State which is a *sovereign controlling shareholder* is either:
    - (a) recognised by the government of the *UK* as a State at the time the application is made; or
    - (b) the *UK*,references to a *controlling shareholder* must be read as excluding a *sovereign controlling shareholder* in, or for the purposes of, **■ UKLR 5.3.1R** to **■ UKLR 5.3.2G**.

## 5.4 Constitutional arrangements

- 5.4.1 **R** An *applicant* must have in place a *constitution* that allows it to comply with the *listing rules* – in particular:
- (1) **■ UKLR 6.2.27R** to vote on matters that must be decided by a resolution of the holders of the *listed company's equity shares* that have been *admitted* to the *equity shares (commercial companies)* category; and
  - (2) for an *applicant* with a *controlling shareholder*, **■ UKLR 6.2.8R** and **■ UKLR 6.2.9R** concerning the election and re-election of *independent directors*.
- 5.4.2 **R** An *applicant* must have in place a *constitution* which ensures that all *equity shares* in a *class* that has been *admitted* to the *equity shares (commercial companies)* category carry an equal number of votes on any shareholder vote.
- 5.4.3 **R** Where the *applicant* will have more than one *class* of *equity shares* admitted to the *equity shares (commercial companies)* category, the aggregate voting rights of the *equity shares* in each *class* should be broadly proportionate to the relative interests of those *classes* in the equity of the *listed company*.
- 5.4.4 **G** In assessing whether the voting rights attaching to different *classes* of *listed equity shares* are proportionate for the purposes of **■ UKLR 5.4.3R**, the *FCA* will have regard to the following non-exhaustive list of factors:
- (1) the extent to which the rights of the *classes* differ other than their voting rights – for example, with regard to dividend rights or entitlement to any surplus capital on winding up;
  - (2) the extent of dispersion and relative liquidity of the *classes*; and/or
  - (3) the commercial rationale for the difference in the rights.
- 5.4.5 **R** Where the *applicant* will have *specified weighted voting rights shares* in issue following *admission*, the *applicant* must have in place, on the first occasion the *applicant* makes an application for the *admission* of *equity shares* to the *equity shares (commercial companies)* category, a *constitution* which ensures that all of the following conditions are met:

- (1) The *specified weighted voting rights shares* may only be issued to a *person* who, on the first occasion the *applicant* makes an application for the *admission of equity shares to the equity shares (commercial companies)* category, was:
  - (a) a *director* of the *applicant*;
  - (b) an investor in, or shareholder of, the *applicant*;
  - (c) an *employee* of the *applicant*;
  - (d) a *person* established for the sole benefit of, or solely owned and controlled by, a *person* specified in (a), (b) or (c); or
  - (e) where the *applicant* is a *sovereign controlled commercial company*, a *sovereign controlling shareholder*.
- (2) (a) The voting rights attached to the *specified weighted voting rights shares* issued to a *person* specified in (b) in accordance with (1) may only count towards shareholder votes for a period of 10 years beginning with the date on which the *issuer* first had a *class of shares admitted to listing*.  
(b) A *person* specified for the purposes of (a) is an investor in, or shareholder of, the *applicant* which is not a natural person, except for:
  - (i) a *person* established for the sole benefit of, or solely owned and controlled by, a *person* who is a natural person; and
  - (ii) a *sovereign controlling shareholder*.
- (3) The voting rights attached to *specified weighted voting rights shares* issued in accordance with (1) may not be transferred except to a *person* established for the sole benefit of, or solely owned and controlled by, a *person* specified in (1)(a), (b) or (c) to whom such *specified weighted voting rights shares* were issued.
- (4) The holders of the *specified weighted voting rights shares* cannot exercise the voting rights attached to *specified weighted voting rights shares* on the shareholder votes referred to in ■ UKLR 6.2.27R(1).

5.4.6

G

■ UKLR 5.4.5R(1)(d) and ■ UKLR 5.4.5R(3) are intended to enable *specified weighted voting rights shares* to be held or transferred for the purpose of obtaining or maintaining favourable treatment of the *specified weighted voting rights shares*, including to take account of local tax, exchange control or securities laws in overseas territories.

### Pre-emption rights

5.4.7

R

If the law of the country of its incorporation does not confer on shareholders rights which are at least equivalent to ■ UKLR 9.2.1R, an *overseas company* applying for a *listing* in the *equity shares (commercial companies)* category must:

- (1) ensure that its *constitution* provides for rights which are at least equivalent to the rights provided in ■ UKLR 9.2.1R (as qualified by ■ UKLR 9.2.2R); and
- (2) be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.

## 5.5 Shares in public hands

- 5.5.1** **R** Where an *applicant* is applying for the *admission* of a *class* of equity shares to *listing* in the *equity shares (commercial companies)* category, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public.
- 5.5.2** **R** For the purposes of ■ UKLR 5.5.1R:
- (1) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* for which application for *admission* has been made are in public hands; and
  - (2) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.
- 5.5.3** **R** For the purposes of ■ UKLR 5.5.1R and ■ UKLR 5.5.2R, *shares* are not held in public hands if they are:
- (1) held, directly or indirectly, by:
    - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
    - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
    - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
    - (d) any *person* who, under any agreement, has a right to nominate a *person* to the board of *directors* of the *applicant*; or
    - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant *class*; or
  - (2) subject to a lock-up period of more than 180 calendar days.
- 5.5.4** **G** When calculating the number of *shares* for the purposes of ■ UKLR 5.5.3R(1)(e), holdings of *investment managers* in the same *group* will be disregarded where:

investment decisions are made independently by the individual in control of the relevant fund; and

those decisions are unfettered by the *group* to which the *investment manager* belongs.

5.6.1

**R**

The *FCA* will not admit *shares* of an *applicant* incorporated in a *third country* 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 *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

5.6 Shares of a third country company



## Chapter 6

# Equity shares (commercial companies): continuing obligations

6.1.1

**R**

**Application**

This chapter applies to a *company* that has a *listing* of *equity shares* in the *equity shares (commercial companies)* category.

**6.1 Preliminary**



## 6.2 Requirements with continuing application

### Admission to trading

- 6.2.1 **R** A *listed company* must comply with ■ UKLR 3.2.3R at all times.
- 6.2.2 **R** A *listed company* must inform the *FCA* in writing as soon as possible if it has:
- (1) requested a *RIE* to admit or re-admit any of its *listed equity shares* to trading;
  - (2) requested a *RIE* to cancel or suspend trading of any of its *listed equity shares*; or
  - (3) been informed by a *RIE* that trading of any of its *listed equity shares* will be cancelled or suspended.

### Controlling shareholders

- 6.2.3 **R** A *listed company* with a *controlling shareholder* must be able to carry on the business it carries on as its main activity independently from such *controlling shareholder* at all times.
- 6.2.4 **G** ■ UKLR 5.3.2G provides *guidance* on factors that may indicate that a *listed company* with a *controlling shareholder* is not carrying on the business it carries on as its main activity independently from a *controlling shareholder*.
- 6.2.5 **R** Where a *listed company* has a *controlling shareholder*, it must have in place at all times a *constitution* that allows the election and re-election of *independent directors* to be conducted in accordance with ■ UKLR 6.2.8R and ■ UKLR 6.2.9R.
- 6.2.6 **R**
- (1) This *rule* applies where a *person* becomes a *controlling shareholder* of a *listed company* which did not previously have a *controlling shareholder*, as a result of changes in ownership or control of the *listed company*.
  - (2) Where this *rule* applies, the *listed company* has until the date of the next annual general meeting of the *listed company*, other than an annual general meeting for which notice:
    - (a) has already been given; or

(b) is given within a period of 3 months from the event that resulted in that *person* becoming a *controlling shareholder*,  
to comply with ■ UKLR 6.2.5R.

**6.2.7** **G** In complying with ■ UKLR 6.2.5R, a *listed company* may allow an existing *independent director* who is being proposed for re-election (including any such *director* who was appointed by the board of the *listed company* until the next annual general meeting) to remain in office until any resolution required by ■ UKLR 6.2.9R has been voted on.

**6.2.8** **R** Where ■ UKLR 6.2.5R applies, the election or re-election of any *independent director* by shareholders must be approved by:

- (1) the shareholders of the *listed company*; and
- (2) the *independent shareholders* of the *listed company*.

**6.2.9** **R** Where ■ UKLR 6.2.8R applies, if the election or re-election of an *independent director* is not approved by both the shareholders and the *independent shareholders* of the *listed company*, but the *listed company* wishes to propose that *person* for election or re-election as an *independent director*, the *listed company* must propose a further resolution to elect or re-elect the proposed *independent director* which:

- (1) must not be voted on within a period of 90 days from the date of the original vote;
- (2) must be voted on within a period of 30 days from the end of the period set out in (1); and
- (3) must be approved by the shareholders of the *listed company*.

#### **Statements by directors in relation to a shareholder resolution**

**6.2.10** **R** Where:

- (1) a *listed company* has a *controlling shareholder*; and
- (2) the *controlling shareholder* or any of its *associates* proposes or procures the proposal of a shareholder resolution which a *director* considers is intended or appears to be intended to circumvent the proper application of the *listing rules*,

the *circular* accompanying the notice of meeting which contains the relevant shareholder resolution must set out a statement by the board of the *director's* opinion in respect of the resolution.

#### **Compliance with the disclosure requirements, transparency rules and corporate governance rules**

**6.2.11** **G** A *listed company* whose *equity shares* are admitted to trading on a *regulated market* should consider its obligations under the *disclosure requirements*.

**6.2.12** **R** A *listed company* that is not already required to comply with the obligations referred to under article 17 of the *Market Abuse Regulation* must comply with those obligations as if it were an *issuer* for the purposes of the *disclosure requirements* and *transparency rules* subject to article 22 of the *Market Abuse Regulation*.

**6.2.13** **G** A *listed company* whose *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** (Continuing obligations and access to information) and **■ DTR 7** (Corporate governance).

**6.2.14** **R** A *listed company* that is not already required to comply with the *transparency rules* must comply with **■ DTR 4**, **■ DTR 5** and **■ DTR 6** as if it were an *issuer* for the purposes of the *transparency rules*.

### Disclosure of rights attached to equity shares

**6.2.15** **R** Unless exempted in **■ UKLR 6.2.18R**, a *listed company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed equity shares*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed equity shares* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed equity shares*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights, produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *listed company* been required to produce a *prospectus* for those *listed equity shares*; and
- (2) if the information in relation to the rights attached to its *listed equity shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
  - (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *listed company's listed equity shares*.

**6.2.16** **R** The documents in **■ UKLR 6.2.15R** must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

6.2.17 **G** The purpose of **■ UKLR 6.2.15R** is to require *listed companies* to maintain publicly available information in relation to the rights attached to their *listed equity shares* so that investors can access such information.

6.2.18 **R** A *listed company* is exempt from **■ UKLR 6.2.15R** where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in **■ UKLR 6.2.15R(1)**;
- (2) if the information in relation to the rights attached to its *listed equity shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in **■ UKLR 6.2.15R(1)**; or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *listed company's listed equity shares*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

#### First point of contact details

6.2.19 **R** A *listed company* must ensure that the *FCA* is provided with up-to-date contact details of at least one appropriate person nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules*, the *disclosure requirements* and the *transparency rules*.

6.2.20 **G** The contact person referred to in **■ UKLR 6.2.19R** will be expected to be:

- (1) knowledgeable about the *listed company* and the *listing rules* applicable to it;
- (2) capable of ensuring that appropriate action is taken on a timely basis; and
- (3) contactable on *business days* between the hours of 7am and 7pm.

#### Sponsors

6.2.21 **G** A *listed company* should consider its notification obligations under **■ UKLR 4.3**.

**Shares in public hands**

6.2.22 **R** A *listed company* must comply with ■ UKLR 5.5.1R to ■ UKLR 5.5.3R at all times.

**Publication of unaudited financial information**

6.2.23 **R**

- (1) This *rule* applies to a *listed company* that has published:
  - (a) any unaudited financial information in a *reverse takeover circular* or a *prospectus*; or
  - (b) any *profit forecast* or *profit estimate*.
- (2) The first time a *listed company* publishes financial information as required by ■ DTR 4.1 after the publication of the unaudited financial information, *profit forecast* or *profit estimate*, it must:
  - (a) reproduce that financial information, *profit forecast* or *profit estimate* in its next annual report and accounts;
  - (b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (2)(a); and
  - (c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (2)(b) and those reproduced under paragraph (2)(a).

6.2.24 **G** ■ UKLR 6.2.23R does not apply to:

- (1) *pro forma* financial information prepared in accordance with Annex 1 and Annex 2 of the *PR Regulation*; or
- (2) any preliminary statements of annual results or half-yearly or quarterly reports that are reproduced with the unaudited financial information.

**Externally managed companies**

6.2.25 **R** An *issuer* must at all times ensure that the discretion of its board to make strategic decisions on behalf of the *company* has not been limited or transferred to a *person* outside the *issuer's group*, and that the board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *issuer's group*.

**Equal voting rights within a listed class**

6.2.26 **R** A *listed company* must at all times maintain constitutional arrangements that comply with ■ UKLR 5.4.2R.

**Voting on matters relevant to listing in the equity shares  
(commercial companies) category**

6.2.27 **R**

- (1) Where the provisions of ■ UKLR 9, ■ UKLR 21.2 or ■ UKLR 21.5 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *listed company's equity shares* that have been *admitted* to the *equity shares (commercial companies)* category.

(2) Where the provisions of ■ UKLR 6.2.8R, ■ UKLR 21.2.8R or ■ UKLR 21.5.6R(3)(b)(ii) require that the resolution must in addition be approved by *independent shareholders*, only *independent shareholders* who hold the *listed company's equity shares* that have been *admitted to the equity shares (commercial companies)* category can vote.

**6.2.28** **G** The *FCA* may modify the operation of ■ UKLR 6.2.27R in exceptional circumstances – for example, to accommodate the operation of:

- (1) special share arrangements designed to protect the national interest;
- (2) dual-listed company voting arrangements; and
- (2) voting rights attaching to *preference shares* or similar *securities* that are in arrears.

**Listed companies with more than one class admitted**

**6.2.29** **R** Where a *listed company* has more than one *class of equity shares* admitted to the *equity shares (commercial companies)* category, the aggregate voting rights of the *equity shares* in each *class* should be broadly proportionate to the relative interests of those *classes* in the equity of the *listed company*.

**6.2.30** **G** In assessing whether the voting rights attaching to different *classes of listed equity shares* are proportionate for the purposes of ■ UKLR 6.2.29R, the *FCA* will have regard to the following non-exhaustive list of factors:

- (1) the extent to which the rights of the *classes* differ other than their voting rights – for example, with regard to dividend rights or entitlement to any surplus capital on winding up;
- (2) the extent of dispersion and relative liquidity of the *classes*; and/or
- (3) the commercial rationale for the difference in the rights.

**Listed companies with specified weighted voting rights shares in issue**

**6.2.31** **R** For so long as a *listed company* has *specified weighted voting rights shares* in issue, the *listed company* must at all times maintain constitutional arrangements that comply with ■ UKLR 5.4.5R.

**6.2.32** **G** The effect of ■ UKLR 5.4.5R(4) and ■ UKLR 6.2.27R(1) is that the voting rights attached to *specified weighting voting rights shares* may not count towards the shareholder votes referred to in ■ UKLR 6.2.27R(1).

**6.2.33** **G** The *FCA* may modify the operation of ■ UKLR 6.2.31R in exceptional circumstances – for example, to accommodate the operation of:

- (1) special share arrangements designed to protect the national interest;
- (2) dual-listed company voting arrangements; and



- (3) voting rights attaching to *preference shares* or similar *securities* that are in arrears.

**Sovereign controlled commercial companies**

6.2.34

**R**

- (1) Where:
- (a) a *listed company* is a *sovereign controlled commercial company* and:
- (i) has a *sovereign controlling shareholder* which was a *controlling shareholder* on the first occasion on which the *company* made an application for the *admission* of *equity shares* to the *equity shares (commercial companies)* category;
  - (ii) has made a notification in accordance with ■ UKLR 6.4.18R and ■ UKLR 6.4.19R; or
  - (iii) made an announcement in accordance with ■ UKLR 21.5.7R(2) and ■ UKLR 21.5.10R when it transferred the *listing* of its *equity shares* to the *equity shares (commercial companies)* category; and
- (b) the *sovereign controlling shareholder* is either:
- (i) recognised by the government of the *UK* as a *State*; or
  - (ii) the *UK*,
- references to *controlling shareholder* must be read as excluding a *sovereign controlling shareholder* in, or for the purposes of, the provisions set out in (2).
- (2) The provisions referred to in (1) are:
- (a) ■ UKLR 6.2.3R; and
  - (b) ■ UKLR 6.2.4G.

**Notifications to the FCA: notifications regarding continuing obligations**

6.2.35

**R**

A *listed company* must notify the *FCA* without delay if it does not comply with any continuing obligation set out in ■ UKLR 6.2.3R, ■ UKLR 6.2.5R, ■ UKLR 6.2.8R, ■ UKLR 6.2.9R, ■ UKLR 6.2.22R, ■ UKLR 6.2.26R, ■ UKLR 6.2.27R, ■ UKLR 6.2.29R or ■ UKLR 6.2.31R.

**Notifications to the FCA: notifications regarding UKLR 6.6.2R**

6.2.36

**R**

A *listed company* must notify the *FCA* without delay if its annual financial report contains a statement of the kind specified under ■ UKLR 6.6.2R.

**Inability to comply with continuing obligations**

6.2.37

**G**

Where a *listed company* is unable to comply with a continuing obligation set out in ■ UKLR 6.2, it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ UKLR 21.2.2G(2) and ■ UKLR 21.5.18G.

## 6.3 Continuing obligations: holders

### Proxy forms

6.3.1

R

A *listed company* must ensure that, in addition to its obligations under the Companies Act 2006, a proxy form:

- (1) provides for at least 3-way voting on all resolutions intended to be proposed (except that it is not necessary to provide proxy forms with 3-way voting on procedural resolutions); and
- (2) states that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise their discretion as to whether, and if so how, they vote.

### Proxy forms for re-election of retiring directors

6.3.2

R

If the resolutions to be proposed include the re-election of retiring *directors* and the number of retiring *directors* standing for re-election exceeds 5, the proxy form may give shareholders the opportunity to vote for or against (or abstain from voting on) the re-election of the retiring *directors* as a whole but must also allow votes to be cast for or against (or for shareholders to abstain from voting on) the re-election of the retiring *directors* individually.

### Sanctions

6.3.3

R

Where a *listed company* has taken a power in its *constitution* to impose sanctions on a shareholder who is in default in complying with a notice served under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares):

- (1) sanctions may not take effect earlier than 14 days after service of the notice;
- (2) for a shareholding of less than 0.25% of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the only sanction that the *constitution* may provide for is a prohibition against attending meetings and voting;
- (3) for a shareholding of 0.25% or more of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the *constitution* may provide:
  - (a) for a prohibition against attending meetings and voting;
  - (b) for the withholding of the payment of dividends (including *shares* issued in lieu of dividend) on the *shares* concerned; and

- (c) for the placing of restrictions on the transfer of *shares*, provided that restrictions on transfer do not apply to a sale to a genuine unconnected third party (such as through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer); and
- (4) any sanctions imposed in accordance with paragraph (2) or (3) above must cease to apply after a specified period of not more than 7 days after the earlier of:
  - (a) receipt by the *issuer* of notice that the shareholding has been sold to an unconnected third party through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer; and
  - (b) due compliance, to the satisfaction of the *issuer*, with the notice under section 793.

**6.3.4**

**G**

An *overseas company* with a *listing* in the *equity shares (commercial companies)* category is not required to comply with ■ UKLR 6.3.3R.

## 6.4 Notifications

### Copies of documents

- 6.4.1 **R** A *listed company* must forward to the *FCA* for publication a copy of all *circulars*, notices, reports or other documents to which the *listing rules* apply at the same time as they are issued, by uploading it to the *national storage mechanism*.
- 6.4.2 **R** A *listed company* must forward to the *FCA* for publication a copy of all resolutions passed by the *listed company* other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting, by uploading it to the *national storage mechanism*.
- 6.4.3 **R**
- (1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under **■ UKLR 6.4.1R** or **■ UKLR 6.4.2R** unless the full text of the document is provided to the *RIS*.
  - (2) A notification made under paragraph (1) must set out where copies of the relevant document can be obtained.

### Notifications relating to capital

- 6.4.4 **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:
- (1) any proposed change in its capital structure, including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
  - (2) any redemption of *listed shares*, including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;
  - (3) any extension of time granted for the currency of temporary documents of title; and
  - (4) (except in relation to a block listing of *securities*) the results of any new issue of *equity securities* or a public offering of existing *equity securities*.

**6.4.5** **R** Where the *securities* are subject to an underwriting agreement, a *listed company* may, at its discretion and subject to the obligations in article 17 of the *Market Abuse Regulation*, delay notifying a *RIS* as required by ■ UKLR 6.4.4R(4) for up to 2 *business days* until the obligation by the underwriter to take or procure others to take *securities* is finally determined or lapses. In the case of an issue or offer of *securities* which is not underwritten, notification of the result must be made as soon as it is known.

**Notification of board changes and directors' details**.....

**6.4.6** **R** A *listed company* must notify a *RIS* of any change to the board, including:

- (1) the appointment of a new *director*, stating the appointee's name and whether the position is executive, non-executive or chair and the nature of any specific function or responsibility of the position;
- (2) the resignation, removal or retirement of a *director* (unless the *director* retires by rotation and is re-appointed at a general meeting of the *listed company's* shareholders);
- (3) important changes to the role, functions or responsibilities of a *director*; and
- (4) the effective date of the change if it is not with immediate effect,

as soon as possible and, in any event, by the end of the *business day* following the decision or receipt of notice about the change by the *company*.

**6.4.7** **R** If the effective date of the board change is not yet known, the notification required by ■ UKLR 6.4.6R should state this fact and the *listed company* should notify a *RIS* as soon as the effective date has been decided.

**6.4.8** **R** A *listed company* must notify a *RIS* of the following information in respect of any new *director* appointed to the board as soon as possible following the decision to appoint the *director* and, in any event, within 5 *business days* of the decision:

- (1) details of all directorships held by the *director* in any other publicly quoted *company* at any time in the previous 5 years, indicating whether or not they are still a *director*;
- (2) any unspent convictions in relation to indictable offences;
- (3) details of any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any *company* where the *director* was an executive *director* at the time of, or within the 12 months preceding, such events;
- (4) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the *director* was a partner at the time of, or within the 12 months preceding, such events;

- (5) details of receiverships of any asset of such *person* or of a partnership of which the *director* was a partner at the time of, or within the 12 months preceding, such event; and
- (6) details of any public criticisms of the *director* by statutory or regulatory authorities (including *designated professional bodies*) and whether the *director* has ever been disqualified by a court from acting as a *director* of a *company* or from acting in the management or conduct of the affairs of any *company*.

6.4.9 **R** A *listed company* must, in respect of any current *director*, notify a *RIS* as soon as possible of:

- (1) any changes in the information set out in ■ UKLR 6.4.8R(2) to ■ UKLR 6.4.8R(6); and
- (2) any new directorships held by the *director* in any other publicly quoted *company*.

6.4.10 **G** If no information is required to be disclosed pursuant to ■ UKLR 6.4.8R, the notification required by ■ UKLR 6.4.8R should state this fact.

#### Notification of lock-up arrangements

6.4.11 **R** A *listed company* must notify a *RIS* as soon as possible of information relating to the disposal of *equity shares* under an exemption allowed in the lock-up arrangements disclosed in accordance with the *PR Regulation*.

6.4.12 **R** A *listed company* must notify a *RIS* as soon as possible of the details of any variation in the lock-up arrangements disclosed in accordance with the *PR Regulation* or any subsequent announcement.

#### Notification of shareholder resolutions

6.4.13 **R** A *listed company* must notify a *RIS* as soon as possible after a general meeting of all resolutions passed by the *company* other than resolutions concerning ordinary business passed at an annual general meeting.

#### Change of name

6.4.14 **R** A *listed company* which changes its name must, as soon as possible:

- (1) notify a *RIS* of the change, stating the date on which it has taken effect;
- (2) inform the *FCA* in writing of the change; and
- (3) where the *listed company* is incorporated in the *United Kingdom*, send the *FCA* a copy of the revised certificate of incorporation issued by the Registrar of Companies.

**Change of accounting date**

6.4.15 **R** A *listed company* must notify a *RIS* as soon as possible of:

- (1) any change in its accounting reference date; and
- (2) the new accounting reference date.

6.4.16 **R** A *listed company* must prepare and publish a second interim report in accordance with **DTR 4.2** if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.

6.4.17 **G** The second interim report must be prepared and published in respect of either:

- (1) the period up to the old accounting reference date; or
- (2) the period up to a date not more than 6 months prior to the new accounting reference date.

**Sovereign controlling shareholder**

6.4.18 **R** (1) Where, as a result of changes in ownership or control of a *listed company*:

- (a) a *person* becomes a *sovereign controlling shareholder* of the *listed company*; and
- (b) the *sovereign controlling shareholder* is either:
  - (i) recognised by the government of the *UK* as a *State*; or
  - (ii) the *UK*,the *listed company* must comply with (2).

(2) In the circumstances set out in (1), the *listed company* must:

- (a) notify a *RIS* as soon as possible after it becomes aware that it has become a *sovereign controlled commercial company*; and
- (b) notify the *FCA* as soon as possible, in writing, that it has become a *sovereign controlled commercial company*.

6.4.19 **R** A notification made under **UKLR 6.4.18R** must include:

- (1) the identity of the *sovereign controlling shareholder*;
- (2) the date on which the *listed company* became a *sovereign controlled commercial company*; and
- (3) an explanation of the requirements in the *listing rules* which will not apply to the *listed company* while it is a *sovereign controlled commercial company*.

**6.4.20** **R** Where, as a result of changes in ownership or control of a *listed company*, the *listed company* ceases to be a *sovereign controlled commercial company*, the *listed company* must:

- (1) notify a *RIS* as soon as possible after it becomes aware that it has ceased to be a *sovereign controlled commercial company*; and
- (2) notify the *FCA* as soon as possible, in writing, that it has ceased to be a *sovereign controlled commercial company*.

**6.4.21** **R** A notification made under **■ UKLR 6.4.20R** must include:

- (1) the identity of the *person* which had been the *sovereign controlling shareholder*;
- (2) the date on which the *listed company* ceased to be a *sovereign controlled commercial company*; and
- (3) an explanation of the requirements in the *listing rules* which did not apply to the *listed company* while it was a *sovereign controlled commercial company* but will apply to the *listed company* as it has ceased to be a *sovereign controlled commercial company*.





## **6.5 Preliminary statement of annual results, and statement of dividends**

### **Preliminary statement of annual results**

**6.5.1**

**R**

If a *listed company* prepares a preliminary statement of annual results:

- (1) the statement must be published as soon as possible after it has been approved by the board;
- (2) the statement must be agreed with the *company's* auditors prior to publication;
- (3) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;
- (4) the statement must give details of the nature of any likely modification or emphasis-of-matter paragraph that may be contained in the auditors' report required to be included with the annual financial report; and
- (5) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

### **Statement of dividends**

**6.5.2**

**R**

A *listed company* must notify a *RIS* as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on *listed equity shares* or to withhold any dividend or interest payment on *listed securities*, giving details of:

- (1) the exact net amount payable per *share*;
- (2) the payment date;
- (3) the record date (where applicable); and
- (4) any foreign income dividend election, together with any income tax treated as paid at the lower rate and not repayable.

### **Omission of information**

**6.5.3**

**G**

The *FCA* may authorise the omission of information required by **UKLR 6.5.1R** or **UKLR 6.5.2R** if it considers that disclosure of such information would be

contrary to the public interest or seriously detrimental to the *listed company*, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the *shares*.

## 6.6 Annual financial report

### Information to be included in annual report and accounts

#### 6.6.1

R

In addition to the requirements set out in ■ DTR 4.1, a *listed company* must include in its annual financial report, where applicable, the following:

- (1) a statement of the amount of interest capitalised by the *group* during the period under review, with an indication of the amount and treatment of any related tax relief;
- (2) any information required by ■ UKLR 6.2.23R (Publication of unaudited financial information);
- (3) details of any long-term incentive schemes as required by ■ UKLR 9.3.3R;
- (4) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;
- (5) where a *director* has agreed to waive future emoluments, details of such waiver, together with those relating to emoluments which were waived during the period under review;
- (6) in the case of any allotment for cash of *equity securities* made during the period under review otherwise than to the holders of the *company's equity shares* in proportion to their holdings of such *equity shares* and which has not been specifically authorised by the *company's* shareholders:
  - (a) the classes of *equity securities* allotted and, for each class of *equity securities*, the number allotted, their aggregate nominal value and the consideration received by the *company* for the allotment;
  - (b) the names of the allottees, if fewer than 6 in number, and in the case of 6 or more allottees a brief generic description of each new class of equity holder (eg, holder of loan stock);
  - (c) the market price of the allotted *securities* on the date on which the terms of the issue were fixed; and
  - (d) the date on which the terms of the issue were fixed;
- (7) the information required by paragraph (6) must be given for any unlisted *major subsidiary undertaking* of the *company*;

- (8) where a *listed company* has *listed shares* in issue and is a *subsidiary undertaking* of another *company*, details of the participation by the *parent undertaking* in any placing made during the period under review;
- (9) details of any *contract of significance* subsisting during the period under review:
  - (a) to which the *listed company*, or one of its *subsidiary undertakings*, is a party and in which a *director* of the *listed company* is or was materially interested; and
  - (b) between the *listed company*, or one of its *subsidiary undertakings*, and a *controlling shareholder*;
- (10) details of any contract for the provision of services to the *listed company* or any of its *subsidiary undertakings* by a *controlling shareholder*, subsisting during the period under review, unless:
  - (a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and
  - (b) it is not a *contract of significance*;
- (11) details of any arrangement under which a shareholder has waived or agreed to waive any dividends;
- (12) where a shareholder has agreed to waive future dividends, details of such waiver, together with those relating to dividends which are payable during the period under review; and
- (13) (a) a statement made by the board that the *company* continues to comply with the requirement in ■ UKLR 6.2.3R; or  
(b) where the *company* has ceased to comply with the requirement in ■ UKLR 6.2.3R:
  - (i) a statement that the *FCA* has been notified of that non-compliance in accordance with ■ UKLR 6.2.35R; and
  - (ii) a brief description of the background to and reasons for that non-compliance.

6.6.2 **R** Where an *independent director* declines to support a statement made under ■ UKLR 6.6.1.R(13)(a), the statement must record this fact.

6.6.3 **G** Where a *listed company's* annual financial report contains a statement of the type referred to in ■ UKLR 6.6.1R(13)(b), the *FCA* may still take any action it considers necessary in relation to the underlying breach by the *listed company* of ■ UKLR 6.2.3R.

6.6.4 **R** The *listed company's* annual financial report must include the information required under ■ UKLR 6.6.1R in a single identifiable section, unless the annual financial report includes a cross-reference table indicating where that information is set out.

- 6.6.5 **G** A *listed company* need not include with the annual report and accounts details of waivers of dividends of less than 1% of the total value of any dividend provided that some payment has been made on each *share* of the relevant *class* during the relevant calendar year.

**Additional information**

- 6.6.6 **R** In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report:
- (1) a statement setting out all the interests (in respect of which transactions are notifiable to the *listed company* under article 19 of the *Market Abuse Regulation*) of each *person* who is a *director* of the *listed company* as at the end of the period under review, including:
    - (a) all changes in the interests of each *director* that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
    - (b) if there have been no changes in the period described in paragraph (a), a statement that there have been no changes in the interests of each *director*.

'The interests of each *director*' includes the interests of *connected persons* of which the *listed company* is, or ought upon reasonable enquiry to become, aware.
  - (2) a statement showing the interests disclosed to the *listed company* in accordance with **■ DTR 5** as at the end of the period under review and:
    - (a) all interests disclosed to the *listed company* in accordance with **■ DTR 5** that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
    - (b) if no interests have been disclosed to the *listed company* in accordance with **■ DTR 5** in the period described in (a), a statement that no changes have been disclosed to the *listed company*.
  - (3) statements by the *directors* on:
    - (a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 30 of the *UK Corporate Governance Code*); and
    - (b) their assessment of the prospects of the *company* (containing the information set out in Provision 31 of the *UK Corporate Governance Code*),  
  
prepared in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Reporting Council in September 2014;
  - (4) a statement setting out:
    - (a) details of any shareholders' authority for the purchase, by the *listed company*, of its own *shares* that is still valid at the end of the period under review;

- (b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such *shares* purchased, or proposed to be purchased, by the *listed company* during the period under review;
  - (c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc.); and
  - (d) in the case of sales of *treasury shares* for cash made otherwise than through the market, or in connection with an *employees' share scheme*, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the *listed company's securities* (or to all holders of a relevant *class* of its *securities*) on the same terms, particulars of the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;
- (5) a statement of how the *listed company* has applied the Principles set out in the *UK Corporate Governance Code*, in a manner that would enable shareholders to evaluate how the principles have been applied;
- (6) a statement as to whether the *listed company* has:
- (a) complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code*; or
  - (b) not complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code* and, if so, setting out:
    - (i) those provisions it has not complied with;
    - (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and
    - (iii) the *company's* reasons for non-compliance;
- (7) a statement setting out details of the unexpired term of any *director's* service contract of a *director* proposed for election or re-election at the forthcoming annual general meeting, and, if any *director* proposed for election or re-election does not have a *directors' service contract*, a statement to that effect;
- (8) a statement setting out:
- (a) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;
  - (b) in cases where the *listed company* has:
    - (i) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:

- (A) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
  - (B) a description of that document and where it can be found; and
  - (C) the reasons for including the relevant disclosures in that document and not in the annual financial report;
  - (ii) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (i):
    - (A) the recommendations and/or recommended disclosures for which it has not included such disclosures;
    - (B) the reasons for not including such disclosures; and
    - (C) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and
  - (c) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (a) can be found;
- (9) a statement setting out:
- (a) whether the *listed company* has met the following targets on board diversity as at a chosen reference date within its accounting period:
    - (i) at least 40% of the individuals on its board of *directors* are women;
    - (ii) at least one of the following senior positions on its board of *directors* is held by a woman:
      - (A) the chair;
      - (B) the chief executive;
      - (C) the senior independent director; or
      - (D) the chief financial officer; and
    - (iii) at least one individual on its board of *directors* is from a *minority ethnic background*;
  - (b) in cases where the *listed company* has not met all of the targets in (a):
    - (i) the targets it has not met; and
    - (ii) the reasons for not meeting those targets;
  - (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
  - (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected

6.6.7

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- the *listed company's* ability to meet one or more of the targets in (a);
- (10) subject to ■ UKLR 6.6.13R, numerical data on the ethnic background and the gender identity or sex of the individuals on the *listed company's* board and in its *executive management* as at the reference date used for the purposes of ■ UKLR 6.6.6R(9)(a), which should be set out in the format of the tables contained in ■ UKLR 6 Annex 1 and contain the information prescribed by those tables; and
  - (11) an explanation of the *listed company's* approach to collecting the data used for the purposes of making the disclosures in ■ UKLR 6.6.6R(9).

6.6.8

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For the purposes of ■ UKLR 6.6.6R(8), in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the *TCFD Annex* entitled 'Guidance for All Sectors';
- (2) (where appropriate) Section D of the *TCFD Annex* entitled 'Supplemental Guidance for the Financial Sector'; and
- (3) (where appropriate) Section E of the *TCFD Annex* entitled 'Supplemental Guidance for Non-Financial Groups'.

6.6.9

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For the purposes of ■ UKLR 6.6.6R(8), in determining whether a *listed company's* climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, the FCA considers that the following documents are relevant:

- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in ■ UKLR 6.6.6R(8) and ■ UKLR 6.6.8G;
- (2) the *TCFD Technical Supplement on the Use of Scenario Analysis*;



- (3) the *TCFD Guidance on Risk Management Integration and Disclosure*;
- (4) (where appropriate) the *TCFD Guidance on Scenario Analysis for Non-Financial Companies*; and
- (5) the *TCFD Guidance on Metrics, Targets and Transition Plans*.

**6.6.10**

**G**

For the purposes of ■ UKLR 6.6.6R(8), in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should consider whether those disclosures provide sufficient detail to enable users to assess the *listed company's* exposure to and approach to addressing climate-related issues.

A *listed company* should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

noting that these factors may relate to the nature, size and complexity of the *listed company's* business.

**6.6.11**

**G**

(1) For the purposes of ■ UKLR 6.6.6R(8), the *FCA* would ordinarily expect a *listed company* to be able to make climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.

(2) In particular, the *FCA* would expect that a *listed company* should ordinarily be able to make disclosures consistent with:

- (a) the recommendation and recommended disclosures on governance in the *TCFD Recommendations and Recommended Disclosures*;
- (b) the recommendation and recommended disclosures on risk management in the *TCFD Recommendations and Recommended Disclosures*; and
- (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the *TCFD Recommendations and Recommended Disclosures*, to the extent that the *listed company* does not face the transitional challenges referred to in (1) in relation to such disclosures.

**6.6.12**

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Where making disclosures on transition plans as part of its disclosures on strategy under the *TCFD Recommendations and Recommended Disclosures*, a *listed company* that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the *UK's* commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered

this commitment in developing and disclosing its transition plan, the *FCA* encourages a *listed company* to explain why it has not done so.

**6.6.13** **R** In relation to **■ UKLR 6.6.6R(10)**, where individuals on a *listed company's* board or in its *executive management* are situated *overseas*, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, a *listed company* may instead explain the extent to which it is unable to make the relevant disclosures.

**6.6.14** **G** Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of **■ UKLR 6.6.6R(10)**, a *listed company* may add to the categories included in the first column of the table in **■ UKLR 6 Annex 1R(1)** in order to reflect the basis on which it has collected data.

**6.6.15** **G** In relation to **■ UKLR 6.6.6R(11)**, the *FCA* expects a *listed company's* approach to data collection to be:

- (1) consistent for the purposes of reporting under both **■ UKLR 6.6.6R(9)** and **■ (10)**; and
- (2) consistent across all individuals in relation to whom data is being reported.

The *FCA* expects the explanation of a *listed company's* approach to data collection to include the method of collection and/or source of the data and, where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked.

**6.6.16** **G** In addition to the information required under **■ UKLR 6.6.6R(9)** to **■ (11)** (and without prejudice to the requirements of **■ DTR 7.2.8AR**), a *listed company* may, if it wishes to do so, include the following in its annual financial report:

- (1) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and *executive management*;
- (1) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country in which its main operations are located); and
- (1) any risks it foresees in being able to meet or continue to meet the board diversity targets in **■ UKLR 6.6.6R(9)(a)** in the next accounting period, or any plans to improve the diversity of its board.

**6.6.17** **R** An *overseas company* with a *listing of equity shares* in the *equity shares (commercial companies)* category must include in its annual report and accounts the information in **■ UKLR 6.6.6R(5)** to **■ (11)**.

**6.6.18** **R** (1) An *overseas company* with a *listing of equity shares* in the *equity shares (commercial companies)* category must comply with **■ DTR 7.2**

(Corporate governance statements) as if it were an *issuer* to which that section applies.

- (2) An *overseas company* with a *listing of equity shares* in the *equity shares (commercial companies)* category which complies with ■ UKLR 6.6.17R will be taken to satisfy the requirements of ■ DTR 7.2.2R and ■ DTR 7.2.3R, but must comply with all of the other requirements of ■ DTR 7.2 as if it were an *issuer* to which that section applies.

**Information required by law**

- 6.6.19 **G** The requirements of ■ UKLR 6.6.6R(6) relating to corporate governance are additional to the information required by law to be included in the *listed company's* annual report and accounts.

**Auditors' report**

- 6.6.20 **R** A *listed company* must ensure that the auditors review each of the following before the annual report is published:

- (1) statements by the *directors* regarding going concern and longer-term viability as required by ■ UKLR 6.6.6R(3); and
- (2) the parts of the statement required by ■ UKLR 6.6.6R(6) that relate to Provisions 6 and 24 to 29 of the *UK Corporate Governance Code*.

**Strategic report with supplementary information**

- 6.6.21 **R** Any strategic report with supplementary information provided to shareholders by a *listed company*, as permitted under section 426 of the Companies Act 2006, must disclose:

- (1) earnings per share; and
- (2) the information required for a strategic report set out in or under the Companies Act 2006 and the supplementary material required under section 426A of the Companies Act 2006.

**Sovereign controlled commercial companies**

- 6.6.22 **R** Where:

a *listed company* is a *sovereign controlled commercial company* and:

- (a) has a *sovereign controlling shareholder* which was a *controlling shareholder* on the first occasion on which the *company* made an application for the *admission of equity shares* to the *equity shares (commercial companies)* category;
- (b) has made a notification in accordance with ■ UKLR 6.4.18R and ■ UKLR 6.4.19R; or
- (c) made an announcement in accordance with ■ UKLR 21.5.6R(2) and ■ UKLR 21.5.9R when it transferred the *listing of its equity shares* to the *equity shares (commercial companies)* category; and

the *sovereign controlling shareholder* is either:

- (a) recognised by the government of the *UK* as a State; or
- (b) the *UK*,

references to *controlling shareholder* must be read as excluding a *sovereign controlling shareholder* in, or for the purposes of,

■ UKLR 6.6.1R(10) and ■ UKLR 6.6.1R(13).

**Data on the diversity of the individuals on a listed company’s board and in its executive management**

The following tables set out the information that a *listed company* must include in its annual financial report under ■ UKLR 6.6.6R(10), and the format in which it must be set out.

(1) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					
[Note: The placeholder for ‘Other categories’ is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with UKLR 6.6.14G.]					

(2) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)					
Mixed/ Multiple ethnic groups					
Asian/Asian British					
Black/African/ Caribbean/ Black British					

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
<b>Other ethnic group</b>					
<b>Not specified/ prefer not to say</b>					

## Chapter 7

# Equity shares (commercial companies): significant transactions and reverse takeovers

## 7.1 Preliminary

### Application

- 7.1.1 **R** This chapter applies to a *company* that has a *listing* of *equity shares* in the *equity shares (commercial companies)* category.

### Purpose

- 7.1.2 **G**
- (1) The purpose of this chapter is to set out:
    - (a) the requirements for a *listed company* in relation to *significant transactions* and *reverse takeovers*; and
    - (b) certain other transactions where a *listed company* must comply with the requirements for *significant transactions*.
  - (2) The requirements are intended to ensure that holders of *listed equity shares*:
    - (a) are notified of:
      - (i) *significant transactions*;
      - (ii) certain indemnities and similar arrangements;
      - (iii) certain issues by *major subsidiary undertakings*; and
      - (iv) *reverse takeovers*; and
    - (b) have the opportunity to vote on *reverse takeovers*.
  - (3) The requirements are also intended to ensure that a *listed company* discloses detailed information concerning the transactions in (2)(a)(i) to (iv) on a timely basis, to support engagement between the *listed company* and its shareholders and to enhance market transparency.
  - (4) The requirements complement but do not displace a *listed company's* wider obligations under articles 17 and 18 of the *Market Abuse Regulation* to manage and disclose *inside information*.

### Meaning of 'significant transaction'

- 7.1.3 **R** In *UKLR*, a transaction is classified as a *significant transaction* where any *percentage ratio* is 25% or more.

### Meaning of 'reverse takeover'

- 7.1.4 **R** (1) In *UKLR*, a *reverse takeover* means a transaction consisting of an acquisition of a business, a *company* or assets:



- (a) where any *percentage ratio* is 100% or more; or
  - (b) which in substance results in a fundamental change in the business or in a change in board or voting control of the *issuer*.
- (2) Paragraph (1) applies whether such acquisition is effected:
- (a) by way of a direct acquisition by the *issuer* or a subsidiary;
  - (b) by way of the *issuer* introducing a new *holding company* to its corporate structure and then carrying out the acquisition through the new *holding company*; or
  - (c) in any other way.

7.1.5

**G** For the purpose of ■ UKLR 7.1.4R(1)(b), the FCA considers that the following factors are indicators of a fundamental change:

- (1) the extent to which the transaction will change the strategic direction or nature of the *issuer's* business;
- (2) whether its business will be part of a different industry sector following the completion of the transaction; or
- (3) whether its business will deal with fundamentally different suppliers and end users.

**Meaning of 'transaction'**

7.1.6

**R** In this chapter (except where specifically provided to the contrary) a reference to a transaction by a *listed company*:

- (1) includes:
  - (a) (subject to paragraph (2)(a) to (g)) all agreements (including amendments to agreements) entered into by the *listed company* or its *subsidiary undertakings*;
  - (b) the grant or acquisition of an *option* as if the *option* had been exercised, except that, if exercise is solely at the *listed company's* or *subsidiary undertaking's* discretion, the transaction will be classified on exercise and only the consideration (if any) for the *option* will be classified on the grant or acquisition; and
  - (c) joint venture arrangements; and
- (2) excludes:
  - (a) a transaction in the ordinary course of business;
  - (b) an issue of *securities*, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the *listed company* or of its *subsidiary undertakings*;
  - (c) any transaction between the *listed company* and its wholly owned *subsidiary undertaking* or between its wholly owned *subsidiary undertakings*;
  - (d) a *break fee arrangement*;

- (e) an indemnity or similar arrangement, except where the agreement or arrangement meets the conditions set out in ■ UKLR 7.4.1R(1);
- (f) an issue of *equity shares* by a *major subsidiary undertaking* of a *listed company*, except where the issue meets the conditions set out in ■ UKLR 7.4.4R; and
- (g) a transaction where the *listed company* purchases its own *equity shares*.

7.1.7 G This chapter is intended to cover transactions that are outside the ordinary course of the *listed company's* business and may change a *security holder's* economic interest in the *company's* assets and liabilities (whether or not the change in the assets or liabilities is recognised on the *company's* balance sheet).

#### Meaning of 'ordinary course of business'

- 7.1.8 G
- (1) The assessment of whether a transaction is in the ordinary course of business under this chapter will depend on the specific circumstances of the *listed company*.
  - (2) Factors that may indicate whether a transaction is in the ordinary course of a *company's* business include:
    - (a) the size and incidence of similar transactions which the *company* has entered into;
    - (b) the nature and size of the *company's* existing business and common factors within the industry sector in which it operates;
    - (c) the *company's* corporate strategy for its business, including in relation to growth and industry focus, as set out in the *company's* latest published *prospectus* or annual financial report;
    - (d) the existing accounting treatment (for a disposal) or planned accounting treatment (for an acquisition or new arrangement) by the *listed company*; and
    - (e) whether its shareholders could reasonably expect the *company* to enter into the transaction, taking into account:
      - (i) the factors in (a) to (d);
      - (ii) any further information that the *company* has already notified to a *RIS*;
      - (iii) the subject matter of the transaction;
      - (iv) the terms of the transaction;
      - (v) the anticipated impact on the *listed company*; and
      - (vi) the associated benefits and risks.

7.1.9 G Transactions that are likely to be in the ordinary course of business include:

- (1) regular trading activities (if the *company* is a trading *company*);

- (2) ongoing commercial arrangements and purchases commonly undertaken as part of the existing business or within the industry sector in which the *company* operates;
- (3) capital expenditure to support and maintain the existing business and its infrastructure;
- (4) capital expenditure to add scale to the existing business in line with the *company's* business strategy as previously notified to a *RIS* (including, for example, within the latest published *prospectus* or annual financial report); or
- (5) in the case of a *listed property company*, where the accounting treatment of a *property* that is acquired or disposed of is such that:
  - (a) for an acquisition, the *property* will be classified as a current asset in the *company's* published accounts; or
  - (b) for a disposal, the *property* was classified as a current asset in the *company's* published accounts.

**7.1.10** **G** Transactions that are unlikely to be in the ordinary course of business include:

- (1) mergers with, or acquisitions of, other businesses (whether structured by way of a share or asset acquisition);
- (2) transactions that would lead to a substantial involvement in a business activity that did not previously form a significant part of the *listed company's* principal activities;
- (3) transactions that would lead to the *listed company* no longer having a substantial involvement in a business activity that forms a significant part of its principal activities; or
- (4) transactions which are entered into to alleviate financial difficulty.

**7.1.11** **R** For the purposes of **UKLR 7.1.6R(2)(a)**, a transaction in the ordinary course of business excludes a *reverse takeover*.

**Sponsors**

**7.1.12** **R** A *listed company* must appoint a *sponsor* where it proposes to make a request to the *FCA* to modify, waive or substitute the operation of **UKLR 7**.

**7.1.13** **R** A *listed company* must appoint a *sponsor* where it proposes to make a request to the *FCA* for individual guidance in relation to the *listing rules*, the *disclosure requirements* or the *transparency rules* in connection with a matter referred to in **UKLR 7**.

**7.1.14** **R** If a *listed company* is proposing to enter into a transaction which – due to its size or nature – could amount to a *reverse takeover*, it must obtain the guidance of a *sponsor* to assess the application of the *listing rules*, the *disclosure requirements* and the *transparency rules*.

## 7.2 Classifying transactions

### Classifying transactions

**7.2.1** **G** A transaction is classified by assessing its size relative to that of the *listed company* proposing to make it. The comparison of size is made using the *percentage ratios* resulting from applying the *class test* calculations to a transaction. The *class tests* are set out in ■ UKLR 7 Annex 1 (and modified or added to for specialist companies under ■ UKLR 7.2.3R to ■ UKLR 7.2.8R).

**7.2.2** **G** The *class tests* set out in ■ UKLR 7 Annex 1 are applicable for the purposes of determining whether a transaction is a *significant transaction* or a *reverse takeover*.

### Classification of transactions by listed property companies

**7.2.3** **R** ■ UKLR 7 Annex 1 is modified as follows in relation to acquisitions or disposals of *property* by a *listed property company*:

- (1) for the purposes of paragraph 2R(1) (the gross assets test), the assets test is calculated by dividing the transaction consideration by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;
- (2) for the purposes of paragraph 2R(1) (the gross assets test), if the transaction is an acquisition of land to be developed, the assets test is calculated by dividing the transaction consideration and any financial commitments relating to the development by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;
- (3) for the purposes of paragraph 2R(2), the gross assets of a *listed property company* are, at the option of the *company*:
  - (a) the aggregate of the *company's* share capital and reserves (excluding minority interests);
  - (b) the book value of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts); or
  - (c) the published valuation of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts);
- (4) paragraph 4R(1) (the consideration test) does not apply but instead the test in ■ UKLR 7.2.4R applies; and

7.2.4

**R**

(5) paragraph 6R(1) (the gross capital test) applies to disposals as well as acquisitions of *property*.

(1) In addition to the tests in ■ UKLR 7 Annex 1, if the transaction is an acquisition of *property* by a *listed property company* and any of the consideration is in the *equity shares* of that *company*, the *listed company* must determine the *percentage ratios* that result from the calculations under the test in (2).

(2) The share capital test is calculated by dividing the number of consideration *shares* to be issued by the number of *equity shares* in issue (excluding *treasury shares*).

7.2.5

**R**

(1) In addition to the tests in ■ UKLR 7 Annex 1, a *listed property company* must determine the *percentage ratios* that result from the calculation under the test in (2).

(2) The net annual rent test is calculated by dividing the *net annual rent* attributable to the assets the subject of the transaction by the *net annual rent* of the *listed company*.

(3) For the purposes of calculating the *net annual rent* test, except as otherwise stated in (4) to (7), figures used to classify *net annual rent* must be the figures shown in the latest published audited consolidated accounts or, if a *listed company* has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.

(4) (a) The figures of the *listed company* must be adjusted to take account of transactions completed during the period to which the figures referred to in (3) relate, and subsequent completed transactions where any *percentage ratio* was 5% or more at the time the terms of the relevant transaction were agreed.

(b) The figures of the *target company* or business must be adjusted to take account of transactions completed during the period to which the figures referred to in (3) relate, and subsequent completed transactions where any *percentage ratio* would have been 5% or more at the time the terms of the relevant transaction were agreed when classified against the target as a whole.

(5) Figures on which the auditors are unable to report without modification must be disregarded.

(6) The principles in (3) to (5) also apply (to the extent relevant) to calculating the *net annual rent* of the *target company* or business.

(7) The *FCA* may modify (5) in appropriate cases to permit figures to be taken into account.

**Classification of transactions by listed mineral companies**

- 7.2.6 **R** (1) In addition to the tests in **■ UKLR 7 Annex 1**, a *listed mineral company* undertaking a transaction involving significant *mineral resources* or rights to significant *mineral resources* must determine the *percentage ratios* that result from the calculations under the test in paragraph (2).
- (2) The reserves test is calculated by dividing the volume or amount of the *proven reserves* and *probable reserves* to be acquired or disposed of by the volume or amount of the aggregate *proven reserves* and *probable reserves* of the *mineral company* making the acquisition or disposal.

7.2.7 **G** If the *mineral resources* are not directly comparable, the *FCA* may modify **■ UKLR 7.2.6R(2)** to permit valuations to be used instead of amounts or volumes.

7.2.8 **R** When calculating the size of a transaction under **■ UKLR 7 Annex 1** and **■ UKLR 7.2.6R(2)**, account must be taken of any associated transactions or loans effected or intended to be effected, and any contingent liabilities or commitments.

**Classifying joint ventures**

7.2.9 **R** When classifying a joint venture under **■ UKLR 7**, a *listed company* must classify both sides to a joint venture, so that both the disposal into the joint venture and the acquisition of an interest in the joint venture are classified. The 2 sets of *class tests* must not be aggregated and the highest result from the *class tests* will determine the overall classification of the transaction.

- 7.2.10 **G** (1) It is common, when entering into a joint venture, for the partners to include exit provisions in the terms of the agreement. These typically give each partner a combination of rights and obligations to either sell their own holding or to acquire their partner's holding should certain triggering events occur.
- (2) If the *listed company* does not retain sole discretion over the event which requires them to either purchase the joint venture partner's stake or to sell their own, **■ UKLR 7.1.6R(1)(b)** requires this obligation to be classified at the time it is agreed as though it had been exercised at that time. Further, if the consideration to be paid is to be determined by reference to the future profitability of the joint venture or an independent valuation at the time of exercise, this consideration will be treated as being uncapped. If this is the case, the initial agreement will be classified in accordance with **■ UKLR 7 Annex 1 4R(3)** at the time it is entered into.
- (3) If the *listed company* does retain sole discretion over the triggering event, or if the *listed company* is making a choice to purchase or sell following an event which has been triggered by the joint venture partner, the purchase or sale must be classified when this discretion is exercised or when the choice to purchase or sell is made.

- (4) Where an *issuer* enters into a joint venture exit arrangement which takes the form of a put or call option and exercise of the option is solely at the discretion of the other party to the arrangement, the transaction should be classified at the time it is agreed as though the option had been exercised at that time.

### Aggregating transactions – significant transactions

7.2.11

R

- (1) Subject to paragraph (2), transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification as a *significant transaction* if:
- (a) they are entered into by the *company* with the same *person* or with *persons* connected with one another;
  - (b) they involve the acquisition or disposal of *securities* or an interest in one particular *company*; or
  - (c) together they lead to substantial involvement in a business activity which did not previously form a significant part of the *company's* principal activities.
- (2) Transactions completed during the 12-month period in (1) are not required to be aggregated with the latest transaction if they have previously been classified as a *significant transaction* (either individually or collectively).

7.2.12

R

If under ■ UKLR 7.2.11R any of the aggregated *percentage ratios* is 25% or more, the aggregated transactions will be classified as a *significant transaction*, in which case the *listed company* must comply with the requirements in ■ UKLR 7.3 (Significant transactions) in respect of the aggregated transactions, modified as follows:

- (1) Where the aggregated transactions involve the acquisition or disposal of *securities* or an interest in one particular *company*, the requirements in ■ UKLR 7.3 apply to the transactions as a whole.
- (2) If (1) does not apply, the requirements in ■ UKLR 7.3 apply:
- (a) to each individual transaction that has been aggregated where any *percentage ratio* for the individual transaction is 5% or more; or
  - (b) if there are no such individual transactions, to the one that led to the relevant aggregated *percentage ratio* reaching or exceeding 25%.

7.2.13

G

- (1) The purpose of ■ UKLR 7.2.12R is to set out how the requirements in this chapter apply to transactions that are only treated as *significant transactions* on an aggregated basis.
- (2) ■ UKLR 7.2.12R(1) is intended to support a clearer and more succinct explanation of an acquisition or disposal in a particular *company* by allowing the relevant information to be provided in an aggregated way.

- (3) In other situations, ■ UKLR 7.2.12R(2) ensures that the disclosure requirements apply in a proportionate way so that, while the relevant information must be provided for each transaction, information is not generally required about transactions below a *de minimis* threshold.
- (4) ■ UKLR 7.3.1R(2)(a) requires any notification about a *significant transaction* to state why the transaction is notifiable under ■ UKLR 7. Where a notification relates to aggregated transactions, it should explain why the transactions have been aggregated, having regard to whether ■ UKLR 7.2.11R(1)(a), ■ (b)■ or ■ (c) applies.
- (5) ■ UKLR 7.3.13R sets out where the *listed company* must make a supplementary notification in relation to further transactions entered into after aggregated transactions have been classified as a *significant transaction*.

7.2.14 **G** The *FCA* may modify these *rules* to require the aggregation of transactions in circumstances other than those specified in ■ UKLR 7.2.11R.

#### Aggregating transactions – reverse takeovers

7.2.15 **R** (1) Subject to paragraph (2), transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification as a *reverse takeover* if:

- (a) they are entered into by the *company* with the same *person* or with *persons* connected with one another;
- (b) they involve the acquisition or disposal of *securities* or an interest in one particular *company*; or
- (c) together they lead to substantial involvement in a business activity which did not previously form a significant part of the *company's* principal activities.

(2) Transactions completed during the 12-month period in (1) are not required to be aggregated with the latest transaction if they have previously been classified as a *reverse takeover* (either individually or collectively).

7.2.16 **R** If under ■ UKLR 7.2.15R the aggregation of transactions results in a *reverse takeover*, the *listed company* must comply with the requirements in ■ UKLR 7.5 (Reverse takeovers) in respect of the aggregated transactions as a whole but the requirement for shareholder approval applies only to the latest transaction.

7.2.17 **G** The *FCA* may modify these *rules* to require the aggregation of transactions in circumstances other than those specified in ■ UKLR 7.2.15R.



## 7.3 Significant transactions

### Notification of significant transactions

- 7.3.1** **R** (1) A *listed company* must notify a *RIS* as soon as possible after the terms of a *significant transaction* are agreed.
- (2) The notification must:
- (a) state why the transaction is notifiable under **UKLR 7**;
  - (b) contain an overview of the transaction and the *company's* reasons for entering into it, which includes the information required by **UKLR 7 Annex 2 Part 1** (Information relating to the transaction); and
  - (c) include any further information the *company* considers relevant, having regard to the purpose of this chapter set out in **UKLR 7.1.2G**.
- 7.3.2** **R** (1) A *listed company* must notify a *RIS* as soon as possible after:
- (a) the terms of a *significant transaction* are agreed; and
  - (b) the information in (2) has been prepared or the *listed company* becomes, or ought reasonably to have become, aware of the information,
- and in any event by no later than the completion of the transaction.
- (2) The notification must include:
- (a) for a disposal, the information required by **UKLR 7 Annex 2 Part 2** (Disposals – financial information); and
  - (b) for all transactions, the information required by **UKLR 7 Annex 2 Part 3** (Non-financial information).
- 7.3.3** **R** (1) A *listed company* must notify a *RIS* as soon as possible after the completion of the *significant transaction*.
- (2) The notification must state that:
- (a) completion of the transaction has taken place; and
  - (b) except as disclosed, there has been no material change affecting any matter contained in a notification under **UKLR 7.3.1R** or **UKLR 7.3.2R**.
- In (2)(b), 'material' has the meaning in **UKLR 7.3.14R**.

7.3.4

R

- (1) Where a *listed company* includes details of estimated synergies or other quantified estimated financial benefits expected to arise from a *significant transaction* in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R, the notification must include the information required by ■ UKLR 7 Annex 2 Part 4.1 (Synergy benefits).
- (2) Where a *listed company* includes financial information (including the information required by ■ UKLR 7 Annex 2 Part 2) in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R, the notification must include the information required by ■ UKLR 7 Annex 2 Part 4.2 to ■ 4.4 (Sources of information).
- (3) Where a *listed company* includes pro forma financial information in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R, the notification must include the information required by ■ UKLR 7 Annex 2 Part 4.5 (Pro forma financial information).

7.3.5

G

- (1) The purpose of ■ UKLR 7.3.1R to ■ UKLR 7.3.4R is to support engagement between the *listed company* and its shareholders and to enhance market transparency.
- (2) When complying with ■ UKLR 7.3.1R to ■ UKLR 7.3.4R, a *listed company* should consider the nature and circumstances of the relevant transaction and what information it is necessary to disclose to support shareholder engagement and market transparency.
- (3) For example, where a *listed company* has entered into the transaction to alleviate financial difficulty (including anticipated financial difficulty), the notification required by ■ UKLR 7.3.1R should describe the nature, urgency and severity of that financial difficulty. The notification may also contain information about financing arrangements connected to the transaction, and about what may happen if a proposed transaction does not complete.

#### Incorporation by reference

7.3.6

R

Information may be incorporated in a notification made by a *listed company* under ■ UKLR 7.3.2R by reference to relevant information contained in:

- (1) an approved *prospectus* or listing particulars of that *listed company*;  
or
- (2) any other published document of that *listed company* that has been filed with the FCA.

7.3.7

R

Where a notification made by a *listed company* under ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R includes information in accordance with ■ UKLR 7.3.4R, that information may be incorporated in such notification by reference to relevant information contained in:

- (1) an approved *prospectus* or listing particulars of that *listed company*;  
or
- (2) any other published document of that *listed company* that has been filed with the FCA.

- 7.3.8 **R** Information incorporated by reference must be the latest available to the *listed company*.
- 7.3.9 **R** Information required by **■ UKLR 7.3.1R** and **■ UKLR 7.3.3R** must not be incorporated by reference to information contained in another document.
- 7.3.10 **R** When information is incorporated by reference, a cross-reference list must be provided in the notification to enable *security* holders to easily identify specific items of information. The cross-reference list must specify where the information can be accessed by *security* holders.

**Omission of information**

- 7.3.11 **G** The *FCA* may authorise the omission of information required by **■ UKLR 7.3.1R** to **■ UKLR 7.3.4R** if it considers that:
- (1) disclosure of that information would be:
    - (a) contrary to the public interest; or
    - (b) seriously detrimental to the *listed company*; and
  - (2) the omission would not be likely to mislead the public with regard to facts and circumstances that are essential for the assessment of the matter covered by the notification.

- 7.3.12 **R** A request to the *FCA* to authorise the omission of specific information in a particular case must:
- (1) be made in writing by the *listed company*;
  - (2) identify the specific information concerned and the specific reasons for the omission; and
  - (3) state why, in the *listed company's* opinion, one or more grounds in **■ UKLR 7.3.11G** apply.

**Supplementary notification**

- 7.3.13 **R**
- (1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under **■ UKLR 7.3.1R** or **■ UKLR 7.3.2R** and before completion of the transaction:
    - (a) it becomes aware that there has been a material change affecting any matter contained in that earlier notification;
    - (b) it becomes aware that a material new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification;
    - (c) it has agreed a material change to the terms of the transaction; or
    - (d) it has agreed the terms of one or more further transactions that are of a type referred to in **■ UKLR 7.2.11R(1)(a)**, **■ (b)** or **■ (c)** and

7.3.14

R

In ■ UKLR 7.3.13R, 'material' means material for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the *listed company* and the rights attaching to any *securities* forming part of the consideration. It includes:

- are material but are not a *significant transaction* in their own right (individually or together).
- (2) The supplementary notification in (1)(a), (b) or (c) must:
    - (a) give details of the change or new matter; and
    - (b) contain a statement that, except as disclosed:
      - (i) there has been no material change affecting any matter contained in the earlier notification; and
      - (ii) no other material new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
  - (3) The supplementary notification in (1)(d) must include the information set out in ■ UKLR 7 Annex 2 Part 1 (Information relating to the transaction) in relation to the further transaction or transactions.
- (1) a change in the terms of the transaction that increases any of the *percentage ratios* by 10% or more; and
  - (2) where the further transaction or transactions referred to in ■ UKLR 7.3.13R(1)(d) would, if they were aggregated with the transaction or aggregated transactions (as applicable), result in an increase of any of the *percentage ratios* by 10% or more.

## 7.4 Indemnities and major subsidiary undertakings

### Indemnities and similar arrangements

7.4.1

**R**

- (1) Where a *listed company* proposes to enter into any agreement or arrangement with a party (other than a wholly owned *subsidiary undertaking* of the *listed company*):
  - (a) under which a *listed company* agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by or on behalf of that party, whether or not on a contingent basis;
  - (b) which is exceptional; and
  - (c) under which the maximum liability is either unlimited, or is equal to or exceeds an amount equal to 25% of the average of the *listed company's* profits for the last 3 financial years (using the figures shown in the audited consolidated accounts or preliminary statement of later annual results published before the terms are agreed, with losses taken as nil profit and included in the average),

a *listed company* must notify a *RIS* as soon as possible after the terms of any agreement or arrangement have been agreed.
- (2) The notification under (1) must comply with the requirements in **■ UKLR 7.3** (Significant transactions) as applicable.
- (3) Paragraph (1) does not apply to a *break fee arrangement*.
- (4) In (1)(c), 'profits' means profits after deducting all charges except taxation.

7.4.2

**G**

For the purposes of **■ UKLR 7.4.1R(1)(b)**, the *FCA* considers that the following indemnities are not exceptional:

- (1) those customarily given in connection with sale and purchase agreements;
- (2) those customarily given to underwriters or placing agents in an underwriting or placing agreement;
- (3) those given to advisers against liabilities to third parties arising out of providing advisory services; and
- (4) any other indemnity that is specifically permitted to be given to a *director* or auditor under the Companies Act 2006.

- 7.4.3 **G** If the calculation under **■ UKLR 7.4.1R(1)(c)** produces an anomalous result, the *FCA* may disregard the calculation and modify that *rule* to substitute other relevant indicators of the size of the indemnity or other arrangement given – for example, 1% of market capitalisation.

**Issues by major subsidiary undertakings**

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- 7.4.4 **R** If:
- (1) a *major subsidiary undertaking* of a *listed company* issues *equity shares* for cash or in exchange for other *securities* or to reduce indebtedness;
  - (2) the issue would dilute the *listed company's* percentage interest in the *major subsidiary undertaking*; and
  - (3) the economic effect of the dilution is equivalent to a disposal of 25% or more of the aggregate of the gross assets or profits (after the deduction of all charges except taxation) of the *group*,
- a *listed company* must notify a *RIS* as soon as possible after the terms of the issue have been agreed.

- 7.4.5 **R** The notification required in **■ UKLR 7.4.4R** must comply with the requirements set out in **■ UKLR 7.3** (Significant transactions) as applicable.

## 7.5 Reverse takeovers

### Notification and shareholder approval

- 7.5.1 **R** An issuer must, in relation to a *reverse takeover*:
- (1) comply with the requirements of ■ UKLR 7.3 other than ■ UKLR 7.3.2R for the *reverse takeover*;
  - (2) send a *reverse takeover circular* to its shareholders and obtain their prior approval in a general meeting for the *reverse takeover*; and
  - (3) ensure that any agreement effecting the *reverse takeover* is conditional on that approval being obtained.

- 7.5.2 **G** ■ UKLR 10 sets out requirements for the content and approval of *reverse takeover circulars*.

### Material change to terms of a reverse takeover transaction

- 7.5.3 **R** If, after obtaining shareholder approval but before the completion of a *reverse takeover*, there is a material change to the terms of the transaction, the *listed company* must comply again separately with ■ UKLR 7.5.1R in relation to the transaction.

- 7.5.4 **G** The FCA would (among other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

### Supplementary circular

- 7.5.5 **R**
- (1) If a *listed company* becomes aware of a matter described in (2) after the publication of a *reverse takeover circular*, but before the date of a general meeting, it must, as soon as practicable:
    - (a) advise the FCA of the matters of which it has become aware; and
    - (b) send a supplementary *circular* to holders of its *listed equity shares*, providing an explanation of the matters referred to in (2).
  - (2) The matters referred to in (1) are:
    - (a) a material change affecting any matter the *listed company* is required to have disclosed in a *reverse takeover circular*; or

(b) a material new matter which the *listed company* would have been required to disclose in the *reverse takeover circular* if it had arisen at the time of its publication.

(3) The *listed company* must have regard to ■ UKLR 10.3.1R(3) when considering the materiality of any change or new matter under ■ UKLR 7.5.5R(2).

7.5.6 **G** ■ UKLR 10 applies in relation to a supplementary *circular*. It may be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed equity shares* at least 7 days prior to the convened shareholder meeting as required by ■ UKLR 10.1.9R.

### Cancellation of listing

7.5.7 **G** If an *issuer* is proposing to enter into a transaction classified as a *reverse takeover*, it should consider ■ UKLR 21.2.2G and ■ UKLR 21.2.5G.

7.5.8 **G** Where an *issuer* completes a *reverse takeover*, the *FCA* will seek to cancel the *listing* of an *issuer's equity shares* unless the *FCA* is satisfied that circumstances exist such that cancellation is not required. The *FCA* will have regard to ■ UKLR 21.2.1R and the individual circumstances of the case.

7.5.9 **R** Where the *issuer's listing* is cancelled following completion of a *reverse takeover*, the *issuer* must re-apply for the *listing* of the *shares*.

7.5.10 **R** A *sponsor* must contact the *FCA* on behalf of an *issuer* as early as possible:

(1) before a *reverse takeover* which has been agreed or is in contemplation is announced; or

(2) where details of the *reverse takeover* have leaked,

to discuss whether a cancellation of the *issuer's listing* is appropriate on completion of the *reverse takeover*.

7.5.11 **G** ■ UKLR 7.5.12G to ■ UKLR 7.5.15G set out circumstances in which the *FCA* will generally be satisfied that a cancellation is not required.

### Acquisitions of targets within the same listing category: issuer maintaining its listing category

7.5.12 **G** Where:

(1) an *issuer* acquires the *shares* of a *target*;

(2) those *shares* are also *listed* in the *equity shares (commercial companies)* category; and

(3) the *issuer* wishes to maintain its *listing* of *shares* in the *equity shares (commercial companies)* category,



the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover*.

**Acquisitions of targets from different listing categories: issuer maintaining its listing category**

7.5.13

G

Where an *issuer* acquires the *shares* of a *target* with a different *listing* category from its own and the *issuer* wishes to maintain its *listing* in the *equity shares (commercial companies)* category, the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *issuer* will continue to be eligible for the *equity shares (commercial companies)* category following completion of the transaction;
- (2) a *sponsor* provides an eligibility letter to the *FCA* setting out how the *issuer* as enlarged by the acquisition satisfies each *listing rule* requirement that is relevant to it being eligible for the *equity shares (commercial companies)* category not less than 20 *business days* prior to the announcement of the *reverse takeover*; and
- (3) the *issuer* makes an announcement or publishes a *circular* explaining:
  - (a) the background and reasons for the acquisition;
  - (b) any changes to the acquiring *issuer's* business that have been made or are proposed to be made in connection with the acquisition;
  - (c) the effect of the transaction on the acquiring *issuer's* obligations under the *listing rules*;
  - (d) how the acquiring *issuer* will continue to meet the relevant requirements for *listing*; and
  - (e) any other matter that the *FCA* may reasonably require.

**Acquisitions of targets from different listing categories: issuer changing listing category**

7.5.14

G

The *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *target* is *listed* with a different *listing* category from that of the *issuer*;
- (2) the *issuer* wishes to transfer its *listing* to a different *listing* category in conjunction with the acquisition; and
- (3) the *issuer* as enlarged by the relevant acquisition complies with the relevant requirements of ■ UKLR 21.5 to transfer to a different *listing* category.

7.5.15

G

Where an *issuer* is applying ■ UKLR 21.5 in order to avoid a cancellation as contemplated by ■ UKLR 7.5.14G, the *FCA* will normally waive the requirement for shareholder approval under ■ UKLR 21.5.6R(3) where the *issuer* is obtaining separate shareholder approval for the acquisition.



## The class tests

Class tests			
1	G		<p>This annex sets out the following <i>class tests</i>:</p> <p>(1) the gross assets test;</p> <p>(2) the consideration test; and</p> <p>(3) the gross capital test.</p>
The gross assets test			
2	R	(1)	The gross assets test is calculated by dividing the gross assets the subject of the transaction by the gross assets of the <i>listed company</i> .
		(2)	The 'gross assets of the <i>listed company</i> ' means the total non-current assets, plus the total current assets, of the <i>listed company</i> .
		(3)	For:
		(a)	an acquisition of an interest in an undertaking which will result in consolidation of the assets of that undertaking in the accounts of the <i>listed company</i> ; or
		(b)	a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the <i>listed company</i> ,
			the 'gross assets the subject of the transaction' means the value of 100% of that undertaking's assets, irrespective of what interest is acquired or disposed of.
		(4)	For an acquisition or disposal of an interest in an undertaking which does not fall within (3), the 'gross assets the subject of the transaction' means:
		(a)	for an acquisition, the consideration together with liabilities assumed (if any); and

The gross assets test		
		(b) for a disposal, the assets attributed to that interest in the <i>listed company's</i> accounts.
	(5)	If there is an acquisition of assets other than an interest in an undertaking, the 'assets the subject of the transaction' means the consideration or, if greater, the book value of those assets as they will be included in the <i>listed company's</i> balance sheet.
	(6)	If there is a disposal of assets other than an interest in an undertaking, the 'assets the subject of the transaction' means the book value of the assets in the <i>listed company's</i> balance sheet.
3	G	The FCA may modify UKLR 7 Annex 1 2R to require, when calculating the assets the subject of the transaction, the inclusion of further amounts if contingent assets or arrangements referred to in UKLR 7.4.1R (Indemnities and similar arrangements) are involved.

The consideration test		
4	R	(1) The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the ordinary shares (excluding <i>treasury shares</i> ) of the <i>listed company</i> .
		(2) For the purposes of (1):
		(a) the consideration is the amount paid to the contracting party;
		(b) if all or part of the consideration is in the form of <i>securities</i> to be traded on a market, the consideration attributable to those <i>securities</i> is the aggregate market value of those <i>securities</i> ; and
		(c) if deferred consideration is or may be payable or receivable by the <i>listed company</i> in the future, the consideration is the maximum total consideration payable or receivable under the agreement.

The consideration test		
		(3) If the total consideration is not subject to any maximum (and any of the other <i>class tests</i> indicate a <i>percentage ratio</i> of at least 5%), the transaction is to be treated as a <i>significant transaction</i> .
		(4) For the purposes of (2)(b), the figures used to determine consideration consisting of: <ul style="list-style-type: none"> <li>(a) <i>securities</i> of a <i>class</i> already <i>listed</i> must be the aggregate market value of all those <i>securities</i> on the last <i>business day</i> before the announcement of the transaction; and</li> <li>(b) a new <i>class</i> of <i>securities</i> for which an application for <i>listing</i> will be made must be the expected aggregate market value of all those <i>securities</i>.</li> </ul>
		(5) For the purposes of (1), the figure used to determine market capitalisation is the aggregate market value of all the ordinary <i>shares</i> (excluding <i>treasury shares</i> ) of the <i>listed company</i> at the close of business on the last <i>business day</i> before the announcement of the transaction.
5	G	The <i>FCA</i> may modify UKLR 7 Annex 1 4R to require the inclusion of further amounts in the calculation of the consideration – for example, if the purchaser agrees to discharge any liabilities, including the repayment of inter-company or third-party debt, whether actual or contingent, as part of the terms of the transaction.
The gross capital test		
6	R	(1) The gross capital test is calculated by dividing the gross capital of the <i>company</i> or business being acquired by the gross capital of the <i>listed company</i> .
		(2) The test in (1) is only to be applied for an acquisition of a <i>company</i> or business.
		(3) For the purposes of (1), the ‘gross capital of the <i>company</i> or business being acquired’ means the aggregate of: <ul style="list-style-type: none"> <li>(a) the consideration (as calculated under UKLR 7 Annex 1 4R);</li> </ul>

The gross capital test		
	(b)	if a <i>company</i> , any of its <i>shares</i> and <i>debt securities</i> which are not being acquired;
	(c)	all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and
	(d)	any excess of current liabilities over current assets.
(4)		For the purposes of (1), the gross capital of the <i>listed company</i> means the aggregate of:
	(a)	the market value of its <i>shares</i> (excluding <i>treasury shares</i> ) and the issue amount of the <i>debt security</i> ;
	(b)	all other liabilities (other than current liabilities) including, for this purpose, minority interests and deferred taxation; and
	(c)	any excess of current liabilities over current assets.
(5)		For the purposes of (1):
	(a)	figures used must be, for <i>shares</i> and <i>debt security</i> aggregated for the purposes of the gross capital <i>percentage ratio</i> , the aggregate market value of all those <i>shares</i> (or, if not available before the announcement of the transaction, their nominal value) and the issue amount of the <i>debt security</i> ; and

The gross capital test			
		(b)	for <i>shares</i> and <i>debt security</i> aggregated for the purposes of (3)(b), any <i>treasury shares</i> held by the <i>company</i> are not to be taken into account.
Figures used to classify assets			
7	R	(1)	For the purposes of calculating the tests in this annex, except as otherwise stated in (2) to (6), figures used to classify assets must be the figures shown in the latest published audited consolidated accounts or, if a <i>listed company</i> has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.
		(2)	If a balance sheet has subsequently been published in an interim statement, gross assets and gross capital should be taken from the balance sheet published in the interim statement.
		(3)	(a) The figures of the <i>listed company</i> must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completed transactions where any <i>percentage ratio</i> was 5% or more at the time the terms of the relevant transaction were agreed.  (b) The figures of the target company or business must be adjusted to take account of transactions completed during the period to which the figures referred to in (1) or (2) relate, and subsequent completed transactions where any

Figures used to classify assets		
		percentage ratio was 5% or more at the time the terms of the relevant transaction were agreed.
	(4)	Figures on which the auditors are unable to report without modification must be disregarded.
	(5)	When applying the <i>percentage ratios</i> to an acquisition by a <i>company</i> whose assets consist wholly or predominantly of cash or short-dated <i>securities</i> , the cash and short-dated <i>securities</i> must be excluded in calculating its assets and market capitalisation.
	(6)	The principles in this paragraph also apply (to the extent relevant) to calculating the assets of the target company or business.
8	G	The <i>FCA</i> may modify UKLR 7 Annex 1 7R(4) in appropriate cases to permit figures to be taken into account.
Anomalous results		
9	G	If a calculation under any of the <i>class tests</i> produces an anomalous result or if a calculation is inappropriate to the activities of the <i>listed company</i> , the <i>FCA</i> may modify the relevant <i>rule</i> to substitute other relevant indicators of size, including industry-specific tests.
Adjustments to figures		
10	G	Where a <i>listed company</i> wishes to make adjustments to the figures used in calculating the class tests pursuant to UKLR 7 Annex 1 9G, it should discuss this with the <i>FCA</i> before the class tests crystallise.



## Notification requirements

This annex sets out the information to be included in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R, ■ UKLR 7.3.3R and ■ UKLR 7.5.1R.

Part 1		Information relating to the transaction
1.1	R	<p>A notification required by UKLR 7.3.1R and UKLR 7.5.1R must include the following information:</p> <ol style="list-style-type: none"> <li>(1) details of the transaction, including the name of the other party to the transaction;</li> <li>(2) an explanation of the reasons for entering into the transaction;</li> <li>(3) a description of the business carried on by, or using, the net assets the subject of the transaction;</li> <li>(4) the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration);</li> <li>(5) the value of the gross assets the subject of the transaction;</li> <li>(6) the profits attributable to the assets the subject of the transaction;</li> <li>(7) the effect of the transaction on the <i>listed company</i>, including any benefits which are expected to accrue to the <i>company</i>, and any risks to the <i>company</i>, as a result of the transaction;</li> <li>(8) a statement of the effect of the transaction on the <i>group's</i> earnings and assets and liabilities;</li> <li>(9) details of any service contracts of proposed <i>directors</i> of the <i>listed company</i>;</li> </ol>

Part 1	Information relating to the transaction	
	(10)	details of any <i>break fee arrangements</i> ;
	(11)	for a disposal, the application of the sale proceeds;
	(12)	for a disposal, if <i>securities</i> are to form part of the consideration received, a statement as to whether the <i>securities</i> are to be sold or retained;
	(13)	details of key individuals important to the business or <i>company</i> the subject of the transaction;
	(14)	if the transaction is a joint venture, details of any exit arrangement;
	(15)	if the transaction is required to be aggregated under UKLR 7.2.11R, details of transactions completed during the relevant period; and
	(16)	a statement by the board that the transaction is, in the board's opinion, in the best interests of <i>security</i> holders as a whole.

Part 2	Disposals - financial information								
2.1	R	A notification required by UKLR 7.3.2R must include the information in UKLR 7 Annex 2 2.2R where the transaction involves a disposal.							
2.2	R	Where the transaction involves a disposal, the notification must include the following: <table border="0" style="margin-left: 20px;"> <tr> <td>(1)</td> <td>(a)</td> <td>when a <i>listed company</i> is disposing of an interest in a <i>target</i> which will result in the assets and liabilities which are the subject of the disposal no longer being consolidated:               <table border="0" style="margin-left: 20px;"> <tr> <td>(i)</td> <td>the last annual consolidated balance sheet;</td> </tr> <tr> <td>(ii)</td> <td>the consolidated income statements for the last 2 years drawn up to at least the level of profit or loss for the period; and</td> </tr> </table> </td> </tr> </table>	(1)	(a)	when a <i>listed company</i> is disposing of an interest in a <i>target</i> which will result in the assets and liabilities which are the subject of the disposal no longer being consolidated: <table border="0" style="margin-left: 20px;"> <tr> <td>(i)</td> <td>the last annual consolidated balance sheet;</td> </tr> <tr> <td>(ii)</td> <td>the consolidated income statements for the last 2 years drawn up to at least the level of profit or loss for the period; and</td> </tr> </table>	(i)	the last annual consolidated balance sheet;	(ii)	the consolidated income statements for the last 2 years drawn up to at least the level of profit or loss for the period; and
(1)	(a)	when a <i>listed company</i> is disposing of an interest in a <i>target</i> which will result in the assets and liabilities which are the subject of the disposal no longer being consolidated: <table border="0" style="margin-left: 20px;"> <tr> <td>(i)</td> <td>the last annual consolidated balance sheet;</td> </tr> <tr> <td>(ii)</td> <td>the consolidated income statements for the last 2 years drawn up to at least the level of profit or loss for the period; and</td> </tr> </table>	(i)	the last annual consolidated balance sheet;	(ii)	the consolidated income statements for the last 2 years drawn up to at least the level of profit or loss for the period; and			
(i)	the last annual consolidated balance sheet;								
(ii)	the consolidated income statements for the last 2 years drawn up to at least the level of profit or loss for the period; and								

Part 2	Disposals - financial information
	<p>(iii) the consolidated balance sheet and consolidated income statement (drawn up to at least the level of profit or loss for the period) at the <i>issuer's</i> interim balance sheet date if the <i>issuer</i> has published interim financial statements since the publication of its last annual audited consolidated financial statements;</p> <p>(b) the information in (1)(a) must be extracted without material adjustment from the consolidation schedules that underlie the <i>listed company's</i> audited consolidated accounts or, in the case of (1)(a)(iii), the interim financial information, and must be accompanied by a statement to this effect; and</p> <p>(c) where a change of accounting policies has occurred during the period covered by the financial information required by (1)(a), the financial information must be presented on the basis of both the original and amended accounting policies for the year prior to that in which the new accounting policy is adopted unless the change did not require a restatement of the comparative;</p> <p>(2) when a <i>listed company</i> is disposing of an interest in a <i>target</i> that has been accounted for as an investment, and the <i>target's securities</i> that are the subject of the transaction are admitted to an investment exchange that enables intra-day price formation:</p> <p>(a) the amounts of the dividends or other distributions paid in the past 2 years; and</p> <p>(b) the price per <i>security</i> and the imputed value of the entire holding being disposed of at the</p>

Part 2		Disposals - financial information
		close of business at the following times:
		(i) on the last <i>business day</i> of each of the 6 months prior to the announcement of the transaction; and
		(ii) on the day prior to the announcement of the transaction;
(3)		when a <i>listed company</i> is disposing of an interest in a <i>target</i> that was accounted for using the equity method in the <i>listed company's</i> annual consolidated accounts, the line entries relating to the <i>target</i> from its last audited consolidated balance sheet and those from its audited consolidated income statement for the past 2 years together with the equivalent line entries from its interim consolidated balance sheet and interim consolidated income statement, where the <i>issuer</i> has published subsequent interim financial information; and
(4)		where the information in (2) or (3) is not available or cannot be produced in accordance with the requirements in (1)(a):
	(a)	a statement by the board that the information is not available or cannot be produced;
	(b)	an explanation as to how the value of the consideration has been arrived at; and
	(c)	a statement by the board that it considers the consideration to be fair as far as the <i>security holders</i> of the <i>company</i> are concerned.

Part 3		Non-financial information
3.1	R	A notification required by UKLR 7.3.2R must include the information identified (by reference to certain paragraphs of Annex 1 of the <i>PR Regulation</i> ) in the following table relating to the <i>listed company</i> and the undertaking the subject of the transaction.

Information	Listed company	Undertaking the subject of the transaction
Annex 1 item 17.1 – Related party transactions	*	

Information	Listed company	Undertaking the subject of the transaction
Annex 1 item 18.6.1 – Legal and arbitration proceedings	*	*
Annex 1 item 18.7.1 – Significant change in the issuer’s financial position	*	*
Annex 1 item 20.1 – Material contracts	*	*
3.2	R	<p>The information required by Annex 1 item 20.1 (Material contracts) and Annex 1 item 18.6.1 (Legal and arbitration proceedings) must be presented as follows:</p> <p>(1) for an acquisition, in separate statements for the <i>listed company</i> for the undertaking, business or assets to be acquired; or</p> <p>(2) for a disposal, in separate statements for the <i>listed company</i> and its <i>subsidiary undertakings</i> (on the basis that the disposal has taken place), and for the undertaking, business or assets to be disposed of.</p>
3.3	R	<p>In determining what information is required to be included by virtue of Annex 1 item 20.1 (Material contracts) if a <i>prospectus</i> or <i>listing particulars</i> are not required, regard should be had as to whether information about that provision is information which <i>securities</i> holders of the <i>issuer</i> would reasonably require for the purpose of making a properly informed assessment of the transaction and its impact on the <i>issuer</i>.</p>
3.4	R	<p>The information required by Annex 1 item 17.1 (Related party transactions):</p> <p>(1) need only be given if it is relevant to the transaction; and</p> <p>(2) need not be given if it has already been published before the notification is made.</p>
3.5	R	<p>(1) The information required by Annex 1 item 18.7.1 (Significant change in the issuer’s financial position) need only be given for the undertaking which is the subject of the transaction if:</p> <p>(a) the transaction involves a disposal; and</p> <p>(b) information required by UKLR 7 Annex 2 2.2R(1) or 2.2R(3) has been included in the notification.</p> <p>(2) Where information required by Annex 1 item 18.7.1 (Significant change in the issuer’s financial position) is given for both the <i>listed company</i> and the undertaking which is the subject of the trans-</p>

action, the information must be presented in separate statements for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place), and for the undertaking, business or assets to be disposed of.

Part 4 Synergy benefits, sources of information and pro forma financial information

Synergy benefits

- 4.1 R Where a *listed company* includes details of estimated synergies or other quantified estimated financial benefits expected to arise from a transaction in a notification required by UKLR 7.3.1R, UKLR 7.3.2R, UKLR 7.3.3R or UKLR 7.5.1R, the notification must include the following:
- (1) the basis for the belief that those synergies or other quantified estimated financial benefits will arise;
  - (2) an analysis and explanation of the constituent elements of the synergies or other quantified estimated financial benefits (including any costs) sufficient to enable the relative importance of those elements to be understood, including an indication of when they will be realised and whether they are expected to be recurring;
  - (3) a base figure for any comparison drawn;
  - (4) a statement that the synergies or other quantified estimated financial benefits are contingent on the transaction and could not be achieved independently; and
  - (5) a statement that the estimated synergies or other quantified estimated financial benefits reflect both the beneficial elements and relevant costs.

Sources of information

- 4.2 R Where a *listed company* includes financial information in a notification required by UKLR 7.3.1R, UKLR 7.3.2R, UKLR 7.3.3R or UKLR 7.5.1R, the notification must cite the source of all financial information that it discloses in the notification and include the following:
- (1) a statement of whether the financial information was extracted from accounts, internal financial accounting records, internal management accounting records, or an external or other source;
  - (2) a statement of whether financial information that was extracted from audited accounts was extracted without material adjustment; and
  - (3) an indication of which aspects of the financial information relate to:
    - (a) historical financial information;

Part 4		Synergy benefits, sources of information and pro forma financial information	
		(b)	forecast or estimated financial information; or
		(c)	pro forma financial information, with reference made to where the basis of presentation can be found.
4.3	R		If financial information has not been extracted directly from audited accounts, the notification must include the following: (1) the basis and assumptions on which the financial information has been prepared; and (2) a statement that the financial information is unaudited or not reported on by an accountant.
4.4	R		A <i>listed company</i> must provide investors with all necessary information to understand the context and relevance of non-statutory figures.
			Pro forma financial information
4.5	R		If a <i>listed company</i> includes pro forma financial information in a notification required by UKLR 7.3.1R, UKLR 7.3.2R, UKLR 7.3.3R or UKLR 7.5.1R, the notification must: (1) cite the sources of any unadjusted financial information that it discloses in the notification; and (2) include an explanation of the basis upon which the pro forma financial information has been prepared.





## Chapter 8

# Equity shares (commercial companies): related party transactions

**8.1 Preliminary**

**Application**

**8.1.1** **R** This chapter applies to a company that has a *listing* of *equity shares* in the *equity shares (commercial companies)* category.

**Purpose**

**8.1.2** **G** The purpose of this chapter is to set out governance and notification requirements for a *listed company* in relation to *related party transactions*. These requirements are intended to:

- (1) ensure that the shareholders of *companies with listed equity shares* are notified of *related party transactions* when they are entered into by the *listed company*, and support engagement between the *listed company* and its shareholders in relation to *related party transactions*; and
- (2) enhance market transparency in relation to *related party transactions*.

**8.1.3** **G** These requirements are also intended to prevent a *related party* from taking advantage of its position and prevent any perception that it may have done so.

**Sponsors**

**8.1.4** **G** A *listed company* that is proposing to enter into a *related party transaction* requiring the *listed company* to make a notification under **UKLR 8.2.1R(4)** must comply with the requirement to appoint a *sponsor* under **UKLR 8.2.1R(3)**.

**8.1.5** **R** A *listed company* must appoint a *sponsor* where it proposes to make a request to the *FCA* to modify, waive or substitute the operation of **UKLR 8**.

**8.1.6** **R** A *listed company* must appoint a *sponsor* where it proposes to make a request to the *FCA* for individual guidance in relation to the *listing rules*, the *disclosure requirements* or the *transparency rules* in connection with a *related party transaction*.

**Definition of ‘related party transaction’**

8.1.7

**R**

In UKLR, a *related party transaction* means:

- (1) a transaction (other than a transaction in the ordinary course of business) between a *listed company* and a *related party*;
- (2) an arrangement (other than an arrangement in the ordinary course of business) pursuant to which a *listed company* and a *related party* each invests in, or provides finance to, another undertaking or asset; or
- (3) any other similar transaction or arrangement (other than a transaction or arrangement in the ordinary course of business) between a *listed company* and any other *person*, the purpose and effect of which is to benefit a *related party*.

8.1.8

**G**

A *related party transaction* includes the variation or novation of an existing agreement between the *listed company* and a *related party*, regardless of whether the party was a *related party* at the time the original agreement was entered into.

**Meaning of ‘transaction’ or ‘arrangement’**

8.1.9

**R**

A reference in this chapter:

- (1) to a transaction or arrangement by a *listed company* includes a transaction or arrangement by its *subsidiary undertaking*;
- (2) to a transaction or arrangement is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction or the entering into of the arrangement; and
- (3) to a transaction or arrangement includes a transaction or arrangement which amends or revises the terms of an existing transaction or arrangement.

**Transactions to which this chapter does not apply**

8.1.10

**R**

■ UKLR 8.2.1R to ■ UKLR 8.2.5R do not apply to a *related party transaction* if it is a transaction or arrangement:

- (1) of a kind referred to in paragraph 1 of ■ UKLR 8 Annex 1 (a transaction the terms of which were agreed before a person became a *related party*); or
- (2) of a kind referred to in paragraphs 2 to 8 of ■ UKLR 8 Annex 1 and does not have any unusual features.

**Definition of ‘related party’**

8.1.11

**R**

In UKLR, a *related party* means:

- (1) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder*;

- (2) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* of:
  - (a) the *listed company*; or
  - (b) any other *company* which is one of the following (and, if that *person* has ceased to a *director* or *shadow director*, any other *company* which was one of the following while that *person* was a *director* or *shadow director* of such other *company*):
    - (i) a *subsidiary undertaking* of the *listed company*;
    - (ii) a *parent undertaking* of the *listed company*; or
    - (iii) a fellow *subsidiary undertaking* of a *parent undertaking* of the *listed company*;
- (3) a *person exercising significant influence*; or
- (4) an *associate* of a *related party* referred to in paragraph (1), (2) or (3).

#### Definition of 'substantial shareholder'

8.1.12 **R** In UKLR, a *substantial shareholder* means any *person* who is entitled to exercise, or to control the exercise of, 20% or more of the votes able to be cast on all or substantially all matters at general meetings of:

- (1) the *company*; or
- (2) any *company* which is:
  - (a) a *subsidiary undertaking* of the *company*;
  - (b) a *parent undertaking* of the *company*; or
  - (c) a fellow *subsidiary undertaking* of a *parent undertaking* of the *company*.

8.1.13 **G** For the purposes of determining votes that are able to be cast at general meetings of a *company*, voting rights attached to *shares* which are not *listed shares*, including *specified weighted voting rights shares*, should be taken into consideration.

8.1.14 **R** For the purposes of calculating voting rights in **UKLR 8.1.12R**, the following voting rights are to be disregarded:

- (1) any voting rights which such a *person* exercises (or controls the exercise of) independently in its capacity as:
  - (a) bare trustee;
  - (b) investment manager;
  - (c) collective investment undertaking; or
  - (d) a *long-term insurer* in respect of its linked long-term business, if no *associate* of that *person* interferes by giving direct or indirect instructions, or in any other way, in the exercise of such voting rights (except to the extent any such *person* confers or collaborates with such an *associate* which also acts in its capacity

as investment manager, collective investment undertaking or *long-term insurer*); or

- (2) any voting rights:
- (a) which a *person* may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:
    - (i) underwriting the issue or sale of *securities*;
    - (ii) placing *securities*, where the *person* provides a firm commitment to acquire any *securities* which it does not place; or
    - (iii) acquiring *securities* from existing shareholders or the *issuer* pursuant to an agreement to procure third-party purchases of *securities*; and
  - (b) where the conditions in (i) to (iv) are satisfied:
    - (i) the activities set out in (2)(a) are performed in the ordinary course of business;
    - (ii) the *securities* to which the voting rights attach are held for a consecutive period of 5 *trading days* or less, beginning with the first *trading day* on which the *securities* are held;
    - (iii) the voting rights are not exercised within the period in which the *securities* are held; and
    - (iv) no attempt is made directly or indirectly by the *firm* to intervene in or exert influence on (or attempt to intervene in or exert influence on) the management of the *issuer* within the period the *securities* are held.

### Meaning of 'ordinary course of business'

8.1.15

G

- (1) The assessment of whether a transaction is in the ordinary course of business under this chapter will depend on the specific circumstances of the *listed company*.
- (2) Factors that may indicate whether a transaction is in the ordinary course of a *company's* business include:
  - (a) the size and incidence of similar transactions which the *company* has entered into;
  - (b) the nature and size of the *company's* existing business and common factors within the industry sector in which it operates;
  - (c) the *company's* corporate strategy for its business, including in relation to growth and industry focus, as set out in the *company's* latest published *prospectus* or annual financial report;
  - (d) the existing accounting treatment (for a disposal) or planned accounting treatment (for an acquisition or new arrangement) by the *listed company*; and
  - (e) whether its shareholders could reasonably expect the *company* to enter into the transaction, taking into account:
    - (i) the factors in (a) to (d);
    - (ii) any further information that the *company* has already notified to a *RIS*;

- (iii) the subject matter of the transaction;
- (iv) the terms of the transaction;
- (v) the anticipated impact on the *listed company*; and
- (vi) the associated benefits and risks.

**8.1.16** **G** Transactions that are likely to be in the ordinary course of business include:

- (1) regular trading activities (if the *company* is a trading *company*);
- (2) ongoing commercial arrangements and purchases commonly undertaken as part of the existing business or within the industry sector in which the *company* operates;
- (3) capital expenditure to support and maintain the existing business and its infrastructure;
- (4) capital expenditure to add scale to the existing business in line with the *company's* business strategy as previously notified to a *RIS* (including, for example, within the latest published *prospectus* or annual financial report); or
- (5) in the case of a *listed property company*, where the accounting treatment of a *property* that is acquired or disposed is such that:
  - (a) for an acquisition, the *property* will be classified as a current asset in the *company's* published accounts; or
  - (b) for a disposal, the *property* was classified as a current asset in the *company's* published accounts.

**8.1.17** **G** Transactions that are unlikely to be in the ordinary course of business include:

- (1) mergers with, or acquisitions of, other businesses (whether structured by way of a share or asset acquisition);
- (2) transactions that would lead to a substantial involvement in a business activity that did not previously form a significant part of the *listed company's* principal activities;
- (3) transactions that would lead to the *listed company* no longer having a substantial involvement in a business activity that forms a significant part of its principal activities; or
- (4) transactions which are entered into to alleviate financial difficulty.

**8.1.18** **R** For the purposes of this chapter, a transaction in the ordinary course of business excludes a *reverse takeover*.

**Where a related party transaction is also a significant transaction or other transaction under ■ UKLR 7**  
.....

8.1.19

**G**

Where a *related party transaction* is also a *significant transaction* or is otherwise subject to ■ UKLR 7, the requirements and *guidance* under ■ UKLR 7 also apply, in addition to the requirements under this chapter.

## 8.2 Requirements for related party transactions

### General requirements for related party transactions

- 8.2.1 **R** If a *listed company* enters into a *related party transaction* where any *percentage ratio* is 5% or more, the *listed company* must:
- (1) obtain the approval of its board for the transaction or arrangement before it is entered into;
  - (2) ensure that any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party*, does not take part in the board's consideration of the transaction or arrangement and does not vote on the relevant board resolution;
  - (3) before entering into the transaction or arrangement, obtain written confirmation from a *sponsor* that the terms of the proposed transaction or arrangement with the *related party* are fair and reasonable as far as the *security* holders of the *listed company* are concerned; and
  - (4) notify a *RIS* as soon as possible after the terms of the transaction or arrangement are agreed.
- 8.2.2 **R** The notification must include:
- (1) details of the *related party transaction*, including:
    - (a) the name of the *related party*;
    - (b) the value of the consideration for the transaction or arrangement; and
    - (c) a description of the transaction or arrangement;
  - (2) the fact that the transaction or arrangement is a *related party transaction* which fell within **■ UKLR 8.2.1R**;
  - (3) details of the nature and extent of the *related party's* interest in the transaction(s) or arrangement(s);
  - (4) a statement by the board that the transaction or arrangement is fair and reasonable as far as the *security* holders of the *company* are concerned and that the *directors* have been so advised by a *sponsor*; and



(5) the name of the sponsor that provided the written confirmation in  
■ UKLR 8.2.1R(3).

**8.2.3** **R** The notification must also include any further information the *company* considers relevant, having regard to the purpose of this chapter set out in  
■ UKLR 8.1.2G.

**8.2.4** **G** ■ UKLR 8.2.2R(4) does not require the notification to include an explanation of the basis of preparation for the board’s conclusion that the transaction is fair and reasonable, or an explanation of the *sponsor’s* advice. The *FCA* does not expect the notification to include explanations of the basis of preparation, as this could be seen to limit the validity of the confirmation. Instead, a clean confirmation, tracking the wording used in ■ UKLR 8.2.2R(4), should be given.

**8.2.5** **R** If, before the completion of a *related party transaction* referred to in  
■ UKLR 8.2.1R that has been notified in accordance with this section, there is a material change to the terms of the transaction, the *listed company* must comply again separately with ■ UKLR 8.2.1R to ■ UKLR 8.2.3R in relation to the transaction.

**8.2.6** **G** The *FCA* would (among other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

### Aggregation of transactions in any 12-month period

**8.2.7** **R**

- (1) Subject to (3), if a *listed company* enters into transactions or arrangements with the same *related party* (and any of its *associates*) in any 12-month period, the transactions or arrangements must be aggregated.
- (2) If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company*:
  - (a) must comply with ■ UKLR 8.2.1R, in respect of the latest transaction or arrangement; and
  - (b) the notification required by ■ UKLR 8.2.1R(4) must include:
    - (i) all of the information required by ■ UKLR 8.2.2R for the latest transaction or arrangement;
    - (ii) the information required in ■ UKLR 8.2.2R(1) to ■ (3) for the other aggregated transactions or arrangements; and
    - (iii) the information required by ■ UKLR 8.2.3R.
- (3) Transactions or arrangements completed during the 12-month period in (1) are not required to be aggregated with the latest transaction or arrangement if they were previously classified as a *related party transaction* notifiable (individually or collectively) under ■ UKLR 8.2.1R or ■ UKLR 8.2.7R(2).

### Supplementary notification

8.2.8

R

- (1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under ■ UKLR 8.2.1R(4), it becomes aware that:
  - (a) there has been a material change affecting any matter contained in that earlier notification (other than a material change to the terms of the transaction to which ■ UKLR 8.2.5R applies); or
  - (b) a material new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (2) The supplementary notification must:
  - (a) give details of the change or new matter; and
  - (b) contain a statement that, except as disclosed:
    - (i) there has been no material change affecting any matter contained in the earlier notification; and
    - (ii) no other material new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (3) In paragraphs (1) and (2), 'material' means material for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the *listed company* and the rights attaching to any *securities* forming part of the consideration.

### Sovereign controlling shareholders

8.2.9

R

In the case of a *related party* which is a *sovereign controlling shareholder* or an *associate* of a *sovereign controlling shareholder*, where:

- (1) a *listed company* is a *sovereign controlled commercial company* and:
  - (a) has a *sovereign controlling shareholder* which was a *controlling shareholder* on the first occasion on which the *company* made an application for the *admission of equity shares* to the *equity shares (commercial companies)* category;
  - (b) has made a notification in accordance with ■ UKLR 6.4.18R and ■ UKLR 6.4.19R; or
  - (c) made an announcement in accordance with ■ UKLR 21.5.6.R(2) and ■ UKLR 21.5.9R when it transferred the *listing* of its *equity shares* to the *equity shares (commercial companies)* category; and
- (2) the *sovereign controlling shareholder* is either:
  - (a) recognised by the government of the *UK* as a State; or
  - (b) the *UK*,■ UKLR 8.2.1R(2) and ■ (3) and ■ UKLR 8.2.2R(4) and ■ (5) do not apply.

## Transactions to which related party transaction rules do not apply

Transaction agreed before person became a related party	
1	<p>The <i>related party transaction</i> rules do not apply to a transaction the terms of which:</p> <ul style="list-style-type: none"> <li>(1) were agreed at a time when no party to the transaction or <i>person</i> who was to receive the benefit of the transaction was a <i>related party</i>; and</li> <li>(2) have not been amended, or which required the exercise of discretion by the <i>listed company</i> under those terms, since the party or <i>person</i> became a <i>related party</i>.</li> </ul> <p style="text-align: center;"><b>Issue of new securities and sale of treasury shares</b></p>
2	<p>The <i>related party transaction</i> rules do not apply to a transaction that consists of:</p> <ul style="list-style-type: none"> <li>(1) the take-up by a <i>related party</i> of new <i>securities</i> or <i>treasury shares</i> under its entitlement in a pre-emptive offering; or</li> <li>(2) an issue of new <i>securities</i> made under the exercise of conversion or subscription rights attaching to a listed class of <i>securities</i>.</li> </ul> <p style="text-align: center;"><b>Employees' share schemes and long-term incentive schemes</b></p>
3	<p>The <i>related party transaction</i> rules do not apply to:</p> <ul style="list-style-type: none"> <li>(1) the receipt of any asset (including cash or <i>securities</i> of the <i>listed company</i> or any of its <i>subsidiary undertakings</i>) by a <i>director</i> of the <i>listed company</i>, its <i>parent undertaking</i> or any of its <i>subsidiary undertakings</i>; or</li> <li>(2) the grant of an option or other right to a <i>director</i> of the <i>listed company</i>, its <i>parent undertaking</i> or any of its <i>subsidiary undertakings</i> to acquire (whether or not for consideration) any asset (including cash or new or existing <i>securities</i> of the <i>listed company</i> or any of its <i>subsidiary undertakings</i>); or</li> <li>(3) the provision of a gift or loan to the trustees of an employee benefit trust to finance the provision of assets as referred to in (1) or (2),</li> </ul> <p>in accordance with the terms of an <i>employees' share scheme</i> or a <i>long-term incentive scheme</i>.</p> <p style="text-align: center;"><b>Credit</b></p>
4	<p>The <i>related party transaction</i> rules do not apply to a grant of credit (including the lending of money or the guaranteeing of a loan):</p> <ul style="list-style-type: none"> <li>(1) to the <i>related party</i> on normal commercial terms;</li> <li>(2) to a <i>director</i> for an amount and on terms no more favourable than those offered to employees of the group generally; or</li> <li>(3) by the <i>related party</i> on normal commercial terms and on an unsecured basis.</li> </ul> <p style="text-align: center;"><b>Directors' indemnities and loans</b></p>
5	<ul style="list-style-type: none"> <li>(1) The <i>related party transaction</i> rules do not apply to a transaction that consists of:</li> </ul>

Transaction agreed before person became a related party

- (a) granting an indemnity to a *director* of the *listed company* (or any of its *subsidiary undertakings*) if the terms of the indemnity are in accordance with those specifically permitted to be given to a *director* under the Companies Act 2006;
- (b) maintaining a contract of insurance if the insurance is in accordance with that specifically permitted to be maintained for a *director* under the Companies Act 2006 (whether for a *director* of the *listed company* or for a *director* of any of its *subsidiary undertakings*); or
- (c) a loan or assistance to a *director* by a *listed company* or any of its *subsidiary undertakings* if the terms of the loan or assistance are in accordance with those specifically permitted to be given to a *director* under sections 204, 205 or 206 of the Companies Act 2006.

- (2) Paragraph (1) applies to a *listed company* that is not subject to the Companies Act 2006 if the terms of the indemnity or contract of insurance are in accordance with those that would be specifically permitted under that Act (if it applied).

**Underwriting**

- 6 (1) The *related party transaction* rules do not apply to the underwriting by a *related party* of all or part of an issue of *securities* by the *listed company* (or any of its *subsidiary undertakings*) if the consideration to be paid by the *listed company* (or any of its *subsidiary undertakings*) for the underwriting:
  - (a) is no more than the usual commercial underwriting consideration; and
  - (b) is the same as that to be paid to the other underwriters (if any).
- (2) Paragraph (1) does not apply to the extent that a *related party* is underwriting *securities* which it is entitled to take up under an issue of *securities*.

**Joint investment arrangements**

- 7 The *related party transaction* rules do not apply to an arrangement where a *listed company*, or any of its *subsidiary undertakings*, and a *related party* each invests in, or provides finance to, another undertaking or asset if the following conditions are satisfied:
  - (1) the amount invested, or provided, by the *related party* is not more than 25% of the amount invested, or provided, by the *listed company* or its *subsidiary undertaking* (as the case may be); and
  - (2) the terms and circumstances of the investment or provision of finance by the *listed company* or its *subsidiary undertakings* (as the case may be) are no less favourable than those applying to the investment or provision of finance by the *related party*.

**Insignificant subsidiary undertaking**

- 8 (1) The *related party transaction* rules do not apply to a transaction or arrangement where each of the conditions in paragraphs (2) to (6) (as far as applicable) is satisfied.
- (2) The party to the transaction or arrangement is only a *related party* because:

Transaction agreed before person became a related party

- (a) it is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder* or its *associate*; or
- (b) it is a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* or their *associate*,  
of a *subsidiary undertaking* or *subsidiary undertakings* of the *listed company* that has, or if there is more than one *subsidiary undertaking* that have in aggregate, contributed less than 10% of the profits of, and represented less than 10% of the assets of, the *listed company* for the relevant period.
- (3) The *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) have been in the *listed company's group* for 1 full financial year or more.
- (4) In paragraph (2), 'relevant period' means:
- (a) if the *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) has been consolidated in the *listed company's group* for 1 full financial year or more but less than 3 full financial years, each of the full financial years before the date of the transaction or arrangement for which accounts have been published; and
- (b) if the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) has been consolidated in the *listed company's group* for 3 full financial years or more, each of the 3 full financial years before the date of the transaction or arrangement for which accounts have been published.
- (5) If the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) are themselves party to the transaction or arrangement or if *securities* in the *subsidiary undertaking* or any of the *subsidiary undertakings* or their assets are the subject of the transaction or arrangement, then the ratio of consideration to market capitalisation of the *listed company* is less than 10%.
- (6) In this *rule*, the figures to be used to calculate assets and consideration to market capitalisation are the same as those used to classify assets and consideration to market capitalisation in UKLR 7 Annex 1 (as modified or added to by UKLR 7.2.3R to UKLR 7.2.8R where applicable).
- (7) (a) In this *rule*, for the purposes of calculating profit, except as otherwise stated in paragraphs (b) to (e), figures used to classify profit must be the figures shown in the latest published audited consolidated accounts or, if a *listed company* has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.
- (b) The figures of the *listed company* must be adjusted to take account of transactions completed during the period to which the figures referred to in (a) relate, and subsequent completed transactions where any *percentage ratio* was 5% or

Transaction agreed before person became a related party

- more at the time the terms of the relevant transaction were agreed.
- (c) The figures of the *target company* or business must be adjusted to take account of transactions completed during the period to which the figures referred to in (a) relate, and subsequent completed transactions where any *percentage ratio* would have been 5% or more at the time the terms of the relevant transaction were agreed when classified against the *target* as a whole.
  - (d) Figures on which the auditors are unable to report without modification must be disregarded.
  - (e) The principles in paragraphs (a) to (d) also apply (to the extent relevant) to calculating the *net annual rent* of the *target company* or business.
  - (f) The *FCA* may modify paragraph (d) in appropriate cases to permit figures to be taken into account.

## Chapter 9

# Equity shares (commercial companies): further issuances, dealing in own securities and treasury shares

## 9.1 Application

### Application

9.1.1 **R** This chapter applies to a *company* that has a *listing* of *equity shares* in the *equity shares (commercial companies)* category.

9.1.2 **G** This chapter contains *rules* applicable to a *listed company* that:

- (1) proposes to issue *equity securities* for cash or sell *treasury shares* that are *equity shares* for cash;
- (2) adopts an *employees' share scheme* or *long-term incentive scheme*;
- (3) undertakes:
  - (a) a *rights issue*;
  - (b) an *open offer*;
  - (c) a *vendor consideration placing*;
  - (d) a *placing*;
  - (e) an *offer for sale*; or
  - (f) an *offer for subscription*;
- (4) purchases its own *securities* from a *related party*;
- (5) purchases its own *equity shares*;
- (6) purchases its own *securities* other than *equity shares*; or
- (7) sells or transfers *treasury shares*.

### Exceptions

9.1.3 **R** ■ UKLR 9.5 to ■ UKLR 9.7 do not apply to a transaction entered into:

- (1) in the ordinary course of business by a securities dealing business; or
- (2) on behalf of third parties either by the *company* or any member of its *group*,

if the *listed company* has established and maintains effective *information barriers* between those responsible for any decision relating to the transaction and those in possession of *inside information* relating to the *listed company*.



## 9.2 Pre-emption rights

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

- (1) existing holders of that *class of equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and
- (2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.

9.2.2 **R** ■ UKLR 9.2.1R does not apply to:

- (1) a *listed company* incorporated in the *United Kingdom* if a 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* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority;
- (2) a *listed company* undertaking a *rights issue* or *open offer*, provided that the disapplication of pre-emption rights is with respect to:
  - (a) *equity securities* representing fractional entitlements; or
  - (b) *equity securities* which the *company* considers necessary or expedient to exclude from the *offer* on account of the laws or regulatory requirements of a territory other than its country of incorporation, unless that territory is the *United Kingdom*;
- (3) a *listed company* selling *treasury shares* for cash to an *employees' share scheme*; or
- (4) an *overseas company* with a *listing of equity shares* in the *equity shares (commercial companies)* category if a disapplication of pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation, provided that the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority.

## 9.3 Share schemes, incentive plans and discounted option arrangements

### Employees' share schemes and long-term incentive plans

9.3.1

R

- (1) This *rule* applies to the following schemes of a *listed company* incorporated in the *United Kingdom* and of any *major subsidiary undertaking* of that *listed company* (even if that *major subsidiary undertaking* is incorporated or operates overseas):
  - (a) an *employees' share scheme*, if the scheme involves or may involve the issue of new *shares* or the transfer of *treasury shares*; and
  - (b) a *long-term incentive scheme* in which one or more *directors* of the *listed company* is eligible to participate.
- (2) The *listed company* must ensure that the *employees' share scheme* or *long-term incentive scheme* is approved by an ordinary resolution of the shareholders of the *listed company* in a general meeting before it is adopted.

9.3.2

R

- UKLR 9.3.1R does not apply to the following *long-term incentive schemes*:
- (1) an arrangement where participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are eligible to participate in the arrangement (provided that all or substantially all *employees* are not *directors* of the *listed company*); or
  - (2) an arrangement where the only participant is a *director* of the *listed company* (or an individual whose appointment as a *director* of the *listed company* is being contemplated) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual.

9.3.3

R

For a scheme referred to in ■ UKLR 9.3.2R(2), the following information must be disclosed in the first annual report published by the *listed company* after the date on which the relevant individual becomes eligible to participate in the arrangement:

- (1) all of the information prescribed in ■ UKLR 10.6.10R;
- (2) the name of the sole participant;

- (3) the date on which the participant first became eligible to participate in the arrangement;
- (4) an explanation of why the circumstances in which the arrangement was established were unusual;
- (5) the conditions to be satisfied under the terms of the arrangement; and
- (6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

#### **Discounted option arrangements**

9.3.4

**R**

- (1) This *rule* applies to the grant to a *director* or *employee* of a *listed company* or of any *subsidiary undertaking* of a *listed company* of an *option* to subscribe, *warrant* to subscribe or other similar right to subscribe for *shares* in the capital of the *listed company* or any of its *subsidiary undertakings*.
- (2) A *listed company* must not, without the prior approval by an ordinary resolution of the shareholders of the *listed company* in a general meeting, grant the *option*, *warrant* or other right if the price per *share* payable on the exercise of the *option*, *warrant* or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
  - (a) the market value of the *share* on the date on which the exercise price is determined;
  - (b) the market value of the *share* on the *business day* before that date; or
  - (c) the average of the market values for a number of dealing days within a period not exceeding 30 days immediately before that date.

9.3.5

**R**

■ UKLR 9.3.4R does not apply to the grant of an *option* to subscribe, *warrant* to subscribe or other similar right to subscribe for *shares* in the capital of a *listed company* or any of its *subsidiary undertakings*:

- (1) under an *employees' share scheme*, if participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are entitled to participate in the scheme; or
- (2) following a takeover or reconstruction, in replacement for and on comparable terms with *options* to subscribe, *warrants* to subscribe or other similar rights to subscribe held immediately before the takeover or reconstruction, for *shares* in either a *company* of which the *listed company* thereby obtains control or in any of that *company's subsidiary undertakings*.

## 9.4 Transactions

### Rights issue

- 9.4.1 **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) the placees are committed to take up whatever is placed with them;
  - (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*.
- 9.4.2 **G** The *FCA* may modify **■** UKLR 9.4.1R(1) to allow the placing to relate to less than 25% if it is satisfied that requiring at least 25% would be detrimental to the success of the issue.
- 9.4.3 **G** In a *rights issue*, the *FCA* may list the *equity securities* at the same time as 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*.
- 9.4.4 **R** If existing 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.

- 9.4.5 **R** A *listed company* must ensure that for a *rights issue* the following are notified to a *RIS* as soon as possible:
- (1) the issue price and principal terms of the issue; and
  - (2) the results of the issue and, if any rights not taken up are sold, details of the sale, including the date and price per *share*.

- 9.4.6 **R** A *listed company* must ensure that the *offer* relating to a *rights issue* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the *offer* is first open for acceptance.

### Open offers

- 9.4.7 **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.

- 9.4.8 **R** A *listed company* must ensure that the *open offer* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

- 9.4.9 **R** A *listed company* must ensure that in relation to communicating information on an *open offer*:
- (1) if the *offer* is subject to shareholder approval in a general meeting, the announcement must state that this is the case; and
  - (2) the *circular* dealing with the *offer* must not contain any statement that might be taken to imply that the *offer* gives the same entitlements as a *rights issue* unless it is an *offer* with a compensatory element.

- 9.4.10 **R** If existing shareholders do not take up their rights to subscribe in an *open offer* with a compensatory element:
- (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.

- 9.4.11 **R** A *listed company* must ensure that for a subscription in an *open offer* with a compensatory element the following are notified to a *RIS* as soon as possible:
- (1) the offer price and principal terms of the *offer*; and

- (2) the results of the *offer* and, if any *securities* not taken up are sold, details of the sale, including the date and price per *share*.

#### Vendor consideration placing

- 9.4.12 **R** A *listed company* must ensure that in a *vendor consideration placing* all vendors have an equal opportunity to participate in the placing.

#### Discounts not to exceed 10%

- 9.4.13 **R**
- (1) If a *listed company* makes an *open offer, placing, vendor consideration placing, offer for subscription of equity shares* or an issue out of treasury (other than in respect of an *employees' share scheme*) of a *class* already *listed*, the price must not be at a discount of more than 10% to the middle market price of those *shares* at the time of announcing the terms of the *offer* for an *open offer* or *offer for subscription of equity shares* or at the time of agreeing the placing for a *placing* or *vendor consideration placing*.
- (2) In paragraph (1), the middle market price of *equity shares* means the middle market quotation for those *equity shares* as derived from the daily official list of the *London Stock Exchange* or any other publication of a *RIE* showing quotations for *listed securities* for the relevant date.
- (3) If a *listed company* makes an *open offer, placing, vendor consideration placing* or *offer for subscription of equity shares* during the *trading day*, it may use an appropriate on-screen intra-day price derived from another market.
- (4) Paragraph (1) does not apply to an *offer* or placing at a discount of more than 10% if:
- (a) the terms of the *offer* or placing at that discount have been specifically approved by the *issuer's* shareholders; or
  - (b) it is an issue of *shares* for cash or the sale of *treasury shares* for cash under a pre-existing general authority to disapply section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption).
- (5) The *listed company* must notify a *RIS* as soon as possible after it has agreed the terms of the *offer* or placing.

- 9.4.14 **G** On each occasion that the *listed company* plans to use an on-screen intra-day price, it should discuss the source of the price in advance with the *FCA*. The *FCA* may be satisfied that there is sufficient justification for its use if the alternative market has an appropriate level of liquidity and the source is one that is widely accepted by the market.

#### Offer for sale or subscription

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

- (1) letters of allotment or acceptance are all issued simultaneously and numbered serially (and, where appropriate, split and certified by the *listed company's* registrars);
- (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;
- (3) letters of regret are posted at the same time or not later than 3 *business days* after the letters of allotment or acceptance; and
- (4) if a letter of regret is not posted at the same time as letters of allotment or acceptance, a notice to that effect is inserted in a national newspaper, to appear on the morning after the letters of allotment or acceptance are posted.

#### **Fractional entitlements**

- 9.4.16** **R** If, for an issue of *equity securities* (other than an issue in lieu of dividend), a shareholder's 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.

#### **Further issues**

- 9.4.17** **R** When *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and, in any event, within one month of the allotment.

#### **Temporary documents of title (including renounceable documents)**

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

- (1) is serially numbered;
- (2) states, where applicable:
  - the name and address of the first holder and names of joint holders (if any);
  - (b) for a fixed income *security*, the amount of the next payment of interest or dividend;
  - (c) the pro rata entitlement;
  - (d) the last date on which transfers were or will be accepted for registration for participation in the issue;
  - (e) how the *securities* rank for dividend or interest;
  - (f) the nature of the document of title and proposed date of issue;
  - (g) how fractions (if any) are to be treated; and

- (h) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ UKLR 9.4.6R, in which the *offer* may be accepted, and how *equity securities* not taken up will be dealt with; and
- (3) if renounceable:
  - (a) states in a heading that the document is of value and negotiable;
  - (b) advises holders of *equity securities* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
  - (c) states that where all of the *securities* 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;
  - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
  - (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
  - (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
  - (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

#### Definitive documents of title

9.4.19

**R**

A *listed company* must ensure that any definitive document of title for an *equity share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (6)):

- (1) the authority under which the *listed company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* 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 *security* 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 *security* is transferable;
- (5) the date of the certificate; and
- (6) 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.





## 9.5 Purchase from a related party

**9.5.1** **R** Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party*, whether directly or through intermediaries, **■ UKLR 8** (Related party transactions) must be complied with unless:

- ( ) a *tender offer* is made to all holders of the *class of securities*; or
- ( ) in the case of a market purchase pursuant to a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the *listed company* and any *related party*.

**9.5.2** **R** Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party* which is a *sovereign controlling shareholder* or an *associate of a sovereign controlling shareholder*, the modifications to **■ UKLR 8** (Equity shares (commercial companies: *related party* transactions) in **■ UKLR 8.2.9R** do not apply for the purposes of **■ UKLR 9.5.1R**.

## 9.6 Purchase of own equity shares

### Requirement for a tender offer

9.6.1 **R** Unless **■** UKLR 9.6.2R applies, purchases by a *listed company* of shares in any class of its *equity shares* pursuant to a general authority by the shareholders must be by way of a *tender offer* to all shareholders of that class.

9.6.2 **R** **■** UKLR 9.6.1R does not apply to:

- (1) purchases by a *listed company* of less than 15% of any class of its *equity shares* (excluding *treasury shares*) pursuant to a general authority by the shareholders where the price to be paid is lower than or equal to the higher of:
  - (a) 5% above the average market value of the *company's equity shares* for the 5 *business days* prior to the day the purchase is made; and
  - (b) the technical standards stipulated by article 5(6) of the *Market Abuse Regulation*; or
- (2) purchases by a *listed company* of 15% or more of any class of its *equity shares* (excluding *treasury shares*) where the full terms of the *share buyback* have been specifically approved by shareholders.

9.6.3 **G** Where, pursuant to a general authority granted by shareholders, a series of purchases are made that in aggregate amount to 15% or more of the number of *equity shares* of the relevant class in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a *tender offer* need only be made in respect of any purchase that takes the aggregate to or above that level. Purchases that have been specifically approved by shareholders are not to be taken into account in determining whether the 15% level has been reached.

### Notification prior to purchase

9.6.4 **R**

- (1) Any decision by the board to submit to shareholders a proposal for the *listed company* to be authorised to purchase its own *equity shares* must be notified to a *RIS* as soon as possible.
- (2) A notification required by paragraph (1) must set out whether the proposal relates to:

specific purchases and, if so, the names of the *persons* from whom the purchases are to be made; or

a general authorisation to make purchases.

- (3) The requirement set out in paragraph (1) does not apply to a decision by the board to submit to shareholders a proposal to renew an existing authority to purchase own *equity shares*.

**9.6.5** **R** A *listed company* must notify a *RIS* as soon as possible of the outcome of the shareholders' meeting to decide the proposal described in **■ UKLR 9.6.4R**.

**Notification of purchases**

**9.6.6** **R** Any purchase of a *listed company's* own *equity shares* by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* as soon as possible, and in any event, by no later than 7.30am on the *business day* following the calendar day on which the purchase occurred. The notification must include:

- (1) the date of purchase;
- (2) the number of *equity shares* purchased;
- (3) the purchase price for each of the highest and lowest prices paid, where relevant;
- (4) the number of *equity shares* purchased for cancellation and the number of *equity shares* purchased to be held as *treasury shares*; and
- (5) where *equity shares* were purchased to be held as *treasury shares*, a statement of:
  - (a) the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*; and
  - (b) the number of *equity shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*.

**Consent of other classes and circular requirements**

**9.6.7** **R** Unless **■ UKLR 9.6.8R** applies, a *company* with *listed securities* convertible into, or exchangeable for, or carrying a right to subscribe for *equity shares* of the *class* proposed to be purchased must (prior to entering into any agreement to purchase such *shares*):

- (1) convene a separate meeting of the holders of those *securities*; and
- (2) obtain their approval for the proposed purchase of *equity shares* by a special resolution.

**9.6.8** **R** **■ UKLR 9.6.7R** does not apply if the trust deed or terms of issue of the relevant *securities* authorise the *listed company* to purchase its own *equity shares*.

9.6.9

**R**

A *circular* convening a meeting required by ■ UKLR 9.6.7R must include (in addition to the information in ■ UKLR 10 (Equity shares (commercial companies): contents of circulars)):

- (1) a statement of the effect on the conversion expectations of holders in terms of attributable assets and earnings, on the basis that the *company* exercises the authority to purchase its *equity shares* in full at the maximum price allowed (where the price is to be determined by reference to a future market price, the calculation must be made on the basis of market prices prevailing immediately prior to the publication of the *circular* and that basis must be disclosed); and
- (2) any adjustments to the rights of the holders which the *company* may propose (in such a case, the information required under paragraph (1) must be restated on the revised basis).

**Other similar transactions**

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9.6.10

**G**

A *listed company* intending to enter into a transaction that would have an effect on the *company* similar to that of a purchase of own *equity shares* should consult with the *FCA* to discuss the application of ■ UKLR 9.6.

## 9.7 Purchase of own securities other than equity shares

**9.7.1** **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* and where the *equity shares* are *listed* in the *equity shares (commercial companies)* category, it must:

- (1) ensure that no dealings in the relevant *securities* are carried out by or on behalf of the *company* or any member of its *group* until the proposal has either been notified to a *RIS* or abandoned; and
- (2) notify a *RIS* of its decision to purchase.

### Notification of purchases, early redemptions and cancellations

**9.7.2** **R** Any purchases, early redemptions or cancellations of a *company's* own *securities* convertible into *equity shares* where the *equity shares* are *listed* in the *equity shares (commercial companies)* category, 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.

**9.7.3** **R** The notification required by **█ UKLR 9.7.2R** must be made as soon as possible and, in any event, no later than 7.30am on the *business day* following the calendar day on which the relevant threshold is reached or exceeded. The notification must state:

- (1) the amount of *securities* acquired, redeemed or cancelled since the last notification; and
- (2) whether or not the *securities* are to be cancelled and the number of that *class* of *securities* that remain outstanding.

### Period between purchase and notification

**9.7.4** **R** In circumstances where the purchase is not being made pursuant to a *tender offer* and the purchase causes a relevant threshold in **█ UKLR 9.7.2R** to be reached or exceeded, no further purchases may be undertaken until after a notification has been made in accordance with **█ UKLR 9.7.2R** to **█ UKLR 9.7.3R**.

**Warrants and options – circular requirements**

9.7.5

**R**

Where, within a period of 12 months, a *listed company* purchases *warrants* or *options* over its own *equity shares* which, on exercise, convey the entitlement to *equity shares* representing 15% or more of the *company's* existing issued *shares* (excluding *treasury shares*), the *company* must send to its shareholders a *circular* containing the following information:

- (1) a statement of the *directors'* intentions regarding future purchases of the *company's warrants* and *options*;
- (2) the number and terms of the *warrants* or *options* acquired and to be acquired and the method of acquisition;
- (3) where *warrants* or *options* have been, or are to be, acquired from specific parties, a statement of the names of those parties and all material terms of the acquisition; and
- (4) details of the prices to be paid.

## 9.8 Treasury shares

### Notification of capitalisation issues and of sales, transfers and cancellations of treasury shares

9.8.1

**R**

If by virtue of its holding *treasury shares*, a *listed company* is allotted *shares* as part of a capitalisation issue, the *company* must notify a *RIS* as soon as possible and, in any event, by no later than 7.30am on the *business day* following the calendar day on which allotment occurred of the following information:

- (1) the date of the allotment;
- (2) the number of *shares* allotted;
- (3) a statement as to what number of *shares* allotted has been cancelled and what number is being held as *treasury shares*; and
- (4) where *shares* allotted are being held as *treasury shares*, a statement of:
  - (a) the total number of *treasury shares* of each *class* held by the *company* following the allotment; and
  - (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the allotment.

9.8.2

**R**

Any sale for cash, transfer for the purposes of or pursuant to an *employees' share scheme* or cancellation of *treasury shares* that represents over 0.5% of the *listed company's share capital* must be notified to a *RIS* as soon as possible and, in any event, by no later than 7.30am on the *business day* following the calendar day on which the sale, transfer or cancellation occurred. The notification must include:

- (1) the date of the sale, transfer or cancellation;
- (2) the number of *shares* sold, transferred or cancelled;
- (3) the sale or transfer price for each of the highest and lowest prices paid, where relevant; and
- (4) a statement of:
  - (a) the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation; and

- (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation.



## Chapter 10

# Equity shares (commercial companies): contents of circulars

## 10.1 Preliminary

### Application

- 10.1.1 **R** This chapter applies to a *company* that has a *listing* of *equity shares* in the *equity shares (commercial companies)* category.

### Listed company to ensure circulars comply with this chapter

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

### Incorporation by reference

- 10.1.3 **R** Subject to **■ UKLR 10.1.5R**, information may be incorporated in a *circular* issued by a *listed company* by reference to relevant information contained in:

- (1) an approved *prospectus* or *listing particulars* of that *listed company*;  
or
- (2) any other published document of that *listed company* that has been filed with the *FCA*.

- 10.1.4 **R** Information incorporated by reference must be the latest available to the *listed company*.

- 10.1.5 **R** Information required by **■ UKLR 10.3.1R(1)** and **■ (2)** must not be incorporated in the *circular* by reference to information contained in another document.

- 10.1.6 **R** When information is incorporated by reference, a cross-reference list must be provided in the *circular* to enable *security* holders to easily identify specific items of information. The cross-reference list must specify where the information can be accessed by *security* holders.

### Omission of information

- 10.1.7 **G** The *FCA* may authorise the omission of information required by **■ UKLR 10.3**, **■ UKLR 10.4**, **■ UKLR 10.6**, **■ UKLR 10 Annex 1R** and **■ UKLR 10 Annex 2R**, if it considers that:

- (1) disclosure of that information would be:

- (a) contrary to the public interest; or
  - (b) seriously detrimental to the *listed company*; and
- (2) the omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the matter covered by the *circular*.

**10.1.8** **R** A request to the *FCA* to authorise the omission of specific information in a particular case must:

- (1) be made in writing by the *listed company*;
- (2) identify the specific information concerned and the specific reasons for the omission; and
- (3) state why, in the *listed company's* opinion, one or more grounds in **■ UKLR 10.1.7G** apply.

**Sending information to holders of listed equity shares**.....

**10.1.9** **R** A supplementary *circular* must be sent to holders of *listed equity shares* no later than 7 days prior to the date of a meeting at which a vote which is expressly required under the *listing rules* will be taken.

**10.1.10** **G** It may be necessary for a convened shareholder meeting to be adjourned to comply with **■ UKLR 10.1.9R**.

## 10.2 Approval of circulars

### Circulars to be approved

- 10.2.1 **R** A *listed company* must not circulate or publish any of the following types of *circular* unless it has been approved by the *FCA*:
- (1) a *reverse takeover circular*;
  - (2) a *circular* which proposes a cancellation of *listing* which is required to be sent to shareholders under ■ UKLR 21.2.8R(1); or
  - (3) a *circular* that proposes a transfer of *listing* which is required to be sent to shareholders under ■ UKLR 21.5.6R.

### Approval procedures

- 10.2.2 **R** The following documents (to the extent applicable) must be lodged with the *FCA* in final form before it will approve a *circular*:
- (1) a Sponsors Declaration for the Production of a Circular completed by the *sponsor*;
  - (2) for a *reverse takeover circular*, a letter setting out any items of information required by this chapter that are not applicable in that particular case; and
  - (3) any other document that the *FCA* has sought in advance from the *listed company* or its *sponsor*.
- 10.2.3 **R** A copy of the following documents in draft form must be submitted at least 10 clear *business days* before the date on which the *listed company* intends to publish the *circular*:
- (1) the *circular*; and
  - (2) the letters and documents referred to in ■ UKLR 10.2.2R(1) and ■ (2).
- 10.2.4 **R** If a *circular* submitted for approval is amended, a copy of amended drafts must be resubmitted, marked to show changes made to conform with *FCA* comments and to indicate other changes.

**Approval of circulars**

10.2.5 **G** The *FCA* will approve a *circular* if it is satisfied that the requirements of this chapter are satisfied.

10.2.6 **R** The *FCA* will only approve a *circular* between 9am and 5.30pm on a *business day* (unless alternative arrangements are made in advance).**[Note:**  
■ UKLR 6.4.1R requires a *company* to forward to the *FCA* a copy of all *circulars* issued (whether or not they require approval) for publication, by uploading it to the *national storage mechanism*.]

**Sending approved circulars**

10.2.7 **R** A *listed company* must send a *circular* to holders of its *listed equity shares* as soon as practicable after it has been approved.

## 10.3 Contents of all circulars

### Contents of all circulars

#### 10.3.1

R

Every *circular* sent by a *listed company* to holders of its *listed securities* must:

- (1) provide a clear and adequate explanation of its subject matter, giving due prominence to its essential characteristics, benefits and risks;
- (2) state why the *security* holder is being asked to vote or, if no vote is required, why the *circular* is being sent;
- (3) if voting or other action is required, contain all information necessary to allow the *security* holders to make a properly informed decision;
- (4) if voting or other action is required, contain a heading drawing attention to the document's importance and advising *security* holders who are in any doubt as to what action to take to consult appropriate independent advisers;
- (5) if voting is required, contain a recommendation from the board as to the voting action *security* holders should take for all resolutions proposed, indicating whether or not the proposal described in the *circular* is, in the board's opinion, in the best interests of *security* holders as a whole;
- (6) state that, if all the *securities* have been sold or transferred by the addressee, the *circular* and any other relevant documents should be passed to the *person* through whom the sale or transfer was effected for transmission to the purchaser or transferee;
- (7) if new *securities* are being issued in substitution for existing *securities*, explain what will happen to existing documents of title;
- (8) not include any reference to a specific date on which *listed securities* will be marked 'ex' any benefit or entitlement which has not been agreed in advance with the *RIE* on which the *company's securities* are or are to be traded;
- (9) if it relates to a transaction in connection with which *securities* are proposed to be *listed*, include a statement that an application has been or will be made for the *securities* to be *admitted* and, if known, a statement of the following matters:
  - (a) the dates on which the *securities* are expected to be *admitted* and on which dealings are expected to commence;
  - (b) how the new *securities* rank for dividend or interest;

- (c) whether the new *securities* rank equally with any existing *listed securities*;
  - (d) the nature of the document of title;
  - (e) the proposed date of issue;
  - (f) the treatment of any fractions;
  - (g) whether or not the *security* may be held in uncertificated form; and
  - (h) the names of the *RIEs* on which *securities* are to be traded;
- (10) if a *person* is named in the *circular* as having advised the *listed company* or its *directors*, a statement that the adviser has given and has not withdrawn its written consent to the inclusion of the reference to the adviser's name in the form and context in which it is included; and
- (11) if the *circular* relates to cancelling *listing*, state whether it is the *company's* intention to apply to cancel the *securities' listing*.

**10.3.2** **R** If another *rule* provides that a *circular* of a particular type must include specified information, that information is (unless the contrary intention appears) in addition to the information required under this section.

**Pro forma financial information in circulars**.....

**10.3.3** **R** If a *listed company* includes pro forma financial information in a *circular*, it must:

- (1) cite the sources of any unadjusted financial information; and
- (2) explain the basis upon which the pro forma financial information has been prepared.

## 10.4 Reverse takeover circulars

### Reverse takeover circulars

10.4.1

**R**

A *reverse takeover circular* must also include the following information:

- (1) the information given in the notification required by ■ UKLR 7.5.1R(1);
- (2) if applicable, the information set out in ■ UKLR 7 Annex 2 Part 4 (Synergy benefits, sources of information and pro-forma financial information);
- (3) the information set out in ■ UKLR 10 Annex 1;
- (4) the information set out in ■ UKLR 10 Annex 2;
- (5) if the transaction is a *related party transaction*, the information given in the notification required by ■ UKLR 8.2.1R(4);
- (6) a declaration by the *issuer* and its *directors* in the following form (with appropriate modifications): 'The [issuer] and the directors of [the issuer], whose names appear on page [ ], accept responsibility for the information contained in this document. To the best of the knowledge of the [issuer] and the directors, the information contained in this document is in accordance with the facts and the document makes no omission likely to affect its import.';
- (7) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement to the effect that the statement or report is included, in the form and context in which it is included, with the *person's* consent.

10.4.2

**G**

The information necessary under ■ UKLR 10.3.1R(3) includes all the material terms of the *reverse takeover*, including the consideration.

10.4.3

**R**

If the *reverse takeover circular* contains audited financial information which includes a *modified report*, the *reverse takeover circular* must set out:

- (1) the information required by ■ UKLR 10 Annex 1 1.2R(8); and
- (2) a statement from the *directors* explaining why they are able to recommend the proposal set out in the *reverse takeover circular* notwithstanding the *modified report*.



**Takeover offers**

- 10.4.4 **R** If a *reverse takeover circular* relates to a takeover offer which has not been recommended by the offeree's board or the *listed company* has not had access to due diligence information on the offeree at the time the *reverse takeover circular* is published, the *listed company* must comply with paragraphs (1) and (2):
- (1) Information on the offeree required by **■ UKLR 10 Annex 2** should be disclosed in the *reverse takeover circular* on the basis of information published or made available by the offeree and of which the *listed company* is aware and is free to disclose.
  - (2) If the takeover offer has been recommended but the *listed company* does not have access to due diligence information on the offeree, the *listed company* must disclose in the *reverse takeover circular* why access has not been given to that information.

**Acquisition or disposal of mineral resources**

- 10.4.5 **R** If a *reverse takeover transaction* relates to an acquisition or disposal of *mineral resources* or rights to *mineral resources*, the *reverse takeover circular* must include:
- (1) details of *mineral resources* and, where applicable, reserves (presented separately) and exploration results or prospects;
  - (2) anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves;
  - (3) an indication of the duration and main terms of any licences or concessions and the legal, economic and environmental conditions for exploring and developing those licences or concessions;
  - (4) indications of the current and anticipated progress of mineral exploration and/or extraction and processing, including a discussion of the accessibility of the deposit; and
  - (5) an explanation of any exceptional factors that have influenced the matters in (1) to (4).

- 10.4.6 **G** The information in **■ UKLR 10.4.5R** should be prepared in accordance with the reporting standards referred to in Appendix I of Primary Market Technical Note 619.1 (available at the following URL: [www.fca.org.uk/publication/primary-market/tn-619-1.pdf](http://www.fca.org.uk/publication/primary-market/tn-619-1.pdf)) and, in the case of a company with oil and gas projects, having regard to Appendix III of Primary Market Technical Note 619.1.

## 10.5 Circulars about purchase of own equity shares

### Purchase of own equity shares

10.5.1

R

- (1) A *circular* relating to a resolution proposing to give the *company* authority to purchase its own *equity securities* must also include:
  - (a) if the authority sought is a general one, a statement of the *directors'* intentions about using the authority;
  - (b) if known, the method by which the *company* intends to acquire its *equity shares* and the number to be acquired in that way;
  - (c) a statement of whether the *company* intends to cancel the *equity shares* or hold them in treasury;
  - (d) if the authority sought related to a proposal to purchase from specific parties, a statement of the names of the *persons* from whom *equity shares* are to be acquired, together with all material terms of the proposal;
  - (e) details about the price, or the maximum and minimum price, to be paid;
  - (f) the total number of *warrants* and *options* to subscribe for *equity shares* that are outstanding at the latest practicable date before the *circular* is published and both the proportion of issued share capital (excluding *treasury shares*) that:
    - (i) they represent at that time; and
    - (ii) they will represent if the full authority to buyback *shares* (existing and being sought) is used; and
  - (g) in relation to a purchase of *equity shares* in the circumstances described in ■ UKLR 9.6.2R(2), an explanation of the potential impact of the proposed *share* buyback, including whether control of the *listed company* may be concentrated following the proposed transaction.
- (2) If the exercise in full of the authority sought would result in the purchase of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*) the *circular* must also include the following information referred to in the *PR Regulation*:
  - (a) Annex 1 item 3.1 – Risk factors;
  - (b) Annex 1 Section 10 – Trend information;
  - (c) Annex 1 item 15.2 – Shareholdings and stock options;
  - (d) Annex 1 item 16.1 – Major interests in shares; and

(e) Annex 1 item 18.7.1 – Significant changes in the issuer’s financial position;

10.5.2

**G**

In considering whether an explanation given in a *circular* satisfies the requirement in ■ UKLR 10.5.1R(1)(g), the FCA would expect the following information to be included in the explanation:

- (1) the shareholdings of *substantial shareholders* in the *listed company* before and after the proposed transaction; and
- (2) the shareholdings of a holder of *equity shares* who may become a *substantial shareholder* in the *listed company* as a result of the proposed transaction.

## 10.6 Other circulars

### Authority to allot shares

- 10.6.1** **R** A *circular* relating to a resolution proposing to grant the *directors'* authority to allot shares or other securities pursuant to section 551 of the Companies Act 2006 (Power of directors to allot shares etc: authorisation by company) must include:
- (1) a statement of the maximum amount of shares or other securities which the *directors* will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
  - (2) a statement of the number of *treasury shares* held by the *company* as at the date of the *circular* and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
  - (3) a statement by the *directors* as to whether they have any present intention of exercising the authority and, if so, for what purpose; and
  - (4) a statement as to when the authority will lapse.

### Disapplying pre-emption rights

- 10.6.2** **R** A *circular* relating to a resolution proposing to disapply pre-emption rights provided by **■ UKLR 9.2.1R** must include:
- (1) a statement of the maximum amount of *equity securities* which the disapplication will cover; and
  - (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 *equity share* capital in issue as at the latest practicable date before publication of the *circular*.

### Reduction of capital

- 10.6.3** **R** A *circular* relating to a resolution proposing to reduce the *company's* capital, other than a reduction of capital pursuant to section 626 of the Companies Act 2006 (Reduction of capital in connection with redenomination), must include a statement of the reasons for, and the effects of, the proposal.

**Capitalisation or bonus issue**

- 10.6.4 **R**
- (1) A *circular* relating to a resolution proposing a capitalisation or bonus issue must include:
    - (a) the reason for the issue;
    - (b) a statement of the last date on which transfers were or will be accepted for registration to participate in the issue;
    - (c) details of the proportional entitlement; and
    - (d) a description of the nature and amount of reserves which are to be capitalised.
  - (2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

**Scrip dividend alternative**

- 10.6.5 **R**
- (1) A *circular* containing an offer to shareholders of the right to elect to receive *shares* instead of all or part of a cash dividend must include:
    - (a) a statement of the total number of *shares* that would be issued if all eligible shareholders were to elect to receive *shares* for their entire shareholdings, and the percentage which that number represents of the *equity shares* (excluding *treasury shares*) in issue at the date of the *circular*;
    - (b) in a prominent position, details of the equivalent cash dividend foregone to obtain each *share* or the basis of the calculation of the number of *shares* to be offered instead of cash;
    - (c) a statement of the total cash dividend payable and applicable tax credit on the basis that no elections for the scrip dividend alternative are received;
    - (d) a statement of the date for ascertaining the *share* price used as a basis for calculating the allocation of *shares*;
    - (e) details of the proportional entitlement;
    - (f) details of what is to happen to fractional entitlements;
    - (g) the record date; and
    - (h) a form of election relating to the scrip dividend alternative which:
      - (i) is worded so as to ensure that shareholders must elect positively in order to receive *shares* instead of cash; and
      - (ii) includes a statement that the right is non-transferable.
  - (2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

**Scrip dividend mandate schemes/dividend reinvestment plans**

- 10.6.6 **R**
- (1) A *circular* relating to any proposal where shareholders are entitled to complete a mandate in order to receive *shares* instead of future cash dividends must include:
    - (a) the information in **UKLR 10.6.5R(1)(d)** and **(f)**;

- (b) the basis of the calculation of the number of *shares* to be offered instead of cash;
  - (c) a statement of the last date for lodging notice of participation or cancellation in order for that instruction to be valid for the next dividend;
  - (d) details of when adjustment to the number of *shares* subject to the mandate will take place;
  - (e) details of when cancellation of a mandate instruction will take place;
  - (f) a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;
  - (g) the procedure for notifying shareholders of the details of each scrip dividend; and
  - (h) a statement of the circumstances, if known, under which the *directors* may decide not to offer a scrip alternative in respect of any dividend.
- (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 shares* are traded.

#### Notices of meetings

10.6.7

**R**

- (1) When holders of *listed equity 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*.
- (2) A *circular* or other document convening an annual general meeting where only ordinary business is proposed does not need to comply with ■ UKLR 10.3.1R(4), ■ (5) or ■ (6).

10.6.8

**G**

A *circular* or other document convening an annual general meeting where special business is proposed will need to comply with all of ■ UKLR 10.3.1R (including paragraphs (4), (5) and (6) in respect of special business).

#### Amendments to constitution

10.6.9

**R**

A *circular* to shareholders about proposed amendments to the *constitution* must include:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:
  - (a) at the place of the general meeting for at least 15 minutes before and during the meeting; and
  - (b) on the *national storage mechanism* from the date of sending the *circular*.

Employees' share scheme, etc

- 10.6.10 **R** A circular to shareholders about the approval of an *employees' share scheme* or *long-term incentive scheme* must:
- (1) include either the full text of the scheme or a description of its principal terms;
  - (2) include, if *directors* of the *listed company* are trustees of the scheme, or have a direct or indirect interest in the trustees, details of the trusteeship or interest;
  - (3) state that the provisions (if any) relating to:
    - (a) the *persons* to whom, or for whom, *securities*, cash or other benefits are provided under the scheme (the 'participants');
    - (b) limitations on the number or amount of the *securities*, cash or other benefits subject to the scheme;
    - (c) the maximum entitlement for any one participant; and
    - (d) the basis for determining a participant's entitlement to, and the terms of, *securities*, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, *rights issue* or *open offer*, sub-division or consolidation of *shares* or reduction of capital or any other variation of capital, cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the *company* operating the scheme or for members of its group);
  - (4) state whether benefits under the scheme will be pensionable and, if so, the reasons for this; and
  - (5) if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:
    - (a) at the place of the general meeting for at least 15 minutes before and during the meeting; and
    - (b) on the *national storage mechanism* from the date of sending the *circular*.
- 10.6.11 **R** The resolution contained in the notice of meeting accompanying the *circular* must refer either to:
- (1) the scheme itself (if circulated to shareholders); or
  - (2) the summary of its principal terms included in the *circular*.
- 10.6.12 **R** The resolution approving the adoption of an *employees' share scheme* or *long-term incentive scheme* may authorise the *directors* to establish further schemes based on any scheme which has previously been approved by shareholders but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any *shares* made

available under such further schemes are treated as counting against any limits on individual or overall participation in the main scheme.

#### Amendments to employees' share scheme, etc

10.6.13 **R** A circular to shareholders about proposed amendments to an *employees' share scheme* or a *long-term incentive scheme* must include:

- (1) an explanation of the effect of the proposed amendments; and
- (2) the full terms of the proposed amendments, or a statement that the full text of the scheme as amended will be available for inspection:
  - (a) at the place of the general meeting for at least 15 minutes before and during the meeting; and
  - (b) on the *national storage mechanism* from the date of sending the circular.

#### Discounted option arrangements

10.6.14 **R** If shareholders' approval is required by **UKLR 9.3.4R**, the *circular* to shareholders must include the following information:

- (1) details of the *persons* to whom the *options, warrants* or rights are to be granted; and
- (2) a summary of the principal terms of the *options, warrants* or rights.

#### Reminders of conversion rights

10.6.15 **R**

- (1) A *circular* to holders of *listed securities* convertible into *shares* reminding them of the times when conversion rights are exercisable must include:
  - (a) the date of the last day for lodging conversion forms and the expected date on which the certificates will be sent;
  - (b) a statement of the market values for the *securities* on the first dealing day in each of the 6 months before the date of the *circular* and on the latest practicable date before sending the *circular*;
  - (c) the basis of conversion in the form of a table setting out capital and income comparisons;
  - (d) a brief explanation of the tax implications of conversion for holders resident for tax purposes in the *United Kingdom*;
  - (e) if there is a trustee, or other representative, of the *securities* holders to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;
  - (f) reference to future opportunities to convert and whether the terms of conversion will be the same as or will differ from those available at present, or, if there are no such opportunities, disclosure of that fact;



- (g) reference to letters of indemnity – for example, if certificates have been lost;
  - (h) if power exists to allot *shares* issued on conversion to another *person*, reference to forms of nomination; and
  - (i) a statement as to whether holders exercising their rights of conversion will retain the next interest payment due on the *securities*.
- (2) The *circular* must not contain specific advice as to whether or not to convert the *securities*.

### Election of independent directors

10.6.16

**R**

Where a *listed company* has a *controlling shareholder*, a *circular* to shareholders relating to the election or re-election of an *independent director* must include:

- (1) details of any existing or previous relationship, transaction or arrangement the proposed *independent director* has or had with the *listed company*, its *directors*, any *controlling shareholder* or any *associate* of a *controlling shareholder* or a confirmation that there have been no such relationships, transactions or arrangements; and
- (2) a description of:
  - (a) why the *listed company* considers the proposed *independent director* will be an effective *director*;
  - (b) how the *listed company* has determined that the proposed *director* is an *independent director*; and
  - (c) the process followed by the *listed company* for the selection of the proposed *independent director*.

10.6.17

**R**

In relation to a *listed company* which did not previously have a *controlling shareholder*, **■** UKLR 10.6.16R does not apply to a *circular* sent to shareholders within a period of 3 months from the event that resulted in a *person* becoming a *controlling shareholder* of the *listed company*.



## Reverse takeover circulars – financial information

A *reverse takeover circular* must include the following information:

- (1) when a *listed company* is acquiring an interest in a *target* which will result in a consolidation of the *target's* assets and liabilities with those of the *listed company*:
  - (a) audited consolidated financial information that covers:
    - (i) the *target*; and
    - (ii) the *target's subsidiary undertakings*, if any,  
for a reporting period of 2 years up to the end of the latest financial period for which the *target* or its parent has prepared audited accounts; and
  - (b) an explanation of the proposed accounting treatment of the *target* in the *listed company's* next audited consolidated accounts;
- (2) when a *listed company* is acquiring an interest in a *target* that will be accounted for as an investment, and the *target's securities* that are the subject of the transaction are admitted to an investment exchange that enables intra-day price formation:
  - (a) the amounts of the dividends or other distributions paid in the past 2 years; and
  - (b) the price per *security* and the imputed value of the entire holding being acquired at the close of business at the following times:
    - (i) on the last *business day* of each of the 6 months prior to the announcement of the transaction;
    - (ii) on the day prior to the announcement of the transaction; and
    - (iii) on the latest practicable date prior to the submission of the *reverse takeover circular*;
- (3) when a *listed company* is acquiring an interest in a *target* that will be accounted for using the equity method in the *listed company's* annual consolidated accounts:
  - (a) a narrative explanation of the proposed accounting treatment of the *target* in the *issuer's* next audited consolidated accounts;
  - (b) audited consolidated financial information that covers:
    - (i) the *target*; and
    - (ii) the *target's subsidiary undertakings*, if any,  
for a reporting period of 2 years up to the end of the latest financial period for which the *target* or its parent has prepared audited accounts, if available; and
- (4) where the information in (1), (2) or (3) is not available:
  - (a) a statement by the board that the information is not available;
  - (b) an explanation as to how the value of the consideration has been arrived at; and
  - (c) a statement by the board that it considers the consideration to be fair as far as the *security* holders of the *company* are concerned.

A *reverse takeover circular* must include, for each of the periods covered by the audited financial information in ■ UKLR 10 Annex 1 1.1R(1) and ■ 1.1R(3), the following information:

- (1) a balance sheet and its explanatory notes;
- (2) an income statement and its explanatory notes;
- (3) a cash flow statement and its explanatory notes;
- (4) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;
- (5) the accounting policies;
- (6) any additional explanatory notes;
- (7) the audit report; and
- (8) if the audited financial information includes a *modified report*:
  - (a) whether the modification or emphasis-of-matter paragraph is significant to shareholders; and
  - (b) if the modification or emphasis-of-matter paragraph is significant to shareholders, the reason for its significance.

## Reverse takeover circulars – non-financial information

The following table identifies (by reference to certain paragraphs of Annex 1 of the *PR Regulation*) the additional information required to be included in a *reverse takeover circular* relating to the *listed company* and the undertaking the subject of the transaction.

Information	Listed company	Undertaking which is the subject of the transaction
Annex 1 item 3.1 – Risk factors	*	*
Annex 1 Section 10 – Trend information	*	*
Annex 1 item 17.1 – Related party transactions	*	
Annex 1 item 18.6.1 – Legal and arbitration proceedings	*	*
Annex 1 item 18.7.1 – Significant change in the issuer's financial position	*	*
Annex 1 item 20.1 – Material contracts	*	*
Annex 1 item 21.1 – Documents available	*	

The information required by this annex must be presented as follows:

- (1) the information required by Annex 1 item 20.1 (Material contracts), Annex 1 item 18.6.1 (Legal and arbitration proceedings) and Annex 1 item 10.1(b) (Trend information) must be presented in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired;
- (2) where the information required by Annex 1 item 18.7.1 (Significant changes in the issuer's financial position) is included for both the *listed company* and the undertaking the subject of the transaction, it must be presented in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired;
- (3) the information required by Annex 1 items 10.1(a) and 10.2 (Trend information) must be presented in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the acquisition has taken place).

In determining what information is required to be included by virtue of Annex 1 item 20.1 (Material contracts) if a *prospectus* or *listing particulars* are not required, regard should be had to whether information about that provision is information which *securities* holders of the *issuer* would reasonably require for the purpose of making a properly informed assessment about the way in which to exercise the voting rights attached to their *securities* or the way in which to take any other action required of them related to the subject matter of the *circular*.

The information required by this annex is modified as follows:

- (1) Information required by Annex 1 item 17.1 (Related party transactions);
  - (a) need only be given if it is relevant to the transaction; and

- (b) need not be given if it has already been published before the *circular* is sent.
- (2) Information required by Annex 1 item 3.1 (Risk factors) should be provided only in respect of those risk factors which:
- (a) are material risk factors to the proposed transaction;
  - (b) will be material new risk factors to the *group* as a result of the proposed transaction; or
  - (c) are existing material risk factors to the *group* which will be impacted by the proposed transaction.
- (3) Information required by Annex 1 item 18.7.1 (Significant change in the issuer's financial position) need only be given for the undertaking which is the subject of the transaction if information required by ■ UKLR 10 Annex 1 1.1R(1) and ■ (3) has been included in the *reverse takeover circular*.
- (4) Information required by Annex 1 item 21.1 (Documents available) must include a copy of the sale and purchase agreement (or equivalent document) if applicable. The *issuer* must indicate where the sale and purchase agreement (or equivalent document) is available for physical or electronic inspection.

## Chapter 11

# Closed-ended investment funds: requirements for listing and continuing obligations



## 11.1 Application

- 11.1.1 **R** This chapter applies to a *closed-ended investment fund* with, or applying for a *listing of equity shares* in the *closed-ended investment funds* category.
- 11.1.2 **G** A *closed-ended investment fund* with *equity shares listed* under the *closed-ended investment funds* category may list further classes of *equity shares* under this category, provided the classes comply with **UKLR 5.4.3R** as modified by **UKLR 11.2.1R**. Further classes of *shares* may also be *listed* under the *non-equity shares and non-voting equity shares* category, provided they meet the conditions for that category.





## 11.2 Requirements for listing

- 11.2.1 **R** To be *listed*, an *applicant* must comply with:
- (1) the following provisions of **UKLR 5** (*Equity shares (commercial companies)*): requirements for admission to listing), modified so that references to the *equity shares (commercial companies)* category are to the *closed-ended investment funds* category:
    - UKLR 5.4.1R(1);
    - UKLR 5.4.2R to ■ UKLR 5.4.4G;
    - UKLR 5.4.7R;
    - UKLR 5.5.1R to ■ UKLR 5.5.4G; and
    - UKLR 5.6.1R; and
  - (2) ■ UKLR 11.2.3R to ■ UKLR 11.2.15R.

### Shares of a third country applicant

- 11.2.2 **R** The *FCA* will not admit *shares* of an *applicant* incorporated in a *third country* 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 *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

### Investment activity

- 11.2.3 **R** An *applicant* must invest and manage its assets in a way which is consistent with its object of spreading investment risk.

- 11.2.4 **R**
- (1) An *applicant* and its *subsidiary undertakings* must not conduct any trading activity which is significant in the context of its *group* as a whole.
  - (2) This *rule* does not prevent the businesses forming part of the investment portfolio of the *applicant* from conducting trading activities themselves.

- 11.2.5 **G** Although there is no restriction on an *applicant* taking a controlling stake in an investee company, to ensure a spread of investment risk an *applicant* should avoid:

- (1) cross-financing between the businesses forming part of its investment portfolio including, for example, through the provision of undertakings or security for borrowings by such businesses for the benefit of another; and
- (2) the operation of common treasury functions as between the *applicant* and investee companies.

### Cross-holdings

- 11.2.6 **R**
- (1) No more than 10%, in aggregate, of the value of the total assets of an *applicant* at admission may be invested in other *listed closed-ended investment funds*.
  - (2) The restriction in (1) does not apply to investments in *closed-ended investment funds* which themselves have published investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.

### Feeder funds

- 11.2.7 **R**
- (1) If an *applicant* principally invests its funds in another *company* or fund that invests in a portfolio of *investments* (a 'master fund'), the *applicant* must ensure that:
    - (a) the master fund's investment policies are consistent with the *applicant's* published investment policy and provide for spreading investment risk; and
    - (b) the master fund in fact invests and manages its investments in a way that is consistent with the *applicant's* published investment policy and spreads investment risk.
  - (2) Paragraph (1) applies whether the *applicant* invests its funds in the master fund directly or indirectly through other intermediaries.
  - (3) Where the *applicant* invests in the master fund through a chain of intermediaries between the *applicant* and the master fund, the *applicant* must ensure that each intermediary in the chain complies with paragraphs (1)(a) and (b).

### Investment policy

- 11.2.8 **R**
- An *applicant* must have a published investment policy that contains information about the policies which the *closed-ended investment fund* will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.

- 11.2.9 **G**
- The information in the investment policy, including quantitative information concerning the exposures mentioned in **UKLR 11.2.8R**, should be sufficiently precise and clear as to enable an investor to:

- (1) assess the investment opportunity;

- (2) identify how the objective of risk spreading is to be achieved; and
- (3) assess the significance of any proposed change of investment policy.

**Independence**

- 11.2.10** **R** The board of *directors* or equivalent body of the *applicant* must be able to act independently:
- (1) of any *investment manager* appointed to manage *investments* of the *applicant*; and
  - (2) if the *applicant* (either directly or through other intermediaries) has an investment policy of principally investing its funds in another *company* or fund that invests in a portfolio of investments (a 'master fund'), of the master fund and of any *investment manager* of the master fund.
- 11.2.11** **R** ■ UKLR 11.2.10R(2) does not apply if the *company* or fund which invests its funds in another *company* or fund is a *subsidiary undertaking* of the *applicant*.
- 11.2.12** **R** For the purposes of ■ UKLR 11.2.10R:
- (1) the chair of the board or equivalent body of the *applicant* must be independent; and
  - (2) a majority of the board or equivalent body of the *applicant* must be independent (the chair may be included within that majority).
- 11.2.13** **R** For the purposes of ■ UKLR 11.2.10R and ■ UKLR 11.2.12R, the following are not independent:
- (1) *directors, employees, partners, officers* or professional advisers of or to:
    - (a) an *investment manager* of the *applicant*;
    - (b) a master fund or *investment manager* referred to in ■ UKLR 11.2.10R(2); or
    - (c) any other *company* in the same *group* as the *investment manager* of the *applicant*; or
  - (2) (subject to ■ UKLR 11.2.14R) *directors, employees* or professional advisers of or to other investment *companies* or funds that are:
    - (a) managed by the same *investment manager* as the *investment manager* to the *applicant*; or
    - (b) managed by any other *company* in the same *group* as the *investment manager* to the *applicant*.
- 11.2.14** **R** (i) This *rule* applies where a *closed-ended investment fund* has an *external AIFM* which has delegated portfolio management to another

*investment manager who is not in the same group as the external AIFM.*

- (2) Where this rule applies, the fact that a *director* of the *closed-ended investment fund* is also the *director* of another *investment company* or fund that is managed by the same *external AIFM* (or another *company* in the same *group* as the *external AIFM*) does not prevent that *director* from being regarded as independent for the purposes of ■ UKLR 11.2.10R and ■ UKLR 11.2.12R.

**11.2.15** **R** A person referred to in ■ UKLR 11.2.13R(1) or ■ (2) who is a *director* of the *applicant* must be subject to annual re-election by the *applicant's* shareholders, unless they are independent in accordance with ■ UKLR 11.2.14R.

**11.2.16** **R** The board of *directors* or equivalent body of the *applicant* must be in a position to effectively monitor and manage the performance of its key service providers, including any *investment manager* of the *applicant*.



11.3 Listing applications and procedures

Sponsors

11.3.1

G

An *applicant* that is seeking admission of its *equity shares* is required to retain a *sponsor* in accordance with ■ UKLR 4 (Sponsors: responsibilities of issuers) on each occasion that it is required to submit to the *FCA* any of the documents listed in ■ UKLR 4.2.1R(1).

Multi-class fund or umbrella fund

11.3.2

R

An application for the *listing* of *securities* of a multi-class fund or umbrella fund must provide details of the various classes or designations of *securities* intended to be issued by the *applicant*.



## 11.4 Continuing obligations, further issuances, dealing in own securities and treasury shares

### Compliance with ■ UKLR 6 and ■ UKLR 9

**11.4.1** **R** A *closed-ended investment fund* must comply with all of the requirements of ■ UKLR 6 (Equity shares (commercial companies): continuing obligations) and ■ UKLR 9 (Equity shares (commercial companies): further issuances, dealing in own securities and treasury shares) subject to the modifications and additional requirements set out in this section.

**11.4.2** **R** ■ UKLR 6 and ■ UKLR 9 are modified so that references to the *equity shares (commercial companies)* category are to the *closed-ended investment funds* category.

**11.4.3** **R** ■ UKLR 6.2.31R to ■ UKLR 6.2.33G do not apply to a *close-ended investment fund*.

### Investment policy

**11.4.4** **R** A *closed-ended investment fund* must, at all times, have a published investment policy which complies with ■ UKLR 11.2.8R.

**11.4.5** **G** A *closed-ended investment fund* should have regard to the *guidance* in ■ UKLR 11.2.9G at all times.

### Investment activity and compliance with investment policy

**11.4.6** **R** A *closed-ended investment fund* must, at all times, invest and manage its assets:

- (1) in a way which is consistent with its object of spreading investment risk; and
- (2) in accordance with its published investment policy.

**11.4.7** **R** A *closed-ended investment fund* must comply with ■ UKLR 11.2.4R at all times.

**11.4.8** **G** A *closed-ended investment fund* should have regard to the *guidance* in ■ UKLR 11.2.5G at all times.

**Cross-holdings**

**11.4.9** **R** A *closed-ended investment fund* must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in ■ UKLR 11.2.6R.

**Feeder funds**

**11.4.10** **R** If a *closed-ended investment fund* principally invests its funds in the manner set out in ■ UKLR 11.2.7R, the *closed-ended investment fund* must ensure that ■ UKLR 11.2.7R is complied with at all times.

**11.4.11** **G** ■ UKLR 11.2.7R and ■ UKLR 11.4.10R are not intended to require the *closed-ended investment fund* to be able to control or direct the master fund or intermediary (as the case may be). But if the *closed-ended investment fund* becomes aware that the master fund or intermediary (as the case may be) is not investing or managing its investments in accordance with that *rule*, it will need to immediately consider withdrawal of its funds from the master fund or intermediary (as the case may be) or other appropriate action so that it is no longer in breach of the *rules*.

**Independence and effective management**

**11.4.12** **R** ■ UKLR 11.2.10R to ■ UKLR 11.2.15R apply at all times to a *closed-ended investment fund*.

**11.4.13** **R** The board of *directors* or equivalent body of the *issuer* must effectively monitor and manage the performance of its key service providers, including any *investment manager* appointed by the *issuer*, on an ongoing basis.

**Material changes to investment policy**

**11.4.14** **R** Unless ■ UKLR 11.4.15R applies, a *closed-ended investment fund* must:

- (1) submit any proposed material change to its published investment policy to the *FCA* for approval; and
- (2) having obtained the *FCA*'s approval, obtain the prior approval of its shareholders to any material change to its published investment policy.

**11.4.15** **R** A *closed-ended investment fund* is not required to seek the *FCA*'s approval for a material change to its published investment policy if:

- (1) the change is proposed to enable the winding up of the *closed-ended investment fund*; and
- (2) the winding up:
  - (a) is in accordance with the constitution of the *closed-ended investment fund*; and
  - (b) will be submitted for approval by the shareholders of the *closed-ended investment fund* at the same time as the proposed material change to the investment policy.

**11.4.16** **G** In considering what is a material change to the published investment policy, the *closed-ended investment fund* should have regard to the cumulative effect of all the changes since its shareholders last had the opportunity to vote on the investment policy or, if they have never voted, since the *admission to listing*.

### Conversion of an existing listed class of equity shares

**11.4.17** **R** An existing *listed class of equity 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*.

### Further issues

**11.4.18** **R** (1) Unless authorised by its shareholders, a *closed-ended investment fund* may not issue further *shares* of the same class as existing *shares* (including issues of *treasury shares*) for cash at a price below the net asset value per *share* of those *shares* unless they are first offered pro rata to existing holders of *shares* of that *class*.

(2) When calculating the net asset value per *share*, *treasury shares* held by the *closed-ended investment fund* should not be taken into account.

### Externally managed companies

**11.4.19** **R** A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.25R**.

### Controlling shareholders

**11.4.20** **R** A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.3R** to **■ UKLR 6.2.10R**.

### Notifications to the FCA

**11.4.21** **R** (1) A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.35R** in so far as it relates to **■ UKLR 6.2.8R** and **■ UKLR 6.2.9R**.

(2) A *closed-ended investment fund* is not required to comply with **■ UKLR 6.2.36R**.

### Annual financial statement

**11.4.22** **R** A *closed-ended investment fund* is not required to comply with **■ UKLR 6.6.1R(13)** or **■ UKLR 6.6.6R(8)**.

**11.4.23** **R** When making a statement required by **■ UKLR 6.6.6R(9)** in its annual financial report, a *closed-ended investment fund* need not set out the following matters if they are inapplicable to the *closed-ended investment fund* and its statement sets out the reasons why those matters are inapplicable:

(1) whether the *closed-ended investment fund* has met the board diversity target in **■ UKLR 6.6.6R(9)(a)(ii)**; and



(2) matters set out in ■ UKLR 6.6.6R(9)(b) to the extent that they relate to the board diversity target in ■ UKLR 6.6.6R(9)(a)(ii).

**11.4.24** **R** When including numerical data required by ■ UKLR 6.6.6R(10) in its annual financial report, a *closed-ended investment fund* need not include the fields in the first row of each of the tables in ■ UKLR 6 Annex 1, and the corresponding data for those fields, that are inapplicable to the *closed-ended investment fund*, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable.

**Voting on matters relevant to listing**

**11.4.25** **R** Where the provisions of this chapter require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *closed-ended investment fund's equity shares* that have been *admitted to the closed-ended investment funds* category.

**Sponsor requirements for waivers and individual guidance**

**11.4.26** **G** As set out in ■ UKLR 4.2.3R and ■ UKLR 4.2.4R, a *closed-ended investment fund* must appoint a *sponsor* where it proposes to make a request to the *FCA* to modify, waive or substitute the operation of ■ UKLR 11, or proposes to make a request to the *FCA* for individual guidance.

## 11.5 Transactions

### Significant transactions

- 11.5.1 **R** A *closed-ended investment fund* must comply with **■ UKLR 7** (Equity shares (commercial companies): significant transactions and reverse takeovers), except in relation to transactions that are executed in accordance with the scope of its published investment policy.

### Transactions with related parties

- 11.5.2 **R** **■ UKLR 8** (Equity shares (commercial companies): related party transactions) applies to a *closed-ended investment fund*, subject to the modifications and additional requirements set out in this section.

- 11.5.3 **R** In addition to the definition in **■ UKLR 8.1.11R**, a *related party* includes any *investment manager* of the *closed-ended investment fund* and any member of such *investment manager's* group.

### Relevant related party transactions

- 11.5.4 **R**
- (1) The requirements in **■ UKLR 8.2.1R(1)** to **■ (4)** and **■ UKLR 8.2.2R** to **■ UKLR 8.2.8R** apply where a *closed-ended investment fund* enters into a relevant related party transaction where any *percentage ratio* is greater than 0.25%.
  - (2) The requirements in **■ UKLR 8.2.7R(2)(a)** and **■ (b)** apply if any *percentage ratio* for aggregated relevant related party transactions is greater than 0.25%.
- 11.5.5 **R** If a *closed-ended investment fund* enters into a *relevant related party transaction* where any *percentage ratio* is 5% or more (or which is uncapped), the *closed-ended investment fund* must:
- (1) comply with the requirements of **■ UKLR 8.2.1R(1)** to **■ (4)** and **■ UKLR 8.2.2R** to **■ UKLR 8.2.3R** for the *relevant related party transaction*, except that the notification is not required to include the information required by:
    - (a) **■ UKLR 8.2.2R(4)**; or
    - (b) **■ UKLR 8.2.2R(5)**;
  - (2) send a *circular* to its shareholders and obtain their prior approval in a general meeting for the transaction; and

- 11.5.6 **R**
- (3) ensure that any agreement effecting the transaction is conditional on that approval being obtained.
- (1) The requirement to aggregate transactions or arrangements in **■ UKLR 8.2.7R(1)** applies to *relevant related party transactions* for the purposes of **■ UKLR 11.5.5R**, except that any transactions or arrangements which have been approved by shareholders are not required to be aggregated.
  - (2) If under this *rule* aggregation of *relevant related party transactions* results in a requirement for shareholder approval, that approval is required only for the latest *relevant related party transaction*.

**Additional exemption from related party requirements**

- 11.5.7 **R**
- (1) **■ UKLR 8.2.1R** to **■ UKLR 8.2.8R** and **■ UKLR 11.5.4R** to **■ UKLR 11.5.6R** do not apply to an arrangement between a *closed-ended investment fund* and its *investment manager* or any member of that *investment manager's* group where the arrangement is such that each invests in or provides finance to an entity or asset and the investment or provision of finance is either:
    - (a) made at the same time and on substantially the same economic and financial terms;
    - (b) referred to in the *closed-ended investment fund's* published investment policy; or
    - (c) made in accordance with a pre-existing agreement between the *closed-ended investment fund* and its *investment manager*.
  - (2) For the purposes of paragraph (1)(c), a pre-existing agreement is an agreement which was entered into at the time the *investment manager* was appointed.

**Material change to terms of a relevant related party transaction**

- 11.5.8 **R**
- If, after obtaining shareholder approval but before completion, there is a material change to the terms of a transaction subject to **■ UKLR 11.5.5R**, the *closed-ended investment fund* must comply again separately with **■ UKLR 11.5.5R** in relation to the transaction.

- 11.5.9 **G**
- The *FCA* would (among other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

**Supplementary circular for relevant related party transaction**

- 11.5.10 **R**
- (1) If a *closed-ended investment fund* becomes aware of a matter described in (2) after the publication of a *circular* that seeks shareholder approval for a transaction expressly requiring a vote by **■ UKLR 11.5.5R**, but before the date of a general meeting, it must, as soon as practicable:
    - advise the *FCA* of the matters of which it has become aware; and

- (b) send a supplementary *circular* to holders of its *listed equity shares*, providing an explanation of the matters referred to in (2).
- (2) The matters referred to in (1) are:
  - (a) a material change affecting any matter the *closed-ended investment fund* is required to have disclosed in a *circular*; or
  - (b) a material new matter which the *closed-ended investment fund* would have been required to disclose in the *circular* if it had arisen at the time of its publication.
- (3) The *closed-ended investment fund* must have regard to [■ UKLR 10.3.1R\(3\)](#) when considering the materiality of any change or new matter under (2).

11.5.11 **G** The *circular* requirements in [■ UKLR 11.6](#) apply to a supplementary *circular* under [■ UKLR 11.5.10R](#). It may be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed equity shares* at least 7 days prior to the convened shareholder meeting as required by [■ UKLR 10.1.9R](#) as applied by [■ UKLR 11.6](#).

#### Sponsor requirements for transactions

11.5.12 **R** As set out in [■ UKLR 4.2.1R](#), a *closed-ended investment fund* must appoint a *sponsor* on each occasion it:

- (1) is required to submit to the *FCA* a *reverse takeover circular* or a *relevant related party transaction circular* required by [■ UKLR 11.5.5R](#); or
- (2) is required by [■ UKLR 8.2.1R\(3\)](#), including as modified by [■ UKLR 11.5.4R](#), to provide a *listed issuer* with a confirmation that the terms of a proposed transaction or arrangement with a *related party* are fair and reasonable.



## 11.6 Circular requirements

11.6.1 **R** A closed-ended investment fund must comply with **■ UKLR 10**, subject to the modifications and additional requirements set out in this section.

11.6.2 **R** A closed-ended investment fund is not required to comply with **■ UKLR 10.6.16R** (Election of independent directors).

### Relevant related party transaction circulars

11.6.3 **R** A closed-ended investment fund must not circulate or publish a circular required by **■ UKLR 11.5.5R** unless it has been approved by the FCA.

11.6.4 **R**

- (1) **■ UKLR 10.2.2R** to **■ UKLR 10.2.7R** apply to a circular required by **■ UKLR 11.5.5R**, subject to the modification in (2).
- (2) **■ UKLR 10.2.2R(2)** is modified so that the words 'for a reverse takeover circular,' are deleted.

11.6.5 **R** The requirements in **■ UKLR 10.4** (Reverse takeover circulars) apply to a circular required by **■ UKLR 11.5.5R** in the same way as they apply to a reverse takeover circular, except that **■ UKLR 10.4.1R(5)** does not apply.

### Relevant related party transaction circulars

11.6.6 **R** A relevant related party transaction circular required by **■ UKLR 11.5.5R** must also include (to the extent not already disclosed under **■ UKLR 10.4** as applied by **■ UKLR 11.6.5R**):

(1) in all cases the following information referred to in the PR Regulation relating to the closed-ended investment fund:

Paragraph of Annex 1 of the PR Regulation:

Annex 1 item 4.1 – Issuer name;

Annex 1 item 4.4 – Issuer address;

Annex 1 item 16.1 – Major shareholders;

Annex 1 item 18.7.1 – Significant changes in the issuer's financial position;

Annex 1 item 20.1 – Material contracts (if it is information which shareholders of the closed-ended investment fund would

reasonably require to make a properly informed assessment of how to vote); and

Annex 1 item 21.1 – Documents available;

- (2) for a transaction or arrangement where the *related party* is (or was within the 12 months before the transaction or arrangement), a *director* or *shadow director*, or an associate of a *director* or *shadow director*, of the *closed-ended investment fund* (or of any other *company* which is its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking*) the following information referred to in the *PR Regulation* relating to that *director*:

Paragraph of Annex 1 of the *PR Regulation*:

- (a) Annex 1 item 14.2 – Service contracts;
  - (b) Annex 1 item 15.2 – Shareholdings and stock options; and
  - (c) Annex 1 item 17.1 – Related party transactions;
- (3) full particulars of the transaction or arrangement, including the name of the *related party* concerned and of the nature and extent of the interest of the party in the transaction or arrangement, and also a statement that the reason the shareholders are being asked to vote on the transaction or arrangement is because it is with a *related party*;
- (4) a statement by the board that the transaction or arrangement is fair and reasonable as far as the shareholders of the *closed-ended investment fund* are concerned and that the *directors* have been so advised by a *sponsor*;
- (5) if applicable, a statement that the *related party* will not vote on the relevant resolution, and that the *related party* has undertaken to take all reasonable steps to ensure that its *associates* will not vote on the relevant resolution, at the meeting;
- (6) if ■ UKLR 11.5.6R applies, details of each of the transactions or arrangements being aggregated; and
- (7) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement that it is included, in the form and context in which it is included, with the consent of that *person*.

11.6.7

R

For the purposes of the statement by the board referred to in

■ UKLR 11.6.6R(4):

- (1) any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party*, should not have taken part in the board's consideration of the matter; and

- (2) the statement should specify that such *persons* have not taken part in the board's consideration of the matter.

**11.6.8**

**R**

For the purpose of advising the *directors* under ■ UKLR 11.6.6R(4), a *sponsor* may take into account but not rely on commercial assessments of the *directors*.



## 11.7 Notifications and periodic financial information

### Changes to tax status

11.7.1 **R** A closed-ended investment fund must notify any change in its taxation status to a RIS as soon as possible.

### Annual financial report

11.7.2 **R** In addition to the requirements in **UKLR 6.6** (Annual financial report), a closed-ended investment fund must include in its annual financial report:

- (1) a statement (including a quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk in accordance with its published investment policy;
- (2) a statement, set out in a prominent position, as to whether, in the opinion of the *directors*, the continuing appointment of the *investment manager* on the terms agreed is in the interests of its shareholders as a whole, together with a statement of the reasons for this view;
- (3) the names of the *fund's investment managers* and a summary of the principal contents of any agreements between the *closed-ended investment fund* and each of the *investment managers*, including but not limited to:
  - (a) an indication of the terms and duration of their appointment;
  - (b) the basis for their remuneration; and
  - (c) any arrangements relating to the termination of their appointment, including compensation payable in the event of termination;
- (4) the full text of its current published investment policy; and
- (5) a comprehensive and meaningful analysis of its portfolio.

### Annual financial and half yearly report

11.7.3 **R** In addition to the requirements in **UKLR 6** (Equity shares (commercial companies): continuing obligations), half-yearly reports and, if applicable, preliminary statements of annual results must include information showing the split between:



- (1) dividend and interest received; and
- (2) other forms of income (including income of associated companies).

**Annual financial report additional requirements for property investment entities**

**11.7.4** **R** A closed-ended investment fund that, as at the end of its financial year, has invested more than 20% of its assets in *property* must include in its annual financial report a summary of the valuation of its portfolio, carried out in accordance with **■ UKLR 11.7.5R**.

**11.7.5** **R** A valuation required by **■ UKLR 11.7.4R** must:

- (1) either:
  - (a) be made in accordance with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors; or
  - (b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such non-compliance; and
- (2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors.

**11.7.6** **R** The summary described in **■ UKLR 11.7.4R** must include:

- (1) the total value of *properties* held at the year end;
- (2) totals of the cost of *properties* acquired;
- (3) the net book value of *properties* disposed of during the year; and
- (4) an indication of the geographical location and type of *properties* held at the year end.

**Statement regarding compliance with UK Corporate Governance Code**

**11.7.7** **R**

- (1) This *rule* applies to a *closed-ended investment fund* that has no executive *directors*.
- (2) A *closed-ended investment fund's* statement required by **■ UKLR 6.6.6R(6)** need not include details about Principles P, Q and R and Provisions 32 to 41 of the *UK Corporate Governance Code*, except to the extent that those principles or provisions relate specifically to non-executive *directors*.

**Notification of cross-holdings**

11.7.8

**R**

*A closed-ended investment fund must notify to a RIS within 5 business days of the end of each quarter a list of all investments in other listed closed-ended investment funds, as at the last business day of that quarter, which themselves do not have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.*

## Chapter 12

# Open-ended investment companies: requirements for listing and continuing obligations

12.1 Application

12.1.1

**R**

**Application**

This chapter applies to an *open-ended investment company* applying for, or with, a *listing of securities* in the *open-ended investment companies* category.



## 12.2 Requirements for listing and listing applications

### Requirements for listing

- 12.2.1 **R** To be *listed*, an *applicant* must be an *open-ended investment company* which is:
- (1) an *ICVC* that has been granted an *authorisation order* by the *FCA*; or
  - (2) an *overseas collective investment scheme* that is a *recognised scheme*.

### Listing applications

- 12.2.2 **G** The *FCA* will admit to *listing* such number of *securities* as the *applicant* may request for the purpose of future issues. At the time of issue, the *securities* will be designated to the relevant *class*.

### Multi-class fund or umbrella fund

- 12.2.3 **R** An *applicant* which is a multi-class or umbrella fund is not required to make a further *listing application* when creating a new *class* of *security* if the *applicant*:
- (1) does not increase its share capital for which *listing* has previously been granted; and
  - (2) provides the *FCA* with details of the new *class*.

## 12.3 Requirements with continuing application

### Authorisation or recognition

- 12.3.1 **R** An *open-ended investment company* must comply with ■ UKLR 12.2.1R at all times.

### Admission to trading

- 12.3.2 **R** Other than in regard to *securities* to which ■ UKLR 23 applies, the *listed equity shares* of an *open-ended investment company* must be admitted to trading on a *regulated market for listed securities*.

### Further issues

- 12.3.3 **R** Where *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one year of the allotment.

### Copies of documents

- 12.3.4 **R** An *open-ended investment company* must forward to the *FCA*, for publication, by uploading to the *national storage mechanism*, a copy of:

- (1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and
- (2) all resolutions passed by the *open-ended investment company*, other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

- 12.3.5 **R**
- (1) An *open-ended investment company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under ■ UKLR 12.3.4R unless the full text of the document is provided to the *RIS*.
  - (2) A notification made under (1) must set out where copies of the relevant document can be obtained.

### First point of contact details

- 12.3.6 **R** An *open-ended investment company* must ensure that the *FCA* is provided with up-to-date contact details of at least one appropriate *person* nominated

by it to act as the first point of contact with the *FCA* in relation to the *open-ended investment company's* compliance with the *listing rules*, the *disclosure requirements* and the *transparency rules*, as applicable.

**Compliance with the disclosure requirements and corporate governance rules**

**12.3.7** **G** An *open-ended investment company* whose *equity shares* are admitted to trading on a *regulated market* in the *United Kingdom* should consider its obligations under the *disclosure requirements*.

**12.3.8** **R** An *open-ended investment company* that is not already required to comply with **■ DTR 7.2** (Corporate governance statements) must comply with **■ DTR 7.2** as if it were an *issuer* to which that section applies.

**Changes to tax status**

**12.3.9** **R** An *open-ended investment company* must notify any change in its taxation status to a *RIS* as soon as possible.





## Chapter 13

# Equity shares (shell companies): requirements for listing and continuing obligations

## 13.1 Application

- 13.1.1** **R** This chapter applies to a *shell company* with, or applying for, a *listing of equity shares* in the *equity shares (shell companies)* category. It does not apply to *securities* of:
- (1) a *closed-ended investment fund*;
  - (2) an *open-ended investment company*; or
  - (3) an *investment entity* that is not a *closed-ended investment fund* or an *open ended-investment company*.

### Meaning of 'shell company'

- 13.1.2** **R** A *shell company* is an *issuer* whose:
- (1) assets consist solely or predominantly of cash or short-dated *securities*; or
  - (2) predominant purpose or objective is to undertake an acquisition or merger, or a series of acquisitions or mergers.

- 13.1.3** **G** An *issuer* should consider the guidance in **■ UKLR 21.2.5G** and contact the *FCA* as soon as possible if at any time an *issuer* no longer meets the definition of a *shell company* as a result of completing an *initial transaction* to request a cancellation of *listing*.

### Meaning of 'founding shareholder', 'public shareholder' and 'shell company sponsor'

- 13.1.4** **R** For *shell companies* that fall within **■ UKLR 13.1.2R(2)**:
- (1) 'founding shareholder' means a shareholder who founded or established a *shell company*;
  - (2) 'public shareholder' means a shareholder who is not a *founding shareholder*, a *shell company sponsor* or a *director*; and
  - (3) 'shell company sponsor' means a person who provides any of the following to a *shell company*:
    - (a) capital or other finance to support the operating costs of the *shell company*;
    - (b) financial, advisory, consultancy or legal services;

- (c) facilities or support services; or
- (d) any other material contribution to the establishment and ongoing operation of the *shell company*.

**When a sponsor must be appointed**.....

- 13.1.5 **G** An *issuer* should consider its obligation to appoint a *sponsor* under ■ UKLR 4.2.1R and the requirement to obtain a *sponsor's* guidance under ■ UKLR 4.2.6R.
- 13.1.6 **G** An *issuer* should consider its obligation to appoint a *sponsor* under ■ UKLR 4.2.2R(2), ■ (6) and ■ (9) where it is applying to transfer its category of *listing* to the *equity shares (shell companies)* category from one of the following *listing* categories:
- (1) the *equity shares (commercial companies)* category;
  - (2) the *equity shares (international commercial companies secondary listing)* category; or
  - (3) the *equity shares (transition)* category.
- 13.1.7 **G** An *issuer* should consider the obligations to contact the *FCA*, through its *sponsor*, under ■ UKLR 13.2.2G (relating to transfer of listing category), ■ UKLR 13.4.4R (Requirement for a suspension), ■ UKLR 13.4.21R (relating to where the *shell company* no longer satisfies the conditions for which a suspension is not required) and ■ UKLR 13.4.24R (Cancellation of listing).

## 13.2 Requirements for listing

### Time period for initial transaction to be completed

#### 13.2.1

R

The *constitution* of a *shell company* applying for a *listing* of *equity shares* in the *equity shares (shell companies)* category:

- (1) must provide that if the *shell company* has not completed an *initial transaction* on or before the date which is 24 months from the date of *admission*, it will cease operations on the date which is 24 months from the date of *admission*;
- (2) may provide that the period of 24 months referred to in (1) can be extended before the end of the period referred to in (1) by 3 further periods of 12 months, up to a total of 36 months, provided that:
  - (a) the first 12-month extension to the period referred to in (1) is approved by the *public shareholders* of the *shell company* before the end of the period referred to in (1); and
  - (b) any further 12-month extension periods are approved by the *public shareholders* before the end of the prior 12-month period; and
- (3) may provide that the period of 24 months referred to in (1), or the extended period referred to in (2), can be extended for a further period of up to 6 months where, before the end of the period referred to in (1) or each of the extended periods in (2), as applicable:
  - (a) the approval of shareholders for an *initial transaction*, where such approval is sought by an *issuer* for the purposes of satisfying the conditions in ■ UKLR 13.4.17G, has been obtained but the *initial transaction* has not completed;
  - (b) a general meeting has been convened to obtain the approval of shareholders for an *initial transaction*, where such approval is sought by an *issuer* for the purposes of satisfying the conditions in ■ UKLR 13.4.17G;
  - (c) the *shell company* has made an announcement that:
    - (i) a general meeting to obtain the approval of shareholders for an *initial transaction*, where such approval is sought by an *issuer* for the purposes of satisfying the conditions in ■ UKLR 13.4.17G, will be convened for a date which is specified in the announcement; and
    - (ii) a notice to convene the general meeting referred to in (i) will be sent to shareholders, within a specified time following the announcement; or

(d) an agreement for an *initial transaction* has been entered into but the *initial transaction* has not been completed and the *shell company* has not made an announcement in accordance with (c), provided that any such extension is notified to a *RIS* before the end of the period referred to in (1), (2) or (3), as applicable.

**13.2.2** **G** An *issuer* which becomes a *shell company* and an *issuer* which is applying to transfer its category of *listing* to the *equity shares (shell companies)* category from the *equity shares (commercial companies)* category, the *equity shares (transition)* category or the *equity shares (international commercial companies secondary listing)* category under ■ UKLR 21.5.1R(10), (16) and (17) should contact the *FCA*, through its *sponsor*, as soon as possible to discuss their application.

**13.2.3** **G** The *FCA* would generally allow a *listed company* that becomes a *shell company* a period of 12 months to comply with the requirements for *listing* under ■ UKLR 13.2 and submit their application to transfer.

### Equity shares in public hands

**13.2.4** **R**

- (1) Where an *applicant* is applying for the *admission* of a *class* of *equity shares* to *listing* in the *equity shares (shell companies)* category, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public.
- (2) For the purposes of paragraph (1):
  - (a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* for which application for *admission* has been made are in public hands; and
  - (b) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.
- (3) For the purposes of paragraphs (1) and (2), *shares* are not held in public hands if they are:
  - (a) held, directly or indirectly, by:
    - (i) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
    - (ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
    - (iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
    - (iv) any *person* who, under any agreement, has a right to nominate a *person* to the board of *directors* of the *applicant*; or
    - (v) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant *class*; or
  - (b) subject to a lock-up period of more than 180 days.

- 13.2.5 **G** When calculating the number of *shares* for the purposes of ■ UKLR 13.2.4R(3)(a)(v), holdings of *investment managers* in the same *group* will be disregarded where:
- (1) investment decisions are made independently by the individual in control of the relevant fund; and
  - (2) those decisions are unfettered by the *group* to which the *investment manager* belongs.

### Shares of a third country shell company

- 13.2.6 **R** The *FCA* will not admit *shares* of a *shell company* incorporated in a *third country* 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 *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

### Disclosures to be published in a prospectus

- 13.2.7 **R** Except where ■ UKLR 13.2.8R applies, a *shell company* must disclose in the *prospectus* published in relation to the *admission to listing* of the *shell company's shares* the expected length of time it will take for the *shell company* to complete an *initial transaction*.

- 13.2.8 **R**
- (1) An *issuer* which:
    - (a) is applying to transfer the category of its *listing* to the *equity shares (shell companies)* category from the *equity shares (commercial companies)* category, the *equity shares (transition)* category or the *equity shares (international commercial companies secondary listing)* category under ■ UKLR 21.5.1R(10), ■ (16) and ■ (17); and
    - (b) does not have a *prospectus* but, where applicable, is required to produce as part of its compliance with:
      - (i) ■ UKLR 21.5.6R(2), a circular; or
      - (ii) ■ UKLR 21.5.7R(2), an announcement,must comply with the specific requirement in (2) and ■ UKLR 10.3.1R(1), where relevant, and have regard to the guidance in ■ UKLR 21.5.12G.
  - (2) The requirement is that an *applicant* must disclose the expected length of time it will take for the *company* to complete an *initial transaction* in such circular or announcement once its category of *listing* is transferred to the *equity shares (shell companies)* category.

**Other considerations for shell companies intending to enter into an initial transaction which falls within ■ UKLR 13.4.17G**

13.2.10

**G**

If a *shell company* intends to rely on ■ UKLR 13.4.17G, it should:

- (1) consider whether it has sufficient measures in place such that a suspension is not required in the event of an *initial transaction* under ■ UKLR 13.4.17G; and
- (2) submit a letter to the *FCA* setting out how the *shell company* satisfies or will satisfy the conditions in ■ UKLR 13.4.17G.

## 13.3 Continuing obligations

### Admission to trading

- 13.3.1 **R** Other than in regard to *securities* to which **■ UKLR 23** applies, the *listed equity shares* of a *shell company* must be admitted to trading on a *regulated market* for *listed securities*.

### Time period for initial transaction to be completed

- 13.3.2 **R** A *listed shell company* must comply with **■ UKLR 13.2.1R** at all times.

### Board approval of any initial transaction

- 13.3.3 **R** A *listed shell company* must:
- (1) obtain the approval of its board for an *initial transaction* before it is entered into; and
  - (2) ensure that the following do not take part in the board's consideration of the *initial transaction* and do not vote on the relevant board resolution:
    - (a) any *director* who is, or an *associate* of whom is, a *director* of the *target* or of a *subsidiary undertaking* of the *target*; and
    - (b) any *director* who has a conflict of interest in relation to the *target* or a *subsidiary undertaking* of the *target*.

### Equity shares in public hands

- 13.3.4 **R**
- (1) A *listed shell company* must comply with **■ UKLR 13.2.4R** at all times.
  - (2) A *listed shell company* must notify the *FCA* without delay if it does not comply with the continuing obligation set out in **■ UKLR 13.3.4R**.

- 13.3.5 **G** If a *listed shell company* is contemplating any action related to its *share capital*, including purchasing or redeeming its *equity shares*, the *shell company* should consider the impact it has on its ability to comply with **■ UKLR 13.3.4R(1)**.

- 13.3.6 **G** If a *listed shell company* makes a notification under **■ UKLR 13.3.4R(2)**, it should consider seeking a cancellation of *listing*. In particular, the *shell company* should note **■ UKLR 21.2.2G(2)** and **■ UKLR 21.2.3G**.



**Notification of non-compliance with continuing obligations**

13.3.7 **R** A listed shell company must notify the FCA without delay if it does not comply with any continuing obligation set out in:

- (1) ■ UKLR 13.3.2R; or
- (2) ■ UKLR 13.3.3R.

**Further issues**

13.3.8 **R** Where shares of the same class as equity shares that are listed in the equity shares (shell companies) category are allotted, an application for admission to listing of such shares must be made as soon as possible and in any event within 1 year of the allotment.

**Copies of documents**

13.3.9 **R** A listed shell company must forward to the FCA, for publication, by uploading to the national storage mechanism, a copy of:

- (1) all circulars, notices, reports or other documents to which the listing rules apply, at the same time as any such documents are issued; and
- (2) all resolutions passed by the shell company, other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

13.3.10 **R** (1) A listed shell company must notify a RIS as soon as possible when a document has been forwarded to the FCA under ■ UKLR 13.3.9R unless the full text of the document is provided to the RIS.

- (2) A notification made under (1) must set out where copies of the relevant document can be obtained.

**First point of contact details**

13.3.11 **R** A listed shell company must ensure that the FCA is provided with up-to-date contact details of at least one appropriate person nominated by it to act as the first point of contact with the FCA in relation to the shell company's compliance with the listing rules, the disclosure requirements and the transparency rules.

**Temporary documents of title (including renounceable documents)**

13.3.12 **R** A listed shell company must ensure that any temporary document of title (other than one issued in global form) for a share:

- (1) is serially numbered;
- (2) states, where applicable:
  - (a) the name and address of the first holder and the names of joint holders (if any);

- (b) the pro rata entitlement;
  - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
  - (d) how the *shares* rank for dividend or interest;
  - (e) the nature of the document of title and the proposed date of issue;
  - (f) how fractions (if any) are to be treated; and
  - (g) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ UKLR 9.4.6R, in which the *offer* may be accepted, and how *shares* not taken up will be dealt with; and
- (3) if renounceable:
- (a) states in a heading that the document is of value and negotiable;
  - (b) advises holders of *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 *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;
  - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
  - (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *shell company* or authorised agent;
  - (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
  - (g) if, at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

**Definitive documents of title**

**R** A *listed shell company* must ensure that any definitive document of title for a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (6)):

- (1) the authority under which the *shell company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *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 *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 *share* is transferable; and
- (5) the date of the certificate.
- (6) for *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.

#### Disclosure requirements and transparency rules

13.3.14 **G** A *listed shell company* whose *shares* are admitted to trading on a *regulated market* should consider its obligations under the *disclosure requirements* and the *transparency rules*.

#### Disclosure of rights attached to shares

13.3.15 **R** Unless exempted in ■ UKLR 13.3.18R, a *listed shell company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed shares*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed shares* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed shares*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights, produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *shell company* been required to produce a *prospectus* for those *listed shares*; and
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
  - (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *shell company's listed shares*.

13.3.16 **R** The documents in ■ UKLR 13.3.15R must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

13.3.17 **G** The purpose of ■ UKLR 13.3.15R is to require *companies* to maintain publicly available information in relation to the rights attached to their *listed shares* so that investors can access such information.

13.3.18

**R**

A *listed shell company* is exempt from ■ UKLR 13.3.15R where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ UKLR 13.3.15R(1);
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in ■ UKLR 13.3.15R(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *shell company's listed shares*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

**Registrar**

13.3.19

**R**

An *overseas shell company* must appoint a registrar in the *United Kingdom* if:

- (1) there are 200 or more holders resident in the *United Kingdom*; or
- (2) 10% or more of the *shares* are held by *persons* resident in the *United Kingdom*.

**Notifications relating to capital**

13.3.20

**R**

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

- (1) any proposed change in its capital structure, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
- (2) any redemption of *listed shares*, including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;
- (3) any extension of time granted for the currency of temporary documents of title; and
- (4) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

13.3.21

**R**

Where the *shares* are subject to an underwriting agreement, a *listed shell company* may, at its discretion and subject to the *disclosure requirements*

and contents of ■ DTR 2, delay notifying a *RIS* as required by ■ UKLR 13.3.20R(4) for up to 2 *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

**Compliance with the transparency rules and corporate governance rules**

- 13.3.22 **G** A *listed shell company* whose 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) and ■ DTR 6 (Continuing obligations and access to information).
- 13.3.23 **R** A *listed shell company* that is not already required to comply with the transparency rules must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the transparency rules.
- 13.3.24 **R** A *listed shell company* that is not already required to comply with ■ DTR 7.2 (Corporate governance statements) must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.
- 13.3.25 **R** A *listed shell company* that is not already required to comply with ■ DTR 7.3 (Related party transactions) must comply with ■ DTR 7.3 as if it were an *issuer* to which ■ DTR 7.3 applies, subject to the modifications set out in ■ UKLR 13.3.26R.

13.3.26 **R** For the purposes of ■ UKLR 13.3.25R, ■ DTR 7.3 is modified as follows:

(1) ■ DTR 7.3.2R must be read as if the words ‘has the meaning in *UK-adopted IFRS*’ are replaced as follows:

‘has the meaning:

- (1) in *UK-adopted IFRS*; or
- (2) Where the *listed shell company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*:
  - (a) in *UK-adopted IFRS*; or
  - (b) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared, at the choice of the *listed shell company*.’

(2) ■ DTR 7.3.8R(2) and ■ DTR 7.3.8R(3) do not apply.

(3) ■ DTR 7.3.9R must be read as follows:

- (a) as if the words ‘after obtaining board approval’ are replaced by ‘after publishing an announcement in accordance with ■ DTR 7.3.8R(1)’; and
- (b) the reference to ■ DTR 7.3.8R must be read as a reference to ■ DTR 7.3.8R as modified by ■ UKLR 13.3.26R(2).

(4) In ■ DTR 7.3.13R, the references to ■ DTR 7.3.8R must be read as references to ■ DTR 7.3.8R as modified by ■ UKLR 13.3.26R(2).

## 13.4 Initial transactions

### Application

13.4.1

**R**

This section applies:

- (1) to a *listed shell company* that intends to enter into an *initial transaction*; and
- (2) regardless of whether the *listed shell company* acquires the *equity shares* of a *target* within the same category of *listing* as the *shell company*.

### Meaning of 'initial transaction'

13.4.2

**R**

- (1) In *UKLR*, an 'initial transaction' means a transaction consisting of:
  - (a) An acquisition of a part of or the entirety of a business, a *company* and/or assets by a *listed shell company* or a subsidiary of a *listed shell company*;
  - (b) the entry into a loan or any form of financing agreement by a *listed shell company* or a subsidiary of a *listed shell company*; or
  - (c) the entry into a joint venture agreement by a *shell company* or a subsidiary of a *listed shell company*.
- (2) Paragraph (1)(a) applies whether such acquisition is effected:
  - (a) by way of a direct acquisition by the *listed shell company* or a subsidiary of the *listed shell company*;
  - (b) by way of the *listed shell company* introducing a new *holding company* to its corporate structure and then carrying out the acquisition through the new *holding company*; or
  - (c) in any other way.

13.4.3

**G**

For the purpose of ■ UKLR 13.4.2R, the *FCA* considers that:

- (1) the first transaction that a *listed shell company* enters into will generally constitute an *initial transaction*; and
- (2) provided that a transaction falls within ■ UKLR 13.4.2R, a transaction of any size may constitute an *initial transaction*.

**Requirement for a suspension**

**13.4.4** **R** A *listed shell company* must, through its *sponsor*, contact the *FCA* as early as possible in the following circumstances:

- (1) before the announcement of an *initial transaction* which has been agreed or is in contemplation, to discuss whether a suspension of *listing* is appropriate; or
- (2) where details of the *initial transaction* have leaked, to request a suspension.

**13.4.5** **G** Examples of where the *FCA* will consider that an *initial transaction* is in contemplation include situations where:

- (1) the *listed shell company* has approached the *target's* board;
- (2) the *listed shell company* has entered into an exclusivity period with a *target*; or
- (3) the *listed shell company* has been given access to begin due diligence work (whether or not on a limited basis).

**13.4.6** **G** Generally, when an *initial transaction* between a *listed shell company* and a *target* is announced or leaked, there will be insufficient publicly available information about the proposed transaction (which includes transactions under contemplation as well as those where terms have been agreed) and the *listed shell company* will be unable to assess accurately its financial position and inform the market accordingly. In this case, the *FCA* will often consider that suspension will be appropriate, as set out in **■ UKLR 21.1.2G(3)** and (4). However, the *FCA* may agree with the *listed shell company*, through its *sponsor*, that a suspension is not required if the *FCA* is satisfied that:

- (1) there is sufficient publicly available information about the proposed transaction (which includes transactions under contemplation as well as those where terms have been agreed); or
- (2) where the *listed shell company* is an *issuer* which falls within **■ UKLR 13.1.2R(2)**, the *listed shell company* has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised.

**13.4.7** **G** **■ UKLR 13.4.8G** to **■ UKLR 13.4.21R** set out circumstances in which the *FCA* will generally be satisfied that a suspension is not required.

**Initial transaction by a listed shell company: target admitted to a regulated market**

**13.4.8** **G** The *FCA* will generally be satisfied that there is sufficient information in the market about the proposed transaction if:

- (1) the *target* has *equity shares* or *certificates representing equity securities* admitted to a *regulated market*; and



(2) the *listed shell company* makes an announcement stating that the *target* has complied with the disclosure requirements applicable on that *regulated market* and providing details of where information disclosed pursuant to those requirements can be obtained.

13.4.9 **R** An announcement made for the purpose of ■ UKLR 13.4.8G(2) must be published by means of a *RIS*.

**Initial transaction by a listed shell company: target subject to the disclosure regime of another market**

13.4.10 **G** The *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction if the *target* has *equity securities* admitted to an investment exchange or trading platform that is not a *regulated market* and the *listed shell company*:

(1) confirms, in a form acceptable to the *FCA*, that the disclosure requirements in relation to financial information and *inside information* of the investment exchange or trading platform on which the *target's securities* are admitted are not materially different from the disclosure requirements under *DTR* and the *disclosure requirements*; and

(2) makes an announcement to the effect that:

(a) the *target* has complied with the disclosure requirements applicable on the investment exchange or trading platform to which its securities are admitted and provides details of where information disclosed pursuant to those requirements can be obtained; and

(b) there are no material differences between:

(i) the disclosure requirements applicable on the investment exchange or trading platform to which its securities are admitted; and

(ii) the disclosure requirements under *DTR* and the *disclosure requirements*.

13.4.11 **R** A written confirmation provided for the purpose of ■ UKLR 13.4.10G(1) must be given by the *sponsor*.

13.4.12 **R** An announcement made for the purpose of ■ UKLR 13.4.10G(2) must be published by means of a *RIS*.

**Initial transaction by a listed shell company: target not subject to a public disclosure regime**

13.4.13 **G** Where the *target* in an *initial transaction* by a *listed shell company* is not subject to a public disclosure regime, or if the *target* has *securities* admitted on an investment exchange or trading platform that is not a *regulated market* but the *listed shell company* is not able to give the confirmation and make the announcement contemplated by ■ UKLR 13.4.10G, the *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction such that a suspension is not

required where the *listed shell company* makes an announcement containing:

- (1) financial information on the *target* covering the last 3 years. Generally, the *FCA* would consider the following information to be sufficient:
  - (a) profit and loss information to at least operating profit level;
  - (b) balance sheet information, highlighting at least net assets and liabilities;
  - (c) relevant cash flow information; and
  - (d) a description of the key differences between the *listed shell company's* accounting policies and the policies used to present the financial information on the *target*;
- (2) a description of the *target*, to include key non-financial operating or performance measures appropriate to the *target's* business operations and the information as required under section 10 of Annex 1 (Trend information) of the *PR Regulation* (see *PRR App 2*) for the *target*;
- (3) a declaration that the *directors* of the *listed shell company* consider that the announcement contains sufficient information about the business to be acquired to provide a properly informed basis for assessing its financial position; and
- (4) a declaration confirming that the *listed shell company* has made the necessary arrangements with the *target* vendors to enable it to keep the market informed without delay of any developments concerning the *target* that would be required to be released were the *target* part of the *listed shell company*.

**13.4.14** R An announcement made for the purpose of ■ UKLR 13.4.13G must be published by means of a *RIS*.

**13.4.15** R A *listed shell company*, through its *sponsor*, must provide written confirmation to the *FCA* that, in its opinion, it is reasonable for the *listed shell company* to provide the declarations described in ■ UKLR 13.4.13G(3) and (4).

**13.4.16** R Where the *FCA* has agreed that a suspension is not necessary as a result of an announcement made for the purpose of ■ UKLR 13.4.13G the *listed shell company* must comply with the obligation under article 17(1) of the *Market Abuse Regulation* on the basis that the *target* already forms part of the enlarged group.

**Initial transaction by a listed shell company which falls within UKLR 13.1.2R(2): other circumstances where a suspension is not required**

**13.4.17** G The *FCA* will generally be satisfied that a *listed shell company* which falls within ■ UKLR 13.1.2R(2) has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily

jeopardised such that a suspension is not required where the following conditions are met:

- (1) at the date of *admission*, the aggregate gross cash proceeds received by the *listed shell company* in consideration for the *listed shares* issued by it to *public shareholders* were at least £100 million;
- (2) the *listed shell company* has adequate binding arrangements in place with an independent third party to ensure that the aggregate gross cash proceeds received in consideration for any *listed shares* that it has issued, or issues, to (where relevant) *public shareholders* are protected from being used for any purpose other than:
  - (a) to provide the consideration for an *initial transaction* which has been approved by:
    - (i) its board, in accordance with (4); and
    - (ii) its *public shareholders*, in accordance with (5);
  - (b) to redeem or purchase *listed shares* held by *public shareholders* following the exercise of the right to be redeemed or purchased referred to in (7);
  - (c) to be distributed to *public shareholders* if an *initial transaction* has not been completed by the date specified in ■ UKLR 13.2.1R; or
  - (d) to return capital to *public shareholders* in the event of a winding up of the *company*;
- (3) the *listed shell company's constitution* provides for the matters set out in ■ UKLR 13.2.1R;
- (4) the *listed shell company's constitution*:
  - (a) provides that the *listed shell company* must obtain the approval of its board for an *initial transaction* before it is entered into; and
  - (b) ensures that the following do not take part in the board's consideration of the *initial transaction* and do not vote on the relevant board resolution:
    - (i) any *director* who is, or an *associate* of whom is, a *director* of the *target* or of a *subsidiary undertaking* of the *target*; and
    - (ii) any *director* who has a conflict of interest in relation to the *target* or a *subsidiary undertaking* of the *target*;
- (5) the *listed shell company's constitution*:
  - (a) provides that the *listed shell company* must obtain the approval of its shareholders for an *initial transaction* either:
    - (i) before the transaction is entered into; or
    - (ii) if the transaction is expressed to be conditional on that approval, before it is completed; and
  - (b) ensures that any *founding shareholder*, *shell company sponsor* or *director* does not vote on the relevant resolution;
- (6) the *listed shell company's constitution* provides that where any *director* has a conflict of interest in relation to the *target* or a *subsidiary undertaking* of the *target*, the *listed shell company* must

publish, in sufficient time before shareholder approval for an *initial transaction* is sought, a statement by the board that:

- (a) the proposed transaction is fair and reasonable as far as the *public shareholders* of the *listed shell company* are concerned; and
  - (b) the *directors* have been so advised by an appropriately qualified and independent adviser;
- (7) the holders of the *listed shares* have the right to require the *listed shell company* to redeem or otherwise purchase their *shares* for a pre-determined amount, which is exercisable:
- (a) at the discretion of the holder prior to completion of an *initial transaction*; and
  - (b) whether or not the holder voted in favour of the *initial transaction* on any shareholder resolution to approve the transaction; and
- (8) the *listed shell company* has disclosed the matters set out in (2) to (7) in the *prospectus* published in relation to the *admission to listing* of the *listed shell company's shares*.

13.4.18

G

- (1) A specified amount or proportion of the cash proceeds referred to in ■ UKLR 13.4.17G(2) may be excluded from the amount which is protected, and may be retained to be used by the *listed shell company* for legitimate purposes prior to the completion of any proposed *initial transaction*, where that amount or proportion has been disclosed in the *prospectus* published in relation to the *admission to listing* of the *listed shell company's shares*.
- (2) For the purposes of (1), legitimate purposes prior to the completion of any proposed *initial transaction* include:
- (a) quantified costs relating to the proposed *initial transaction*;
  - (b) deferred underwriting costs;
  - (c) operating costs and taxes relating to a binding arrangement under ■ UKLR 13.4.17G(2), where applicable; and
  - (d) due diligence costs in relation to the proposed *initial transaction*.

13.4.19

R

- (1) In order for the *FCA* to be satisfied for the purposes of ■ UKLR 13.4.6G(2), the *listed shell company* must provide a written confirmation from the board to the *FCA* that:
- (a) the conditions set out in ■ UKLR 13.4.17G have been met;
  - (b) the *listed shell company* has complied with the requirements in ■ UKLR 13.2.1R and will continue to comply with ■ UKLR 13.3.2R to ■ UKLR 13.3.3R until an *initial transaction* is completed; and
  - (c) the conditions set out in ■ UKLR 13.4.17G(2) to (7) will continue to be met until an *initial transaction* is completed.
- (2) A *listed shell company*, through its *sponsor*, must provide written confirmation to the *FCA* that, in its opinion, it is reasonable for the

*listed shell company* to provide the confirmations set out in (1), if requested to do so.

**13.4.20** **R** Where the *FCA* has agreed that a suspension is not necessary as a result of the *listed shell company* meeting the conditions set out in **■ UKLR 13.4.17G** and having provided the written confirmations set out in **■ UKLR 13.4.19R**, the *listed shell company* must make an announcement via a *RIS* of the *initial transaction* under **■ UKLR 13.4.22R**.

**13.4.21** **R** A *listed shell company* must contact the *FCA*, through its sponsor, as soon as possible if, at any time after the written confirmations referred to in **■ UKLR 13.4.19R** have been provided to the *FCA*, any of the conditions set out in **■ UKLR 13.4.17G(2)** to (7) are no longer met, to request a suspension of *listing*.

**Notification of an initial transaction**

**13.4.22** **R** A *listed shell company* must, in relation to an *initial transaction*:

- (1) notify a *RIS* as soon as possible after the terms of an *initial transaction* are agreed; and
- (2) subject to the modifications set out in **■ UKLR 13.4.23R**, comply with the requirements of **■ UKLR 7.3** (Significant transactions) and **■ UKLR 7 Annex 2** (Notification requirements) for the *initial transaction*.

**13.4.23** **R** For the purposes of **■ UKLR 13.4** (Initial transactions), **■ UKLR 7.3** (Significant transactions) and **■ UKLR 7 Annex 2** (Notification requirements) are modified as follows:

- (1) References to '*significant transactions*' must be read as a reference to an *initial transaction*.
- (2) References to '*listed company*' must be read as a reference to a *listed shell company*.
- (3) The reference in **■ UKLR 7.3.1R(2)(a)** to **■ UKLR 7** must be read as a reference to **■ UKLR 13**.
- (4) **■ UKLR 7.3.2R**, **■ UKLR 7.3.5G(3)**, **■ UKLR 7.3.13R(1)(d)** and **■ (3)**, **■ UKLR 7.3.14R(2)** and **■ UKLR 7 Annex 2 1.1R(15)** do not apply.

**Cancellation of listing**

**13.4.24** **R** A *listed shell company* must contact the *FCA*, through its sponsor, as early as possible:

- (1) before an *initial transaction* which has been agreed or is in contemplation is announced; or
- (2) where details of the *initial transaction* have leaked,

to discuss whether a cancellation of the *listed shell company's listing* is appropriate on completion of the *initial transaction*.

- 13.4.25 **G** If a *listed shell company* is proposing to enter into a transaction classified as an *initial transaction*, it should consider ■ UKLR 21.2.2G and ■ UKLR 21.2.5G.
- 13.4.26 **G** As set out in ■ UKLR 21.2.5G, where a *listed shell company* completes an *initial transaction*, the *FCA* will generally seek to cancel the *listing* of a *shell company's equity shares* and, where relevant, the *shell company's other listed securities*.
- 13.4.27 **R** If a *listed shell company* intends to cancel the *shell company's listing*, the *shell company* is required to notify a *RIS* in accordance with ■ UKLR 21.2.17R.
- 13.4.28 **R** Where a *listed shell company's listing* is cancelled following completion of an *initial transaction*, the *shell company* must re-apply for the *listing* of the *equity shares*.
- 13.4.29 **G** Where a *shell company* re-applies for the *listing* of the *shell company* as enlarged by the *initial transaction*, the *FCA* will take into account any information it considers appropriate, including whether the *shell company* has complied with, since *listing*, its obligations under the *listing rules*, *disclosure requirements*, *transparency rules* and *corporate governance rules*.
- 13.4.30 **G** A *listed shell company* should consider the impact of an *initial transaction* on any other of its *listed securities*, such as *warrants*.
- 13.4.31 **G** On the completion of an *initial transaction*, if the *shell company's equity shares* are admitted to the *equity shares (shell companies)* category following re-application, the *FCA* will generally be satisfied that a cancellation of the *listing* of the *shell company's other listed securities* will not be required.
- 13.4.32 **G** Where, on completion of an *initial transaction*, the *shell company's equity shares* are not admitted to the *equity shares (shell companies)* category, a *shell company* should re-apply for the *listing* of a *shell company's listed securities*, other than its *equity shares*, and satisfy the relevant requirements for *listing*.

## Chapter 14

# Equity shares (international commercial companies secondary listing): requirements for listing and continuing obligations

## 14.1 Preliminary

### 14.1.1

**R**

#### Application

This chapter applies to a *company* with, or applying for, a *listing* of *equity shares* in the *equity shares (international commercial companies secondary listing)* category, other than those of:

- (1) a *closed-ended investment fund*;
- (2) an *open-ended investment company*;
- (3) a *shell company*; or
- (4) an *investment entity* that is not a *closed-ended investment fund* or an *open-ended investment company*.



## 14.2 Requirements for listing

### Incorporation

- 14.2.1 **R** An *applicant* (other than an *overseas public sector issuer*) must be an *overseas company*.

### Shares in public hands

- 14.2.2 **R**
- (1) Where an *applicant* is applying for the *admission* of a *class* of *equity shares* to *listing* in the *equity shares (international commercial companies secondary listing)* category, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public.
  - (2) For the purposes of paragraph (1):
    - (a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* for which application for *admission* has been made are in public hands; and
    - (b) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.
  - (3) For the purposes of paragraphs (1) and (2), *shares* are not held in public hands if they are:
    - (a) held, directly or indirectly, by:
      - (i) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
      - (ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
      - (iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
      - (iv) any *person* who, under any agreement, has a right to nominate a *person* to the board of *directors* of the *applicant*; or
      - (v) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant *class*; or
    - (b) subject to a lock-up period of more than 180 days.

14.2.3 **G** When calculating the number of *shares* for the purposes of **■ UKLR 14.2.2R(3)(a)(v)**, holdings of *investment managers* in the same *group* will be disregarded where:

- (1) investment decisions are made independently by the individual in control of the relevant fund; and
- (2) those decisions are unfettered by the *group* to which the *investment manager* belongs.

#### Place of central management and control

14.2.4 **R** An *applicant's* place of central management and control must be situated in:

- (1) its country of incorporation; or
- (2) the country of its *qualifying home listing*.

14.2.5 **G** The *FCA* may dispense with or modify **■ UKLR 14.2.4R** where an *applicant's* place of central management and control is not situated in:

- (1) its country of incorporation; or
- (2) the country of its *qualifying home listing*,

including in circumstances where the *FCA* is satisfied that the issuer's operational and governance arrangements are not intended to reduce, and do not have the effect of reducing, the *FCA's* ability to monitor an *issuer's* compliance with the *listing rules*, the *disclosure requirements*, *transparency rules* and *corporate governance rules*, as applicable.

#### Qualifying home listing

14.2.6 **R** To be *listed*, *equity shares* must:

- (1) have a *qualifying home listing*;
- (2) be capable of being traded on the market of the *qualifying home listing*; and

be in the same *class* as the *equity shares* admitted to trading pursuant to the *qualifying home listing*.

14.2.7 **G** The *FCA* may require written confirmation from the board that the *applicant* is compliant, and has at all times complied, with the applicable rules of the market of the *applicant's* *qualifying home listing*.

14.2.8 **R** The *FCA* will not admit *equity shares* to the *equity shares (international commercial companies secondary listing)* category that are not listed either in the *applicant's* country of incorporation or in the country in which a

majority of the *applicant's equity shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

14.2.9

**G**

If an *applicant's qualifying home listing* is not in its country of incorporation, the *FCA* may require an explanation of the reasons for establishing that listing elsewhere.

## 14.3 Requirements with continuing application

### Continuing obligations

- 14.3.1 **R** A *listed company* must comply with ■ UKLR 3.2.3R, ■ UKLR 14.2.1R, ■ UKLR 14.2.2R, ■ UKLR 14.2.4R and ■ UKLR 14.2.6R at all times.
- 14.3.2 **R** A *listed company* must comply with the applicable rules of the market of its *qualifying home listing* at all times.
- 14.3.3 **R** A *listed company* must notify the *FCA* as soon as possible if it no longer complies with the continuing obligations set out in ■ UKLR 14.3.1R or ■ UKLR 14.3.2R.

### Suspension or cancellation of qualifying home listing

- 14.3.4 **R** A *listed company* must notify the *FCA* as early as possible if its *qualifying home listing* has been suspended, cancelled or restored to discuss whether a suspension, cancellation or restoration of *listing* under ■ UKLR 21 is appropriate.

### Further issues

- 14.3.5 **R** Where *shares* of the same *class* as *equity shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one year of the allotment.

### Copies of documents

- 14.3.6 **R** A *listed company* must forward to the *FCA*, for publication, by uploading to the *national storage mechanism*, a copy of:
- (1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and
  - (2) all resolutions passed by the *company*, other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.
- 14.3.7 **R** (1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under ■ UKLR 14.3.6R unless the full text of the document is provided to the *RIS*.

- (2) A notification made under (1) must set out where copies of the relevant document can be obtained.

**First point of contact details**

14.3.8

**R**

A *listed company* must ensure that the *FCA* is provided with up-to-date contact details of at least one appropriate *person* nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules*, the *disclosure requirements* and the *transparency rules*, as applicable.

**Temporary documents of title (including renounceable documents)**

14.3.9

**R**

A *listed company* must ensure that any temporary document of title (other than one issued in global form) for a *share*:

- (1) is serially numbered;
- (2) states, where applicable:
- (a) the name and address of the first holder and the names of joint holders (if any);
  - (b) the pro rata entitlement;
  - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
  - (d) how the *shares* rank for dividend or interest;
  - (e) the nature of the document of title and the proposed date of issue;
  - (f) how fractions (if any) are to be treated; and
  - (g) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with **UKLR 9.4.6R**, in which the *offer* may be accepted, and how *shares* not taken up will be dealt with; and
- (3) if renounceable:
- (a) states in a heading that the document is of value and negotiable;
  - (b) advises holders of *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 *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;
  - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
  - (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
  - (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and

- (g) if, at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

#### Definitive documents of title

14.3.10 **R** A *listed company* must ensure that any definitive document of title for a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (6)):

- (1) the authority under which the *company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *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 *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 *share* is transferable;
- (5) the date of the certificate; and
- (6) for 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.

#### Disclosure requirements and transparency rules

14.3.11 **G** A *listed company* whose *shares* are admitted to trading on a *regulated market* should consider its obligations under the *disclosure requirements* and the *transparency rules*.

#### Disclosure of rights attached to shares

14.3.12 **R** Unless exempted in **UKLR 14.3.15R**, a *listed company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed shares*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed shares* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed shares*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights,produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *listed*

*company* been required to produce a *prospectus* for those *listed shares*; and

- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
  - (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*.

**14.3.13** **R** The documents in **■ UKLR 14.3.12R** must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

**14.3.14** **G** The purpose of **■ UKLR 14.3.12R** is to require *companies* to maintain publicly available information in relation to the rights attached to their *listed shares* so that investors can access such information.

**14.3.15** **R** A *listed company* is exempt from **■ UKLR 14.3.12R** where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in **■ UKLR 14.3.12R(1)**;
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in **■ UKLR 14.3.12R(1)**; or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

### Registrar

**14.3.16** **R** A *listed company* must appoint a registrar in the *United Kingdom* if:

- (1) there are 200 or more holders resident in the *United Kingdom*; or
- (2) 10% or more of the *shares* are held by *persons* resident in the *United Kingdom*.

### Notifications relating to capital

- 14.3.17 **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:
- (1) any proposed change in its capital structure, including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
  - (2) any redemption of *listed shares*, including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;
  - (3) any extension of time granted for the currency of temporary documents of title; and
  - (4) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

- 14.3.18 **R** Where the *shares* are subject to an underwriting agreement, a *listed company* may, at its discretion and subject to the *disclosure requirements* and contents of **R** DTR 2, delay notifying a *RIS* as required by **R** UKLR 14.3.17R(4) for up to 2 *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

### Compliance with the transparency rules and corporate governance rules

- 14.3.19 **G** A *listed company* whose *securities* are admitted to trading on a *regulated market* should consider its obligations under **R** DTR 4 (Periodic Financial Reporting), **R** DTR 5 (Vote Holder and Issuer Notification Rules) and **R** DTR 6 (Continuing obligations and access to information).
- 14.3.20 **R** A *listed company* that is not already required to comply with the *transparency rules* must comply with **R** DTR 4, **R** DTR 5 and **R** DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.
- 14.3.21 **R** A *listed company* that is not already required to comply with **R** DTR 7.2 (Corporate governance statements) must comply with **R** DTR 7.2 as if it were an *issuer* to which that section applies.
- 14.3.22 **R** A *listed company* that is not already required to comply with **R** DTR 7.3 (Related party transactions) must comply with **R** DTR 7.3 as if it were an *issuer* to which **R** DTR 7.3 applies, subject to the modifications set out in **R** UKLR 14.3.23R.
- 14.3.23 **R** For the purposes of **R** UKLR 14.3.22R, **R** DTR 7.3 is modified as follows:
- (1) **R** DTR 7.3.2R must be read as if the words ‘has the meaning in *UK-adopted IFRS*’ are replaced as follows:



'has the meaning:

- (1) in *UK-adopted IFRS*; or
- (2) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*:
  - (a) in *UK-adopted IFRS*; or
  - (b) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared,at the choice of the *listed company*.'

- (2) ■ DTR 7.3.8R(2) and ■ (3) do not apply.
- (3) ■ DTR 7.3.9R must be read as follows:
  - (a) as if the words 'after obtaining board approval' are replaced by 'after publishing an announcement in accordance with ■ DTR 7.3.8R(1)'; and
  - (b) the reference to ■ DTR 7.3.8R must be read as a reference to ■ DTR 7.3.8R as modified by ■ UKLR 14.3.23R(2).
- (4) In ■ DTR 7.3.13R, the references to ■ DTR 7.3.8R must be read as references to ■ DTR 7.3.8R as modified by ■ UKLR 14.3.23R(2).

### Information to be included in annual report and accounts

14.3.24

**R**

In addition to the requirements set out in ■ DTR 4.1, a *listed company* must include a statement in its annual financial report, setting out:

- (1) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;
- (2) in cases where the *listed company* has:
  - (a) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:
    - (i) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
    - (ii) a description of that document and where it can be found; and
    - (iii) the reasons for including the relevant disclosures in that document and not in the annual financial report; or
  - (b) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (a):
    - (i) the recommendations and/or recommended disclosures for which it has not included such disclosures;

- (ii) the reasons for not including such disclosures; and
- (iii) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and

(3) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (1) can be found.

**14.3.25** G For the purposes of ■ UKLR 14.3.24R, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the *TCFD Annex* entitled 'Guidance for All Sectors';
- (2) (where appropriate) Section D of the *TCFD Annex* entitled 'Supplemental Guidance for the Financial Sector'; and
- (3) (where appropriate) Section E of the *TCFD Annex* entitled 'Supplemental Guidance for Non-Financial Groups'.

**14.3.26** G For the purposes of ■ UKLR 14.3.24R, in determining whether a *listed company's* climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, the FCA considers that the following documents are relevant:

- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in ■ UKLR 14.3.24R and ■ UKLR 14.3.25G;
- (2) the *TCFD Technical Supplement on the Use of Scenario Analysis*;
- (3) the *TCFD Guidance on Risk Management Integration and Disclosure*;
- (4) (where appropriate) the *TCFD Guidance on Scenario Analysis for Non-Financial Companies*; and
- (5) the *TCFD Guidance on Metrics, Targets and Transition Plans*.

**14.3.27** G For the purposes of ■ UKLR 14.3.24R, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should consider whether those disclosures provide sufficient detail to enable users to assess the *listed company's* exposure to and approach to addressing climate-related issues.

A *listed company* should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

noting that these factors may relate to the nature, size and complexity of the *listed company's* business.

- 14.3.28 **G**
- (1) For the purposes of **■ UKLR 14.3.24R**, the *FCA* would ordinarily expect a *listed company* to be able to make climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.
  - (2) In particular, the *FCA* would expect that a *listed company* should ordinarily be able to make disclosures consistent with:
    - (a) the recommendation and recommended disclosures on governance in the *TCFD Recommendations and Recommended Disclosures*;
    - (b) the recommendation and recommended disclosures on risk management in the *TCFD Recommendations and Recommended Disclosures*; and
    - (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the *TCFD Recommendations and Recommended Disclosures*, to the extent that the *listed company* does not face the transitional challenges referred to in (1) in relation to such disclosures.

- 14.3.29 **G**
- Where making disclosures on transition plans as part of its disclosures on strategy under the *TCFD Recommendations and Recommended Disclosures*, a *listed company* that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the *UK's* commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered this commitment in developing and disclosing its transition plan, the *FCA* encourages a *listed company* to explain why it has not done so.

- 14.3.30 **R**
- In addition to the requirements set out in **■ DTR 4.1**, a *listed company* must include in its annual financial report:
- (1) a statement setting out:
    - (a) whether the *listed company* has met the following targets on board diversity as at a chosen reference date within its accounting period:
      - (i) at least 40% of the individuals on its board of *directors* are women;
      - (ii) at least one of the following senior positions on its board of *directors* is held by a woman:
        - (A) the chair;
        - (B) the chief executive;
        - (C) the senior independent director; or
        - (D) the chief financial officer; and

- (iii) at least one individual on its board of *directors* is from a *minority ethnic background*;
  - (b) in cases where the *listed company* has not met all of the targets in (a):
    - (i) the targets it has not met; and
    - (ii) the reasons for not meeting those targets;
  - (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
  - (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected the *listed company's* ability to meet one or more of the targets in (a);
- (2) subject to ■ UKLR 14.3.31R, numerical data on the ethnic background and the gender identity or sex of the individuals on the *listed company's* board and in its *executive management* as at the reference date used for the purposes of ■ UKLR 14.3.30R(1)(a), which should be set out in the format of the tables contained in ■ UKLR 14 Annex 1 and contain the information prescribed by those tables; and
- (3) an explanation of the *listed company's* approach to collecting the data used for the purposes of making the disclosures in ■ UKLR 14.3.30R(1) and ■ (2).

**14.3.31** **R** In relation to ■ UKLR 14.3.30R(2), where individuals on a *listed company's* board or in its *executive management* are situated *overseas*, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, a *listed company* may instead explain the extent to which it is unable to make the relevant disclosures.

**14.3.32** **G** Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of ■ UKLR 14.3.30R(2), a *listed company* may add to the categories included in the first column of the table in ■ UKLR 14 Annex 1R(1) in order to reflect the basis on which it has collected data.

**14.3.33** **G** In relation to ■ UKLR 14.3.30R(3), the *FCA* expects a *listed company's* approach to data collection to be:

- (1) consistent for the purposes of reporting under both ■ UKLR 14.3.30R(1) and ■ (2); and
- (2) consistent across all individuals in relation to whom data is being reported.

The *FCA* expects the explanation of a *listed company's* approach to data collection to include the method of collection and/or source of the data and,

where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked.

**14.3.34**

**G**

In addition to the information required under ■ UKLR 14.3.30R(1) to ■ (3) (and without prejudice to the requirements of ■ DTR 7.2.8AR), a *listed company* may, if it wishes to do so, include the following in its annual financial report:

- (1) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and *executive management*;
- (2) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country in which its main operations are located); and
- (3) any risks it foresees in being able to meet or continue to meet the board diversity targets in ■ UKLR 14.3.30R(1)(a) in the next accounting period, or any plans to improve the diversity of its board.

## 14.4 Reverse takeovers

### Cancellation of listing

- 14.4.1 **G** If a *listed company* is proposing to enter into a transaction classified as a *reverse takeover* it should consider ■ UKLR 21.2.2G and ■ UKLR 21.2.5G.
- 14.4.2 **G** Where a *listed company* completes a *reverse takeover*, the *FCA* will seek to cancel the *listing* of a *listed company's equity shares* unless the *FCA* is satisfied that circumstances exist such that cancellation is not required. The *FCA* will have regard to ■ UKLR 21.2.1R and the individual circumstances of the case.
- 14.4.3 **R** Where the *listed company's listing* is cancelled following completion of a *reverse takeover*, the *issuer* must re-apply for the *listing* of the *equity shares*.
- 14.4.4 **R** A *listed company* or, where a *sponsor* has been appointed in accordance with ■ UKLR 4.2.2R, a *sponsor* on behalf of a *listed company* must contact the *FCA* as early as possible:
- (1) before a *reverse takeover* which has been agreed or is in contemplation is announced; or
  - (2) where details of the *reverse takeover* have leaked,
- to discuss whether a cancellation of *listing* is appropriate on completion of the *reverse takeover*.
- 14.4.5 **G** ■ UKLR 14.4.6G to ■ UKLR 14.4.8G set out circumstances in which the *FCA* will generally be satisfied that a cancellation is not required.

### Acquisitions of targets within the same listing category (listed company maintaining its listing category)

- 14.4.6 **G** Where:
- (1) a *listed company* acquires the *equity shares* of a *target*;
  - (2) those *equity shares* are also *listed* in the *equity shares (international commercial companies secondary listing)* category; and

- (3) the *listed company* wishes to maintain its *listing of equity shares* in the *equity shares (international commercial companies secondary listing)* category,

the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover*.

#### Acquisitions of targets from different listing categories (listed company maintaining its listing category)

14.4.7

G

Where a *listed company* acquires the *equity shares* of a *target* with a different *listing category* from its own and the *listed company* wishes to maintain its *listing* in the *equity shares (international commercial companies secondary listing)* category, the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *listed company* will continue to be eligible for the *equity shares (international commercial companies secondary listing)* category following completion of the transaction;
- (2) a *listed company* provides an eligibility letter to the *FCA* setting out how the *listed company* as enlarged by the acquisition satisfies each *listing rule* requirement that is relevant to it being eligible for the *equity shares (international commercial companies secondary listing)* category not less than 20 *business days* prior to the announcement of the *reverse takeover*; and
- (3) the *listed company* makes an announcement explaining:
  - (a) the background and reasons for the acquisition;
  - (b) any changes to the acquiring *listed company's* business that have been made or are proposed to be made in connection with the acquisition;
  - (c) the effect of the transaction on the acquiring *listed company's* obligations under the *listing rules*;
  - (d) how the acquiring *listed company* will continue to meet the relevant requirements for *listing*; and
  - (e) any other matter that the *FCA* may reasonably require.

#### Acquisitions of targets from different listing categories (listed company changing listing category)

14.4.8

G

The *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *target* is *listed* with a different *listing category* from that of the *listed company*;
- (2) the *listed company* wishes to transfer its *listing* to a different *listing category* in conjunction with the acquisition; and
- (3) the *listed company* as enlarged by the relevant acquisition complies with the relevant requirements of ■ UKLR 21.5 to transfer to a different *listing category*.

14.4.9

G

A *listed company* proposing to transfer its *listing* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category should consider its obligation to appoint a *sponsor* under ■ UKLR 4.2.2R.



## Data on the diversity of the individuals on a listed company's board and in its executive management

The following tables set out the information a *listed company* must include in its annual financial report under ■ UKLR 14.3.30R(2), and the format in which it must be set out.

(1) (1) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					

[Note: The placeholder for 'Other categories' is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with UKLR 14.3.32G.]

(2) (2) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)					
Mixed/ Multiple ethnic groups					
Asian/Asian British					
Black/ African/ Caribbean/ Black British					

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
<b>Other ethnic group</b>					
<b>Not specified/ prefer not to say</b>					

## Chapter 15

# Certificates representing certain securities (depository receipts): requirements for listing and continuing obligations

## 15.1 Application

### 15.1.1

**R**

- (1) This chapter applies in respect of a *listing of certificates representing certain securities*, where the certificate represents a *share* in an *overseas company*.
- (2) The chapter applies to:
  - (a) a *depository*; and
  - (b) an *issuer* of the *shares* which are represented by certificates.



## 15.2 Requirements for listing

### Issuer of shares is taken to be the issuer

- 15.2.1 **R** If an application is made for the *admission of certificates representing certain securities*, the *issuer* of the *shares* which the certificates represent is the *issuer* for the purpose of the *listing rules* and the application will be dealt with as if it were an application for the *admission* of the *shares*.

### Certificates representing certain securities

- 15.2.2 **R** For *certificates representing certain securities* to be *admitted to listing*, an *issuer* of the *shares* which the certificates represent must comply with ■ UKLR 15.2.3R to ■ UKLR 15.2.7G.

- 15.2.3 **R** An *issuer* must be:
- (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
  - (2) operating in conformity with its *constitution*.

- 15.2.4 **R** For the certificates to be *listed*, the *shares* which the certificates represent must:
- (1) conform with the law of the *issuer's* place of incorporation;
  - (2) be duly authorised according to the requirements of the *issuer's constitution*; and
  - (3) have any necessary statutory or other consents.

- 15.2.5 **R**
- (1) For the certificates to be *listed*, the *shares* which the certificates represent must be freely transferable.
  - (2) For the certificates to be *listed*, the *shares* which the certificates represent must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

15.2.6 **G** The FCA may modify **■** UKLR 15.2.5R to allow partly paid *shares* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the *shares* to take place on an open and proper basis.

15.2.7 **G** The FCA may, in exceptional circumstances, modify or dispense with **■** UKLR 15.2.5R where the *issuer* has the power to disapprove the transfer of *shares* if the FCA is satisfied that this power would not disturb the market in those *shares*.

### Admission to trading on overseas market

15.2.8 **R** For the certificates to be *listed*, the *shares* which the certificates represent must be admitted to trading on an *overseas* regulated, regularly operating, recognised open market.

### Certificates in public hands

15.2.9 **R** (1) If an application is made for the *admission* of a *class* of certificates representing *shares*, a sufficient number of certificates must, no later than the time of *admission*, be distributed to the public.

(2) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 10% of the certificates for which application for *admission* has been made are in public hands.

(3) For the purposes of paragraphs (1) and (2), certificates are not held in public hands if they are:

(a) held, directly or indirectly, by:

(i) a *director* of the *applicant* or of any of its *subsidiary undertakings*;

(ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;

(iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;

(iv) any *person* who, under any agreement, has a right to nominate a *person* to the board of *directors* of the *applicant*; or

(v) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the certificates of the relevant *class*; or

(b) subject to a lock-up period of more than 180 calendar days.

15.2.10 **G** When calculating the number of certificates for the purposes of **■** UKLR 15.2.9R(3)(a)(v), holdings of *investment managers* in the same *group* will be disregarded where:

(1) investment decisions are made independently by the individual in control of the relevant fund; and

(2) those decisions are unfettered by the *group* to which the *investment manager* belongs.

**Certificates representing securities of an investment entity**

15.2.11 **R** Certificates representing *equity securities* of an *investment entity* will be *admitted to listing* only if the *equity securities* they represent are already *listed* or are the subject of an application for *listing* at the same time.

**Additional requirements for the certificates**

15.2.12 **R** To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in ■ UKLR 3.2.2R to ■ UKLR 3.2.11R. For this purpose, in those *rules*, references to *securities* are to be read as references to the *certificates representing certain securities* for which application for *listing* is made.

15.2.13 **R** To be *listed*, the *certificates representing certain securities* must not impose obligations on the *depository* that issues the certificates except to the extent necessary to protect the certificate holders' rights to, and the transmission of entitlements of, the *shares*.

**Additional requirements for a depository**

15.2.14 **R** A *depository* that issues *certificates representing certain securities* must maintain adequate arrangements to safeguard certificate holders' rights to the *shares* to which the certificates relate, and to all rights relating to the *shares* and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the *issuer* of the certificates.

## 15.3 Continuing obligations

- 15.3.1** **R** An *issuer* of the *equity shares* which the certificates represent must comply with:
- (1) the requirements of this section (■ UKLR 15.3);
  - (2) ■ UKLR 3.2.3R, ■ UKLR 15.2.8R and ■ UKLR 15.2.9R at all times;
  - (3) the continuing obligations set out in ■ UKLR 14.3 (Requirements with continuing application) (other than in ■ UKLR 14.3.1R to ■ UKLR 14.3.4R, ■ UKLR 14.3.16R, ■ UKLR 14.3.22R and ■ UKLR 14.3.23R); and
  - (4) the obligations in articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

- 15.3.2** **R** For the purposes of ■ UKLR 15.3.1R(3):
- (1) a reference to complying with the obligations in ■ UKLR 14.3 is to be read as a reference to complying with those obligations in respect of the certificates; and
  - (2) references to *listed shares* in ■ UKLR 14.3.12R to ■ UKLR 14.3.15R must be read as references to:
    - (a) *listed certificates* representing the *equity shares*; and
    - (b) the *equity shares* which the *listed certificates* represent.

### Annual accounts

- 15.3.3** **R**
- (1) An *issuer* of the *equity shares* which the certificates represent must publish its annual report and annual accounts as soon as possible after they have been approved.
  - (2) An *issuer* of the *equity shares* which the certificates represent must approve and publish its annual report and accounts within 6 months of the end of the financial period to which they relate.

The annual report and accounts must:

- (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *UK-adopted IFRS*; and



- (b) have been independently audited and reported on, in accordance with:
  - (i) the auditing standards applicable in the *United Kingdom*; or
  - (ii) an equivalent auditing standard.

#### Change of depository

- 15.3.4 **R** Prior to any change of the *depository of certificates representing certain securities*, the new *depository* must satisfy the *FCA* that it meets the requirements of **UKLR 15.2.12R** to **UKLR 15.2.14R**.

#### Notification of change of depository

- 15.3.5 **R**
- (1) An *issuer of shares* represented by *listed certificates representing certain securities* must notify a *RIS* of any change of *depository*.
  - (2) The notification required by paragraph (1) must be made as soon as possible, and in any event by 7.30am on the *business day* following the change of *depository*, and contain the following information:
    - (a) the name, registered office and principal administrative establishment, if different from the registered office of the *depository*;
    - (b) the date of incorporation and length of life of the *depository*, except where indefinite;
    - (c) the legislation under which the *depository* operates and the legal form which it has adopted under the legislation; and
    - (d) any changes to the information regarding the *certificates representing certain securities*.

#### Documents of title

- 15.3.6 **R** An *issuer* must comply with the requirements in **UKLR 9.4.18R** (Temporary documents of title (including renounceable documents)) and **UKLR 9.4.19R** (Definitive documents of title) so far as relevant to *certificates representing equity securities*.

#### Compliance with transparency rules

- 15.3.7 **G** An *issuer* whose *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) and **DTR 6** (Continuing obligations and access to information).
- 15.3.8 **G** 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*.

## 15.4 Reverse takeovers

### 15.4.1

**R**

■ UKLR 14.4 (Reverse takeovers) applies to an *issuer* of the *shares* which the certificates represent.

## Chapter 16

# Non-equity shares and non-voting equity shares: requirements for listing and continuing obligations

## 16.1 Application

### 16.1.1

**R**

- (1) This chapter applies to a *company* with, or applying for, a *listing* of:
- (a) *non-equity shares*; and
  - (b) *non-voting equity shares*.
- (2) Paragraph (1) does not include:
- (a) *non-voting equity shares* issued by a *company* that is a *closed-ended investment fund* unless it has a *listing of equity shares* in the *closed-ended investment funds* category;
  - (b) *non-voting equity shares* issued by an *open-ended investment company*;
  - (c) *non-equity shares* and *non-voting equity shares* issued by a *company* that is an *investment entity* but not a *closed-ended investment fund* or an *open-ended investment company*; and
  - (d) *preference shares* that are *specialist securities*.

## 16.2 Requirements for listing

### Shares in public hands

16.2.1

**R**

- (1) Where an *applicant* is applying for the *admission* of a *class* of *shares* to *listing* in the *non-equity shares* and *non-voting equity shares* category, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public.
- (2) For the purposes of paragraph (1):
  - (a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* for which application for *admission* has been made are in public hands; and
  - (b) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.
- (3) For the purposes of paragraphs (1) and (2), *shares* are not held in public hands if they are
  - (a) held, directly or indirectly, by:
    - (i) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
    - (ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
    - (iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
    - (iv) any *person* who, under any agreement, has a right to nominate a *person* to the board of *directors* of the *applicant*; or
    - (v) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant *class*; or
  - (a) subject to a lock-up period of more than 180 days.

16.2.2

**G**

When calculating the number of *shares* for the purposes of **UKLR 16.2.1R(3)(a)(v)**, holdings of *investment managers* in the same *group* will be disregarded where:

- (1) investment decisions are made independently by the individual in control of the relevant fund; and

(2) those decisions are unfettered by the *group* to which the *investment manager* belongs.

**Shares of a third country company**.....

16.2.3

**R**

The *FCA* will not admit *shares* of a *company* incorporated in a *third country* 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 *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

## 16.3 Continuing obligations

### Admission to trading

16.3.1 **R** A listed company must comply with ■ UKLR 3.2.3R at all times.

### Shares in public hands

16.3.2 **R** (1) A listed company must comply with ■ UKLR 16.2.1R at all times.

(2) A listed company that no longer complies with ■ UKLR 16.2.1R must notify the FCA as soon as possible of its non-compliance.

16.3.3 **G** A listed company should consider ■ UKLR 21.2.2G(2) in relation to its compliance with ■ UKLR 16.2.1R.

### Further issues

16.3.4 **R** Where *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one year of the allotment.

### Copies of documents

16.3.5 **R** A listed company must forward to the FCA, for publication, by uploading to the *national storage mechanism*, a copy of:

(1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and

(2) all resolutions passed by the *company*, other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

16.3.6 **R** (1) A listed company must notify a *RIS* as soon as possible when a document has been forwarded to the FCA under ■ UKLR 16.3.5R unless the full text of the document is provided to the *RIS*.

(2) A notification made under (1) must set out where copies of the relevant document can be obtained.

**First point of contact details**

- 16.3.7 **R** A *listed company* must ensure that the *FCA* is provided with up-to-date contact details of at least one appropriate *person* nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules*, the *disclosure requirements* and the *transparency rules*, as applicable.

**Temporary documents of title (including renounceable documents)**

- 16.3.8 **R** A *listed company* must ensure that any temporary document of title (other than one issued in global form) for a *share*:
- (1) is serially numbered;
  - (2) states, where applicable:
    - (a) the name and address of the first holder and the names of joint holders (if any);
    - (b) the pro rata entitlement;
    - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
    - (d) how the *shares* rank for dividend or interest;
    - (e) the nature of the document of title and the proposed date of issue;
    - (f) how fractions (if any) are to be treated; and
    - (g) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with **UKLR 9.4.6R**, in which the *offer* may be accepted, and how *shares* not taken up will be dealt with; and
  - (3) if renounceable:
    - (a) states in a heading that the document is of value and negotiable;
    - (b) advises holders of *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 *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;
    - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
    - (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
    - (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
    - (g) if, at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.



**Definitive documents of title**

16.3.9

**R**

A *listed company* must ensure that any definitive document of title for a *share* (other than a *bearer security*) includes the following matters on its face (or on the reverse in the case of (6) and (7)):

- (1) the authority under which the *company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *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 *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 *share* is transferable;
- (5) the date of the certificate;
- (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
- (7) for *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.

**Disclosure requirements and transparency rules**

16.3.10

**G**

A *listed company* whose *shares* are admitted to trading on a *regulated market* should consider its obligations under the *disclosure requirements* and the *transparency rules*.

**Disclosure of rights attached to shares**

16.3.11

**R**

Unless exempted in ■ UKLR 16.3.14R, a *listed company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed shares*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed shares* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed shares*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights,produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *listed company* been required to produce a *prospectus* for those *listed shares*; and

- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
- (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*.

16.3.12 **R** The documents in ■ UKLR 16.3.11R must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

16.3.13 **G** The purpose of ■ UKLR 16.3.11R is to require *companies* to maintain publicly available information in relation to the rights attached to their *listed shares* so that investors can access such information.

16.3.14 **R** A *listed company* is exempt from ■ UKLR 16.3.11R where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ UKLR 16.3.11R(1);
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in ■ UKLR 16.3.11R(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

### Registrar

16.3.15 **R** An *overseas company* must appoint a registrar in the *United Kingdom* if:

- (1) there are 200 or more holders resident in the *United Kingdom*; or
- (2) 10% or more of the *shares* are held by *persons* resident in the *United Kingdom*.

**Notifications relating to capital**

- 16.3.16** **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:
- (1) any proposed change in its capital structure, including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
  - (2) any redemption of *listed shares*, including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;
  - (3) any extension of time granted for the currency of temporary documents of title; and
  - (4) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

- 16.3.17** **R** Where the *shares* are subject to an underwriting agreement, a *listed company* may, at its discretion and subject to the *disclosure requirements* and contents of **DTR 2**, delay notifying a *RIS* as required by **UKLR 16.3.16R(4)** for up to 2 *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

**Compliance with the transparency rules and corporate governance rules**

- 16.3.18** **G** A *listed company* whose *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) and **DTR 6** (Continuing obligations and access to information).
- 16.3.19** **R** A *listed company* that is not already required to comply with the *transparency rules* must comply with **DTR 4**, **DTR 5** and **DTR 6** as if it were an *issuer* for the purposes of the *transparency rules*.
- 16.3.20** **R** A *listed company* that is not already required to comply with **DTR 7.2** (Corporate governance statements) must comply with **DTR 7.2** as if it were an *issuer* to which that section applies.
- 16.3.21** **R** A *listed company* with a *listing of non-voting equity shares* that is not already required to comply with **DTR 7.3** (Related party transactions) must comply with **DTR 7.3** as if it were an *issuer* to which **DTR 7.3** applies, subject to the modifications set out in **UKLR 16.3.22R**.
- 16.3.22** **R** For the purposes of **UKLR 16.3.21R**, **DTR 7.3** is modified as follows:
- (1) **DTR 7.3.2R** must be read as if the words 'has the meaning in *UK-adopted IFRS*' are replaced as follows:

'has the meaning:

- (1) in *UK-adopted IFRS*; or
- (2) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*:
  - (a) in *UK-adopted IFRS*; or
  - (b) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared,
 at the choice of the listed company.'

(2) ■ DTR 7.3.8R(2) and ■ (3) do not apply.

(3) ■ DTR 7.3.9R must be read as follows:

- (a) as if the words 'after obtaining board approval' are replaced by 'after publishing an announcement in accordance with ■ DTR 7.3.8R(1)'; and
- (b) the reference to ■ DTR 7.3.8R must be read as a reference to ■ DTR 7.3.8R as modified by ■ UKLR 16.3.22R(2).

(4) In ■ DTR 7.3.13R, the references to ■ DTR 7.3.8R must be read as references to ■ DTR 7.3.8R as modified by ■ UKLR 16.3.22R(2).

### Information to be included in annual report and accounts

16.3.23

**R**

In addition to the requirements set out in ■ DTR 4.1, a *listed company* (other than an *investment entity* or a *shell company*) must include a statement in its annual financial report, setting out:

- (1) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;
- (2) in cases where the *listed company* has:
  - (a) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:
    - (i) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
    - (ii) a description of that document and where it can be found; and
    - (iii) the reasons for including the relevant disclosures in that document and not in the annual financial report; or
  - (b) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (a):
    - (i) the recommendations and/or recommended disclosures for which it has not included such disclosures;

- (ii) the reasons for not including such disclosures; and
- (iii) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and

(3) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (1) can be found.

**16.3.24** **G** For the purposes of **UKLR 16.3.23R**, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the *TCFD Annex* entitled 'Guidance for All Sectors';
- (2) (where appropriate) Section D of the *TCFD Annex* entitled 'Supplemental Guidance for the Financial Sector'; and
- (3) (where appropriate) Section E of the *TCFD Annex* entitled 'Supplemental Guidance for Non-Financial Groups'.

**16.3.25** **G** For the purposes of **UKLR 16.3.23R**, in determining whether a *listed company's* climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, the *FCA* considers that the following documents are relevant:

- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in **UKLR 16.3.23R** and **UKLR 16.3.24G**;
- (2) the *TCFD Technical Supplement on the Use of Scenario Analysis*;
- (3) the *TCFD Guidance on Risk Management Integration and Disclosure*;
- (4) (where appropriate) the *TCFD Guidance on Scenario Analysis for Non-Financial Companies*; and
- (5) the *TCFD Guidance on Metrics, Targets and Transition Plans*.

**16.3.26** **G** For the purposes of **UKLR 16.3.23R**, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should consider whether those disclosures provide sufficient detail to enable users to assess the *listed company's* exposure to and approach to addressing climate-related issues.

A *listed company* should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

noting that these factors may relate to the nature, size and complexity of the *listed company's* business.

- 16.3.27** **G** (1) For the purposes of **■ UKLR 16.3.23R**, the *FCA* would ordinarily expect a *listed company* to be able to make climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.
- (2) In particular, the *FCA* would expect that a *listed company* should ordinarily be able to make disclosures consistent with:
- (a) the recommendation and recommended disclosures on governance in the *TCFD Recommendations and Recommended Disclosures*;
  - (b) the recommendation and recommended disclosures on risk management in the *TCFD Recommendations and Recommended Disclosures*; and
  - (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the *TCFD Recommendations and Recommended Disclosures*, to the extent that the *listed company* does not face the transitional challenges referred to in (1) in relation to such disclosures.

**16.3.28** **G** Where making disclosures on transition plans as part of its disclosures on strategy under the *TCFD Recommendations and Recommended Disclosures*, a *listed company* that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the *UK's* commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered this commitment in developing and disclosing its transition plan, the *FCA* encourages a *listed company* to explain why it has not done so.

**16.3.29** **R** In addition to the requirements set out in **■ DTR 4.1**, a *company* with a *listing of non-voting equity shares* (other than a *shell company*) must include in its annual financial report:

- (1) a statement setting out:
- (a) whether the *listed company* has met the following targets on board diversity as at a chosen reference date within its accounting period:
    - (i) at least 40% of the individuals on its board of *directors* are women;
    - (ii) at least one of the following senior positions on its board of *directors* is held by a woman:
      - (A) the chair;
      - (B) the chief executive;
      - (C) the senior independent director; or
      - (D) the chief financial officer; and

- (iii) at least one individual on its board of *directors* is from a *minority ethnic background*;
  - (b) in cases where the *listed company* has not met all of the targets in (a):
    - (i) the targets it has not met; and
    - (ii) the reasons for not meeting those targets;
  - (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
  - (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected the *listed company's* ability to meet one or more of the targets in (a);
- (2) subject to ■ UKLR 16.3.30R, numerical data on the ethnic background and the gender identity or sex of the individuals on the *listed company's* board and in its *executive management* as at the reference date used for the purposes of ■ UKLR 16.3.29R(1)(a), which should be set out in the format of the tables contained in ■ UKLR 16 Annex 1 and contain the information prescribed by those tables; and
- (3) an explanation of the *listed company's* approach to collecting the data used for the purposes of making the disclosures in ■ UKLR 16.3.29R(1) and ■ (2).

**16.3.30** **R** In relation to ■ UKLR 16.3.29R(2), where individuals on a *listed company's* board or in its *executive management* are situated *overseas*, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, a *listed company* may instead explain the extent to which it is unable to make the relevant disclosures.

**16.3.31** **G** Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of ■ UKLR 16.3.29R(2), a *listed company* may add to the categories included in the first column of the table in ■ UKLR 16 Annex 1R(1) in order to reflect the basis on which it has collected data.

**16.3.32** **G** In relation to ■ UKLR 16.3.29R(3), the *FCA* expects a *listed company's* approach to data collection to be:

- (1) consistent for the purposes of reporting under both ■ UKLR 16.3.29R(1) and ■ (2); and
- (2) consistent across all individuals in relation to whom data is being reported.

The *FCA* expects the explanation of a *listed company's* approach to data collection to include the method of collection and/or source of the data and,

where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked.

**16.3.33** **G** In addition to the information required under ■ UKLR 16.3.29R(1) to ■ (3) (and without prejudice to the requirements of ■ DTR 7.2.8AR), a *listed company* may, if it wishes to do so, include the following in its annual financial report:

- (1) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and *executive management*;
- (2) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country in which its main operations are located); and
- (3) any risks it foresees in being able to meet or continue to meet the board diversity targets in ■ UKLR 16.3.29R(1)(a) in the next accounting period, or any plans to improve the diversity of its board.

**16.3.34** **R** When making a statement required by ■ UKLR 16.3.29R(1) in its annual financial report, a *closed-ended investment fund* need not set out the following matters if they are inapplicable to the *closed-ended investment fund* and its statement sets out the reasons why those matters are inapplicable:

- (1) whether the *closed-ended investment fund* has met the board diversity target in ■ UKLR 16.3.29R(1)(a)(ii); and
- (2) matters set out in ■ UKLR 16.3.29R(1)(b) to the extent that they relate to the board diversity target in ■ UKLR 16.3.29R(1)(a)(ii).

**16.3.35** **R** When including numerical data required by ■ UKLR 16.3.29R(2) in its annual financial report, a *closed-ended investment fund* need not include the fields in the first row of each of the tables in ■ UKLR 16 Annex 1, and the corresponding data for those fields, that are inapplicable to the *closed-ended investment fund*, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable.



## 16.4 Reverse takeovers

### Cancellation of listing

- 16.4.1 **G** If a *listed company* is proposing to enter into a transaction classified as a *reverse takeover* it should consider ■ UKLR 21.2.2G and ■ UKLR 21.2.5G.
- 16.4.2 **G** Where a *listed company* completes a *reverse takeover*, the *FCA* will seek to cancel the *listing* of a *listed company's shares* unless the *FCA* is satisfied that circumstances exist such that cancellation is not required. The *FCA* will have regard to ■ UKLR 21.2.1R and the individual circumstances of the case.
- 16.4.3 **R** Where the *listed company's listing* is cancelled following completion of a *reverse takeover*, the *issuer* must re-apply for the *listing* of the *shares*.
- 16.4.4 **R** A *listed company* must contact the *FCA* as early as possible:
- (1) before a *reverse takeover* which has been agreed or is in contemplation is announced;
  - (2) where details of the *reverse takeover* have leaked,
- to discuss whether a cancellation of *listing* is appropriate on completion of the *reverse takeover*.



**Data on the diversity of the individuals on a listed company’s board and in its executive management**

The following tables set out the information that a *listed company* must include in its annual financial report under ■ UKLR 16.3.29R(2), and the format in which it must be set out.

(1) (1)Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					

[Note: The placeholder for ‘Other categories’ is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with UKLR 16.3.31G.]

(2) (2)Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)					
Mixed/ multiple ethnic groups					
Asian/Asian British					
Black/ African/ Caribbean/Black British					

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
<b>Other ethnic group</b>					
<b>Not specified/ prefer not to say</b>					

## Chapter 17

# Debt and debt-like securities: continuing obligations

## 17.1 Application

- 17.1.1** **R** This chapter applies to an *issuer* of any of the following types of *securities*:
- (1) *debt securities*;
  - (2) *asset backed securities*;
  - (3) *certificates representing debt securities*; and
  - (4) *specialist securities* of the following types:
    - (a) *convertible securities* which convert to *debt securities*;
    - (b) *convertible securities* which convert to *equity securities*;
    - (c) *convertible securities* which are exchangeable for *securities* of another company; and
    - (d) *preference shares*.
- 17.1.2** **G** An *issuer*, as described in **UKLR 17.1.1R**, includes:
- (1) a *state monopoly*;
  - (2) a *state finance organisation*;
  - (3) a statutory body; and
  - (4) an *OECD state guaranteed issuer*.
- 17.1.3** **G** A state, a regional or local authority or a *public international body* with *listed debt securities* should see **UKLR 17.3** for its continuing obligations.



## 17.2 Requirements with continuing application

### Copies of documents

- 17.2.1 **R**
- (1) An *issuer* must forward to the *FCA*, for publication, a copy of any document required by ■ UKLR 17.2 at the same time the document is issued, by uploading it to the *national storage mechanism*.
  - (2) An *issuer* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under (1) unless the full text of the document is provided to the *RIS*.
  - (3) A notification made under (2) must set out where copies of the relevant document can be obtained.

### Admission to trading

- 17.2.2 **R**
- (1) An *issuer's securities* must be admitted to trading on a *RIE's* market for *listed securities* at all times.
  - (2) An *issuer* must inform the *FCA* in writing without delay if it has:
    - (a) requested a *RIE* to admit or re-admit any of its *listed securities* to trading;
    - (b) requested a *RIE* to cancel or suspend trading of any of its *listed securities*; or
    - (c) been informed by a *RIE* that the trading of any of its *listed securities* will be cancelled or suspended.

### Annual accounts

- 17.2.3 **R**
- UKLR 17.2.4R to ■ UKLR 17.2.6R apply to an *issuer* that is not already required to comply with ■ DTR 4.

- 17.2.4 **R**
- (1) An *issuer* must publish its annual report and annual accounts as soon as possible after they have been approved.
  - (2) An *issuer* must approve and publish its annual report and accounts within 6 months of the end of the financial period to which they relate.
  - (3) The annual report and accounts must:

- (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *UK-adopted IFRS*; and
- (b) have been independently audited and reported on, in accordance with:
  - the auditing standards applicable in the *United Kingdom*; or
  - an equivalent auditing standard.

17.2.5

G

- (1) If an *issuer* prepares both own and consolidated annual accounts, it may publish either form, provided that the unpublished accounts do not contain any significant additional information.
- (2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the *FCA*.
- (3) An *issuer* incorporated or established in a *third country* which is not required to draw up its accounts so as to give a true and fair view, but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

17.2.6

R

An *issuer* that meets the following criteria is not required to comply with ■ UKLR 17.2.4R:

- (1) the *issuer* is an *issuer of asset backed securities* and would, if it were a debt *issuer* to which ■ DTR 4 applied, be relieved of the obligations to draw up and publish annual and half-yearly financial reports in accordance with ■ DTR 4.4.2R, provided the *issuer* is not otherwise required to comply with any other requirement for the publication of annual reports and accounts; or
- (2) (a) the *issuer*:
  - (i) is a wholly owned subsidiary of a *listed company*;
  - (ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed holding company* or equivalent arrangements are in place;
  - (iii) is included in the consolidated accounts of its *listed holding company*; and
  - (iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and
- (b) non-publication of the *issuer's* accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the *securities*.

### Disclosure requirements and transparency rules

17.2.7

G

An *issuer* whose *securities* are admitted to trading on a *regulated market* should consider the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation*.



**17.2.8** **R** An *issuer* that is not already required to comply with the obligations under articles 17 and 18 of the *Market Abuse Regulation* must comply with those obligations as if it were an issuer for the purposes of articles 17 and 18 of the *Market Abuse Regulation* and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

**17.2.9** **G** An *issuer* whose *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) and **■ DTR 6** (Continuing obligations and access to information).

**17.2.10** **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*.

**Disclosure of rights attached to securities**

**17.2.11** **R** Unless exempted in **■ UKLR 17.2.14R**, an *issuer* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed securities*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed securities* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed securities*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights,
 produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *issuer* been required to produce a *prospectus* for those *listed securities*; and
- (2) if the information in relation to the rights attached to its *listed securities* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
  - (a) a new document in accordance with (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed securities*.

**17.2.12** **R** The documents in **■ UKLR 17.2.11R** must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

**17.2.13** **G** The purpose of **■ UKLR 17.2.11R** is to require *issuers* to maintain publicly available information in relation to the rights attached to their *listed securities* so that investors can access such information.

17.2.14

**R**

An *issuer* is exempt from ■ UKLR 17.2.11R where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ UKLR 17.2.11R(1);
- (2) if the information in relation to the rights attached to its *listed securities* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in ■ UKLR 17.2.11R(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed securities*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

#### Amendments to trust deeds

17.2.15

**R**

An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* about proposed amendments to a *trust deed* includes:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that they will be available for inspection:
  - (a) at the place of the general meeting for at least 15 minutes before and during the meeting; and
  - (b) on the *national storage mechanism*.

#### Early redemptions

17.2.16

**R**

(1) An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* relating to a resolution proposing to redeem *listed securities* before their due date for redemption includes:

- (a) an explanation of the reasons for the early redemption;
- (b) a statement of the market values for the *securities* on the first dealing day in each of the 6 months before the date of the *circular* and on the latest practicable date before sending the *circular*;
- (c) a statement of any interests of any *director* in the *securities*;
- (d) if there is a trustee, or other representative, of the holders of the *securities* to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;

- (e) the timetable for redemption; and
  - (f) an explanation of the procedure to be followed by the *securities* holders.
- (2) The *circular* must not contain specific advice about whether or not to accept the proposal for redemption.
  - (3) The timetable for redemption in the *circular* must have been approved by the *RIE* on which the *listed securities* are traded.

**Definitive documents of title**

17.2.17 **R** An *issuer* must ensure that any definitive document of title for a *security* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (5)):

- (1) the authority under which the *issuer* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* 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 *security* 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 *security* is transferable; and
- (5) 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.

**Disclosure: guaranteed and convertible securities**

17.2.18 **R** In the case of *debt securities* guaranteed by another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of the *company* that is providing the guarantee unless that *company* is *listed* or adequate information is otherwise available.

17.2.19 **R** In the case of *convertible securities* which are exchangeable for *securities* of another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of that other *company* unless that *company* is *listed* or adequate information is otherwise available.

**Disclosure: asset backed securities**

17.2.20 **R** Where an *issuer* proposes to issue further *debt securities* that are:

- (1) backed by the same assets; and
- (2) not fungible with existing classes of *debt securities*; or

(3) not subordinated to existing classes of *debt securities*,  
the *issuer* must inform the holders of the existing classes of *debt securities*.



### 17.3 Requirements for states, regional and local authorities and public international bodies

17.3.1 **R** This chapter does not apply to a state, a regional or local authority or a *public international body with listed debt securities* except that such an *issuer* must comply with **■ UKLR 17.2.2R** (Admission to trading) and **■ UKLR 17.3.2R** (Compliance with transparency rules).

#### Compliance with transparency rules

17.3.2 **R**

- (1) This *rule* applies to a state, a regional or local authority and a *public international body with listed debt securities*.
- (2) An *issuer* referred to in (1) that is not already required to comply with the *transparency rules* must comply with:
  - (a) **■ DTR 5.6.3R** (Disclosures by issuers);
  - (b) **■ DTR 6.1.3R(2)** (Equality of treatment);
  - (c) **■ DTR 6.2** (Filing information and use of language); and
  - (d) **■ DTR 6.3** (Dissemination of information).



## Chapter 18

# Securitised derivatives: requirements for listing and continuing obligations

## 18.1 Application

- 18.1.1** **R** This chapter applies to an *issuer* of:
- (1) *retail securitised derivatives*;
  - (2) *specialist securitised derivatives*; and
  - (3) other derivative products if the *FCA* has specifically approved their *listing* under this chapter.

### Other derivative products

- 18.1.2** **R** For the purposes of this chapter, an *issuer* of other derivative products that have received the specific approval of the *FCA* to be *listed* under this chapter must comply with the *rules* applicable to an *issuer* of *specialist securitised derivatives*, unless otherwise stated.
- 18.1.3** **R** The *FCA* will not admit to *listing*, under this chapter, other derivative products that are likely to be bought and traded by investors who are not *specialist investors*, unless the derivative product falls within the scope of *specified investments* in Part III of the *Regulated Activities Order*.



## 18.2 Requirements for listing

### Requirements for listing: the issuer

- 18.2.1 **R** An applicant for the admission of securitised derivatives must:
- (1) have *permission* under the Act to carry on its activities relating to *securitised derivatives* and be either a *bank* or a *securities and futures firm*;
  - (2) if the *applicant* is an *overseas company*:
    - (a) be regulated by an *overseas regulator* responsible for the regulation of banks, securities firms or futures firms and which has a lead regulation agreement for financial supervision with the FCA; and
    - (b) be carrying on its activities relating to *securitised derivatives* within the approved scope of its business; or
  - (3) arrange for its obligations in relation to the *securitised derivatives* to be unconditionally and irrevocably *guaranteed* by, or benefit from an arrangement which is equivalent in its effect to such a *guarantee* provided by, an entity which satisfies paragraph (1) or (2).

### Requirements for listing

- 18.2.2 **R** For a *securitised derivative* to be *listed*, its *underlying instrument* must be traded on a regulated, regularly operating, recognised open market, unless it is:
- (1) a currency;
  - (2) an index;
  - (3) an interest rate; or
  - (4) a basket of any of the above.

- 18.2.3 **R** The FCA may modify or dispense with the requirement in **█** UKLR 18.2.2R for other derivative products.

Requirements for listing: retail products

18.2.4

R

To be *listed*, a *retail securitised derivative* must:

- (1) satisfy the requirements set out in ■ UKLR 18.2.2R; and
- (2) not be a *contingent liability investment*.

18.2.5

R

To be *listed*, if a *retail securitised derivative* gives its holder a right of exercise, its terms and conditions must provide that:

- (1) for cash settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, the exercise of the *securitised derivative* is automatic; or
- (2) for physically settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, if the holder fails to deliver an *exercise notice* by the time stipulated in the terms and conditions, the *issuer* will, irrespective of the failure to exercise, pay to the holder an amount in cash in lieu of the holder's failure to deliver the *exercise notice*, the amount and method of calculation of this amount to be determined by the *issuer*.



## 18.3 Continuing obligations

### Application

- 18.3.1 **R** An *issuer* that has only *securitised derivatives listed* is subject to the continuing obligations set out in this chapter.
- 18.3.2 **R** An *issuer* that has both *securitised derivatives* 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

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

- 18.3.4 **R** If an issue is *guaranteed* by an *unlisted company*, an *issuer* must submit the guarantor's accounts to the *FCA*.

### Settlement arrangements

- 18.3.5 **R**
- (1) An *issuer* must ensure that appropriate settlement arrangements for its *listed securitised derivatives* are in place.
  - (2) *Listed securitised derivatives* must be eligible for electronic settlement, which includes settlement by a relevant system, as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755).

### Disclosure requirements and transparency rules

- 18.3.6 **R** An *issuer* must comply with the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation* as if it were an *issuer* for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.

- 18.3.7 **G** An *issuer* whose *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) and ■ DTR 6 (Continuing obligations and access to information).
- 18.3.8 **R** For the purposes of compliance with the *transparency rules*, the *FCA* considers that an *issuer of securitised derivatives* should comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer of debt securities* as defined in the *transparency rules*.
- 18.3.9 **G** 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*.

### Disclosure of rights attached to securitised derivatives

- 18.3.10 **R** Unless exempted in ■ UKLR 18.3.13R, an *issuer* must:
- (1) forward to the *FCA* for publication a copy of one or more of the following:
    - (a) the approved *prospectus* or *listing particulars* for its *listed securitised derivatives*;
    - (b) the relevant agreement or document setting out the terms and conditions on which its *listed securitised derivatives* were issued; or
    - (c) a document describing:
      - (i) the rights attached to its *listed securitised derivatives*;
      - (ii) limitations on such rights; and
      - (iii) the procedure for the exercise of such rights, produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *company* been required to produce a *prospectus* for those *listed securitised derivatives*; and
  - (2) if the information in relation to the rights attached to its *listed securitised derivatives* set out in the document previously forwarded in accordance with paragraph (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
    - (a) a new document in accordance with paragraph (1); or
    - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed securitised derivatives*.
- 18.3.11 **R** The documents in ■ UKLR 18.3.10R must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.
- 18.3.12 **G** The purpose of ■ UKLR 18.3.10R is to require *issuers* to maintain publicly available information in relation to the rights attached to their *listed securitised derivatives* so that investors can access such information.

**18.3.13** **R** An *issuer* is exempt from **■ UKLR 18.3.10R** where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in **■ UKLR 18.3.10R(1)**;
- (2) if the information in relation to the rights attached to its *listed securitised derivatives* set out in the document previously forwarded or filed in accordance with paragraph (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in **■ UKLR 18.3.10R(1)**; or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed securitised derivatives*; and
- (3) the documents in paragraph (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

**Documents of title**  
.....

**18.3.14** **R** An *issuer* must comply with the requirements in **■ UKLR 9.4.18R** (Temporary documents of title (including renounceable documents)) and **■ UKLR 9.4.19R** (Definitive documents of title) so far as relevant to *securitised derivatives*.



## 18.4 Disclosures

**18.4.1** **R** An issuer must submit to the FCA a copy of any document required by **UKLR 18.4.2R** to **UKLR 18.4.4R** at the same time as the document is issued, by uploading it to the *national storage mechanism*.

**18.4.2** **R** An issuer must notify a RIS of all notices to holders of *listed securitised derivatives* no later than the date of despatch or publication.

### Underlying instruments

**18.4.3** **R** An issuer must notify a RIS of any adjustment or modification it makes to the *securitised derivative* as a result of any change in or to the *underlying instrument*, including details of the underlying event that necessitated the adjustment or modification.

### Suspension of listing

**18.4.4** **R** An issuer must inform the FCA immediately if it becomes aware that an *underlying instrument* that is *listed* or traded outside the *United Kingdom* has been suspended.

## Chapter 19

# Warrants, options and other miscellaneous securities: continuing obligations



## 19.1 Application

- 19.1.1 **R** This chapter applies to an *issuer of miscellaneous securities*.
- 19.1.2 **G** *Miscellaneous securities include warrants and options and other similar securities.*





## 19.2 Continuing obligations

### Application

- 19.2.1 **R** An issuer that has only *miscellaneous securities listed* is subject to the continuing obligations set out in this chapter.
- 19.2.2 **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

- 19.2.3 **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 *FCA* 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;
    - (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.

- 19.2.4 **R** An issuer with *listed miscellaneous securities* must comply with **■ UKLR 3.2.12R** at all times.

### Disclosure requirements and transparency rules

- 19.2.5 **R** An issuer must comply with the obligations referred to under articles 17 and 18 of the *Market Abuse Regulation* as if it were an issuer for the purposes of those obligations and the *transparency rules*, subject to article 22 of the *Market Abuse Regulation*.
- 19.2.6 **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** (Continuing obligations and access to information) and **■ DTR 7** (Corporate governance).

19.2.7 **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*.

### Disclosure of rights attached to miscellaneous securities

19.2.8 **R** Unless exempted in ■ UKLR 19.2.11R, an *issuer* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
  - (a) the approved *prospectus* or *listing particulars* for its *listed miscellaneous securities*;
  - (b) the relevant agreement or document setting out the terms and conditions on which its *listed miscellaneous securities* were issued; or
  - (c) a document describing:
    - (i) the rights attached to its *listed miscellaneous securities*;
    - (ii) limitations on such rights; and
    - (iii) the procedure for the exercise of such rights, produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *issuer* been required to produce a *prospectus* for those *listed miscellaneous securities*; and
- (2) if the information in relation to the rights attached to its *listed miscellaneous securities* set out in the document previously forwarded in accordance with paragraph (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
  - (a) a new document in accordance with paragraph (1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed miscellaneous securities*.

19.2.9 **R** The documents in ■ UKLR 19.2.8R must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

19.2.10 **G** The purpose of ■ UKLR 19.2.8R is to require *issuers* to maintain publicly available information in relation to the rights attached to their *listed miscellaneous securities* so that investors can access such information.

19.2.11 **R** An *issuer* is exempt from ■ UKLR 19.2.8R where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ UKLR 19.2.8R(1);
- (2) if the information in relation to the rights attached to its *listed miscellaneous securities* set out in the document previously forwarded or filed in accordance with paragraph (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:

- (a) one of the documents specified in ■ UKLR 19.2.8R(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *issuer's listed miscellaneous securities*; and
- (3) the documents in paragraphs (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
- (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

**Documents of title**

19.2.12

**R**

An *issuer* must comply with the requirements in ■ UKLR 9.4.18R (Temporary documents of title (including renounceable documents)) and ■ UKLR 9.4.19R (Definitive documents of title) so far as relevant to *miscellaneous securities*.



## 19.3 Disclosures

**19.3.1** **R** An *issuer* must submit to the *FCA* a copy of any document required by **■** UKLR 19.3.2R and **■** UKLR 19.3.3R at the same time as the document is issued, by uploading it to the *national storage mechanism*.

**19.3.2** **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

**19.3.3** **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

**19.3.4** **R** An *issuer* must inform the *FCA* 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.

## Chapter 20

# Admission to listing: processes and procedures



## 20.1 Application

20.1.1



This chapter applies to an *applicant* for the *admission of securities*.

## 20.2 Application for admission to listing

### Location of official list

20.2.1 **G** The *FCA* will maintain the *official list* on its website.

### Method of application

20.2.2 **R** An *applicant for admission* must apply to the *FCA* by:

- (1) submitting, in final form:
  - (a) the document described in **UKLR 20.3** in the case of an *applicant* which is making an application for *admission* for the first time;
  - (b) the documents described in **UKLR 20.4** in the case of an application in respect of *shares*;
  - (c) the documents described in **UKLR 20.5** in the case of an application in respect of *debt securities* or other *securities*; and
  - (d) the documents described in **UKLR 20.6** in the case of a block listing;
- (2) submitting all additional documents, explanations and information as required by the *FCA*;
- (3) submitting verification of any information in such manner as the *FCA* may specify; and
- (4) paying the fee set out in **FEES 3** by the required date.

20.2.3 **G** Before submitting the documents referred to in **UKLR 20.2.2R(1)**, an *applicant* should contact the *FCA* to agree the date on which the *FCA* will consider the application.

20.2.4 **R** All documents must be submitted to Issuer Management at the *FCA's* address.

### Grant of an application for admission to listing

20.2.5 **G** The *FCA* will admit *securities* to *listing* if all relevant documents required by **UKLR 20.2.2R** have been submitted to the *FCA*.

20.2.6 **G** When considering an application for *admission to listing*, the *FCA* may:

- (1) carry out any enquiries and request any further information which it considers appropriate, including consulting with other regulators or exchanges;
- (2) request that an *applicant*, or its specified representative, answer questions and explain any matter the *FCA* considers relevant to the application for *listing*;
- (3) take into account any information which it considers appropriate in relation to the application for *listing*;
- (4) request that any information provided by the *applicant* be verified in such manner as the *FCA* may specify;
- (5) impose any additional conditions on the *applicant* as the *FCA* considers appropriate; and
- (6) take into account any concerns the *FCA* may have that the *applicant* has not responded satisfactorily to any queries by the *FCA* or has not been open and cooperative in its dealings with the *FCA*.

20.2.7 **G** The *admission* becomes effective only when the *FCA's* decision to admit the *securities to listing* has been announced by being either:

- (1) disseminated by a *RIS*; or
- (2) posted on a noticeboard designated by the *FCA*, should the electronic systems be unavailable.



**20.3 All securities**

**Board confirmation**

20.3.1

**R**

(1) Where an *applicant* is making an application for *admission* for the first time, the *applicant* must provide confirmation from the board that the *applicant* has taken reasonable steps to establish adequate procedures, systems and controls to enable it to comply with its obligations under the *listing rules*, the *disclosure requirements*, the *transparency rules* and the *corporate governance rules* following *admission*.

(2) The board confirmation in (1) must be provided using the Procedures, Systems and Controls Confirmation form.

[**Note:** The Procedures, Systems and Controls Confirmation Form can be found on the Primary Markets section of the FCA’s website.]

20.3.2

**G**

An *applicant* must provide the board confirmation required under **UKLR 20.3.1R** on the first occasion on which it makes an application for an *admission of securities to listing*. Accordingly, a *listed company* is not required to provide the board confirmation where it makes:

(1) an application for the *admission of securities* of the same *class* as *securities* that are already *listed*; or

(2) an application for the *admission* of a new *class of securities*.

20.3.3

**G**

The FCA will not grant an application for *admission* if an *issuer* is unable to provide the board confirmation required under **UKLR 20.3.1R**. When considering an application for *admission*, the FCA would expect the *applicant* to be able to demonstrate its readiness to comply with its obligations under the *listing rules*, the *disclosure requirements*, the *transparency rules* and the *corporate governance rules* following *admission*.



## 20.4 Shares

### Application

**20.4.1** **R** ■ UKLR 20.4.2R to ■ UKLR 20.4.9R apply to an *applicant* which is applying for a *listing* of its *shares* except for *preference shares* that are *specialist securities*.

### Documents to be provided 2 business days in advance

**20.4.2** **R** The following documents must be submitted, in final form, to the *FCA* by midday 2 *business days* before the *FCA* is to consider the application:

- (1) a completed Application for Admission of Securities to the Official List;
- (2) the *prospectus* or *listing particulars* that have been approved by the *FCA*;
- (3) any *circular* that has been published in connection with the application, if applicable;
- (4) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable;
- (5) written confirmation of the number of *shares* to be allotted (pursuant to a board resolution allotting the *shares*);
- (6) if a *prospectus* or *listing particulars* have not been produced, a copy of the *RIS* announcement detailing the number and type of *shares* that are the subject of the application and the circumstances of their issue; and
- (7) written confirmation of:
  - (a) (i) the contact details of at least 2 of its executive *directors* (or, where the *issuer* has no executive *directors*, at least 2 of its *directors*); or
  - (ii) where the *issuer* has only 1 executive *director* or has only 1 *director*, the contact details of that *director*, as required under ■ UKLR 1.3.5R;
  - (b) the contact details of a nominated person at the *issuer* as required under ■ UKLR 1.3.7R and ■ UKLR 1.3.8R; and
  - (c) the contact details of appropriate persons nominated by the *issuer* to act as the first point of contact with the *FCA* in relation to the *issuer's* compliance with the *listing rules*, the *disclosure*

*requirements* and the *transparency rules* following *admission* under ■ UKLR 6, ■ UKLR 11, ■ UKLR 12, ■ UKLR 13, ■ UKLR 14 or ■ UKLR 16 (as appropriate).

[**Note:** The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the *FCA's* website.]

20.4.3 **R** If a *prospectus* or *listing particulars* have not been produced, the Application for Admission of *Securities* to the Official List must contain confirmation that a *prospectus* or *listing particulars* are not required and details of the reasons why they are not required.

**Documents to be provided on the day**

20.4.4 **R** The following documents, signed by a *sponsor* (if a *sponsor* is required under ■ UKLR 4) or by a duly authorised officer of the *applicant* (if a *sponsor* is not required under ■ UKLR 4), must be submitted, in final form, to the *FCA* before 9am on the day the *FCA* 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 *shares* for the first time; or
- (2) a completed Pricing Statement, in the case of a *placing, open offer, vendor consideration placing, offer for subscription of equity shares* or an issue out of treasury of *equity shares* of a class already *listed*.

[**Note:** The Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the *FCA's* website.]

20.4.5 **R** If written confirmation of the number of *shares* to be allotted pursuant to a board resolution cannot be submitted to the *FCA* by the deadline set out in ■ UKLR 20.4.2R or the number of *shares* to be *admitted* is lower than the number notified under ■ UKLR 20.4.2R, written confirmation of the number of *shares* to be allotted or *admitted* must be provided to the *FCA* by the *applicant* or its *sponsor* at least 1 hour before the *admission to listing* is to become effective.

20.4.6 **R** If the *FCA* has considered an application for *listing* and the *shares* the subject of the application are not all allotted and *admitted* following the initial allotment of the *shares* (for example, under an *offer for subscription*), further allotments of *shares* may be *admitted* if, before 4pm on the day before *admission* is sought, the *FCA* has been provided with:

- (1) written confirmation of the number of *shares* allotted pursuant to a board resolution; and
- (2) a copy of the *RIS* announcement detailing the number and type of *shares* and the circumstances of their issue.

**Other documents to be submitted**

20.4.7 **R** Written confirmation of the number of *shares* that were allotted (pursuant to a board resolution allotting the *shares*) must be submitted to the *FCA* as

soon as practicable after *admission* if the number is lower than the number that was announced under ■ UKLR 20.2.7G as being *admitted to listing*.

### Documents to be kept

20.4.8

R

An *applicant* must keep copies of the following for 6 years after the *admission to listing*:

- (1) any agreement to acquire any assets, business or *shares* in consideration for or in relation to which the company's *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 *shares*;
- (3) the *applicant's constitution* as at the date of *admission*;
- (4) the annual report and accounts of the *applicant* and of any guarantor, for each of the periods which form part of the *applicant's* financial record contained in the *prospectus* or *listing particulars*;
- (5) any interim accounts made up since the date to which the last annual report and accounts were made up and prior to the date of *admission*;
- (6) any temporary and definitive documents of title;
- (7) in the case of an application in respect of *shares* issued pursuant to an *employees' share scheme*, the scheme document;
- (8) where *listing particulars* or another document are published in connection with any scheme requiring court approval, any court order and the certificate of registration issued by the Registrar of Companies; and
- (9) copies of board resolutions of the *applicant* allotting or issuing the *shares*.

20.4.9

R

An *applicant* must provide to the FCA the documents set out in ■ UKLR 20.4.8R, if requested to do so.

## 20.5 Debt and other securities

### Application – debt securities etc

**20.5.1** **R** ■ UKLR 20.5.4R to ■ UKLR 20.5.7R apply to an *applicant* that is seeking *admission* of any of the following types of *securities*:

- (1) *debt securities*;
- (2) *asset backed securities*;
- (3) *certificates representing certain securities*;
- (4) *convertible securities*;
- (5) *miscellaneous securities*;
- (6) *preference shares that are specialist securities*; and
- (7) *securitised derivatives*.

### Application – issuance programmes

**20.5.2** **R** ■ UKLR 20.5.10R to ■ UKLR 20.5.12R apply to an *applicant* for the *admission* of an issuance programme in respect of any of the following types of *securities*:

- (1) *debt securities*;
- (2) *asset backed securities*;
- (3) *miscellaneous securities*;
- (4) *securitised derivatives*; and
- (5) *certificates representing certain securities*.

### Application – public sector issuers

**20.5.3** **R** ■ UKLR 20.5.13R to ■ UKLR 20.5.19R apply to an *applicant* that is a *public sector issuer*.

### Documents to be provided 2 business days in advance

**20.5.4** **R** An *applicant* must submit, in final form, to the *FCA* by midday 2 *business days* before the *FCA* is to consider the application:

- (1) a completed Application for Admission of Securities to the Official List;
- (2) the *prospectus* or *listing particulars* that have been approved by the FCA;
- (3) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable;
- (4) written confirmation of the number of *securities* to be issued (pursuant to a board resolution); and
- (5) written confirmation of:
  - (a) (i) the contact details of at least 2 of its executive *directors* (or, where the *issuer* has no executive *directors*, at least 2 of its *directors*); or
    - (ii) where the *issuer* has only 1 executive *director* or has only 1 *director*, the contact details of that *director*, as required under ■ UKLR 1.3.5R; and
  - (b) the contact details of a nominated person at the *issuer* as required under ■ UKLR 1.3.7R and ■ UKLR 1.3.8R.

[Note: The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the FCA’s website.]

**Documents to be provided on the day of admission**

20.5.5 **R** If confirmation of the number of *securities* to be issued pursuant to a board resolution cannot be submitted to the FCA by the deadline set out in ■ UKLR 20.5.4R or the number of *securities* to be admitted is lower than the number notified under ■ UKLR 20.5.4R, written confirmation of the number of *securities* to be issued or admitted must be provided to the FCA by the *applicant* at least 1 hour before the *admission to listing* is to become effective.

**Documents to be provided: supplementary obligation for certificates representing certain securities**

20.5.6 **R** An *applicant* for admission of certificates representing certain securities must submit a letter to the FCA setting out how it satisfies the requirements in ■ UKLR 3 (Requirements for listing: all securities) and ■ UKLR 15.2 (Requirements for listing) no later than when the first draft of a *prospectus* for the certificates is submitted or, if the FCA is not approving a *prospectus*, at a time agreed with the FCA.

**Documents to be kept**

20.5.7 **R** An *applicant* must keep, for 6 years after the *admission to listing*, a copy of the items set out in ■ UKLR 20.4.8R(1) to (6) and ■ UKLR 20.4.8R(9) and must provide any of those documents to the FCA if requested to do so.

20.5.8 **R** In addition to the documents referred to in ■ UKLR 20.5.7R, an *applicant* for admission of securitised derivatives must keep a copy of the securitised

derivative agreement or securitised derivative instrument or similar document for 6 years after the *admission* of the relevant *securitised derivatives*.

- 20.5.9 **R** In addition to the documents referred to in **■ UKLR 20.5.7R**, an *applicant* for *admission of certificates representing certain securities* must keep a copy of the executed deposit agreement for 6 years after the *admission* of the relevant certificates.

### Procedure for issuance programmes: initial offering and increase to programme size

- 20.5.10 **R** An *applicant* must comply with **■ UKLR 20.5.4R** to **■ UKLR 20.5.7R** with the following modifications:
- (1) if the *FCA* approves the application, it will admit to listing all *securities* which may be issued under the programme within 12 months after the publication of the *base prospectus* or *listing particulars*, subject to the *FCA*:
    - (a) being advised of the *final terms* of each issue for which a *listing* is sought; and
    - (b) receiving and approving for publication any supplementary documents that may be appropriate.
  - (2) an *applicant* must submit a *supplementary prospectus* or *supplementary listing particulars* instead of the document required by **■ UKLR 20.5.4R(2)** in the case of an increase in the maximum amount of *securities* which may be in issue and *listed* at any one time under an issuance programme.

- 20.5.11 **G** An *applicant* for the *admission* of *securities* under an issuance programme must confirm in its Application for Admission of Securities to the Official List that, at *admission*, all of the *securities* the subject of the application will be in issue pursuant to board resolutions authorising the issue.

### Issuance programmes: final terms

- 20.5.12 **R**
- (1) The *final terms* must be submitted in writing to the *FCA* as soon as possible after they have been agreed and no later than 2pm on the day before *listing* is to become effective.
  - (2) The *final terms* may be submitted by:
    - (a) the *applicant*; or
    - (b) a duly authorised officer of the *applicant*.

[**Note:** For further details on *final terms*, see article 8(5) of the *Prospectus Regulation*.]

### Exempt public sector issuers

- 20.5.13 **R** An *issuer* that seeks *admission of debt securities* referred to in article 1(2)(b) and (d) of the *Prospectus Regulation* must submit to the *FCA* in final form a completed Application for Admission of Securities to the Official List.

[**Note:** The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the FCA’s website.]

**G** An application referred to in ■ UKLR 20.5.13R should be made in accordance with the timetable referred to in ■ UKLR 20.5.12R.

**G** An *issuer* referred to in ■ UKLR 20.5.13R that is not required to produce a *prospectus* or *listing particulars* must confirm on its application form that no *prospectus* or *listing particulars* are required.

**20.5.16** **G** Apart from ■ UKLR 20.5.13R, ■ UKLR 20.5.14G and ■ UKLR 20.5.15G, no other provisions in ■ UKLR 20.5 apply to the *admission of debt securities* referred to in article 1(2)(b) and (d) of the *Prospectus Regulation*.

**Other public sector issuers**

**20.5.17** **R** ■ UKLR 20.5.10R, ■ UKLR 20.5.12R, ■ UKLR 20.5.18R and ■ UKLR 20.5.19R apply to applications for *admission to listing of debt securities* by a *public sector issuer* other than one referred to in ■ UKLR 20.5.13R.

**20.5.18** **R** An *applicant* referred to in ■ UKLR 20.5.17R must submit the items set out in ■ UKLR 20.5.4R to the FCA in final form by midday 2 *business days* before the FCA is to consider the application.

**20.5.19** **R** An *applicant* referred to in ■ UKLR 20.5.17R must keep, for 6 years after the *admission to listing*, a copy of the items set out in ■ UKLR 20.4.8R(1) to (6) and ■ UKLR 20.4.8R(9).





## 20.6 Block listing

### Application

**20.6.1** **R** This section applies to an *applicant* that wishes to apply for *admission of securities* using a block listing.

### When a block listing can be used

**20.6.2** **G** If the process of applying for *admission of securities* is likely to be very onerous due to the frequent or irregular nature of allotments and if no *prospectus* or *listing particulars* are required for the *securities*, an *applicant* may apply for a block listing of a specified number of the *securities*.

**20.6.3** **G** The grant of a block listing constitutes *admission to listing* for the *securities* that are the subject of the block. Separately, the *applicant* will need to consider the provisions of article 1(4) of the *Prospectus Regulation* when the *securities* that are the subject of the block listing are being issued.

**20.6.4** **R** An *applicant* applying for *admission to listing* by way of a block listing must submit in final form, at least 2 *business days* before the *FCA* is to consider the application, a completed Application for Admission of Securities to the Official List. An application in respect of multiple schemes must identify the schemes but need not set out separate block listing amounts for each scheme.

[**Note:** The Application for Admission of Securities to the Official List form can be found on the Primary Markets section of the *FCA's* website.]

**20.6.5** **R**

- (1) An *applicant* applying for *admission to listing* by way of a block listing must notify a *RIS* of the number and type of *securities* that are the subject of the block listing application and the circumstances of their issue.
- (2) The notification in paragraph (1) must be made by 9am on the *day* the *FCA* is to consider the application.

**20.6.6** **R** Every 6 months, the *applicant* must notify a *RIS* of the details of the number of *securities* covered by the block listing which have been allotted in the previous 6 months, using the Block Listing Six Monthly Return.

[**Note:** A copy of the Block Listing Six Monthly Return can be found on the Primary Markets section of the *FCA's* website.]

20.6.7

G

An *issuer* that wishes to synchronise block listing 6-monthly returns for a number of block listing facilities may do so by providing the return required by ■ UKLR 20.6.6R earlier than required to move the timing of returns onto a different 6-monthly cycle. An *issuer* with multiple block listing facilities should ensure that allotments under each facility are separately stated.

## Chapter 21

# Suspending, cancelling and restoring listing and transfer between listing categories: all securities



## 21.1 Suspending listing

### FCA may suspend listing

21.1.1

**R**

- (1) The *FCA* may suspend, with effect from such time as it may determine, the *listing* of any *securities* if the smooth operation of the market is, or may be, temporarily jeopardised or it is necessary to protect investors.
- (2) An *issuer* that has the *listing* of any of its *securities* suspended must continue to comply with all *listing rules* applicable to it.
- (3) If the *FCA* suspends the *listing* of any *securities*, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.

### Examples of when FCA may suspend

21.1.2

**G**

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

- (1) the *issuer* has failed to meet its continuing obligations for *listing*;
- (2) the *issuer* has failed to publish financial information in accordance with the *listing rules*;
- (3) the *issuer* is unable to assess accurately its financial position and inform the market accordingly;
- (4) there is insufficient information in the market about a proposed transaction;
- (5) the *issuer's securities* have been suspended elsewhere;
- (6) the *issuer* has appointed administrators or receivers, or is an *investment trust* and is winding up;
- (7) for a *securitised derivative* that relates to a single *underlying instrument*, the *underlying instrument* is suspended;
- (8) for a *securitised derivative* that relates to a basket of *underlying instrument*, one or more *underlying instruments* of the basket are suspended; 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.

21.1.3 **G** The *FCA* will not suspend the *listing* of a *security* to fix its price at a particular level.

**Suspension at issuer’s request**

21.1.4 **G** An *issuer* that intends to request the *FCA* to suspend the *listing* of its *securities* will need to comply with **■ UKLR 21.3**. The *FCA* will not suspend the *listing* if it is not satisfied that the circumstances justify the suspension.

**Securities suspended for 6 months or more**

21.1.5 **R** Where the *listing* of an *issuer’s securities* has been suspended for 6 months, the *issuer* must contact the *FCA* as soon as possible after the end of that period to discuss whether a cancellation of *listing* is appropriate or whether the *securities* can remain suspended for a further period to be agreed with the *FCA*.

## 21.2 Cancelling listing

### FCA may cancel listing

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

### Examples of when FCA may cancel

- 21.2.2 **G** 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*;
  - (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);
  - (3) the *securities' listing* has been suspended for more than 6 months;
  - (4) the *securities* are:
    - (a) *equity shares* with a *listing* in the *non-equity shares and non-voting equity shares* category; or
    - (b) *equity shares* with a *listing* in the *equity shares (transition)* category,  
and in either case were issued by a *closed-ended investment fund* where the *closed-ended investment fund* no longer has a *listing* of *equity shares* in the *closed-ended investment funds* category;
  - (5) the *issuer* has completed a *reverse takeover* or *initial transaction*;
  - (6) the *issuer* has failed to comply with the requirements in **■ UKLR 7.5.1R** (including as applied by **■ UKLR 11.5.1R**) or **■ UKLR 13.4.22R**; or
  - (7) the *securities* are:
    - (a) *equity shares* with a *listing* in the *non-equity shares and non-voting equity shares* category; or
    - (b) *equity shares* with a *listing* in the *equity shares (transition)* category,

and in either case were issued by a *shell company* where the *shell company* no longer has a *listing of equity shares* in the *equity shares (shell companies)* category.

**21.2.3** **G** Where the percentage of *shares* in a *shell company* in public hands falls below 10%, the *FCA* will seek to cancel the *listing* of those *securities* unless the *FCA* is satisfied that circumstances exist such that cancellation is not required. The *FCA* will have regard to **■ UKLR 21.2.1R** and the individual circumstances of the case.

**21.2.4** **G** Where the *listing* of an *issuer's securities* has been suspended for 6 months, the *issuer* should note **■ UKLR 21.1.5R**.

**21.2.5** **G** Where an *issuer* of:

- (1) *equity shares*;
- (2) *non-equity shares*; or
- (3) *certificates representing certain securities*,

completes a *reverse takeover* or an *initial transaction*, the *FCA* will seek to cancel the *listing* of those *securities* unless the *FCA* is satisfied that circumstances exist such that cancellation is not required. The *FCA* will have regard to **■ UKLR 21.2.1R** and the individual circumstances of the case.

**Cancellation at issuer's request**

**21.2.6** **R** An *issuer* must satisfy the requirements applicable to it in **■ UKLR 21.2.8R** to **■ UKLR 21.2.18R** and **■ UKLR 21.3** before the *FCA* will cancel the *listing* of its *securities* at its request.

**21.2.7** **G** **■ UKLR 21.2.6R** applies even if the *listing* of the *securities* is suspended.

**Cancellation of listing of equity shares in the equity shares (commercial companies) category and the closed-ended investment funds category**

**21.2.8** **R** Subject to **■ UKLR 21.2.9R**, **■ UKLR 21.2.11R**, **■ UKLR 21.2.14R** and **■ UKLR 21.2.19R**, an *issuer* with a *listing of equity shares* in the *equity shares (commercial companies)* category or the *closed-ended investment funds* category that wishes the *FCA* to cancel the *listing* of any of its *equity shares* with a *listing* in either of those categories must:

- (1) send a *circular* to the holders of the relevant *shares*. The *circular* must:
  - (a) comply with the requirements of **■ UKLR 10.3.1R** and **■ UKLR 10.3.3R** (Contents of all circulars);
  - (b) be submitted to the *FCA* for approval prior to publication; and

- (c) include the anticipated date of cancellation (which must be not less than 20 *business days* following the passing of the resolution referred to in paragraph (2));
- (2) obtain, at a general meeting, the prior approval of a resolution for the cancellation from:
  - (a) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and
  - (b) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution;
- (3) notify a *RIS*, at the same time as the *circular* is despatched to the relevant holders of the *shares*, of the intended cancellation and of the notice period and meeting; and
- (4) notify a *RIS* of the passing of the resolution in accordance with ■ UKLR 6.4.13R (including as applied by ■ UKLR 11.4.1R).

21.2.9 R ■ UKLR 21.2.8R(2) will not apply where an *issuer* of *securities* notifies a *RIS*:

- (1) that the financial position of the *issuer* or its *group* is so precarious that, but for the proposal referred to in paragraph (2), there is no reasonable prospect that the *issuer* will avoid going into formal insolvency proceedings;
- (2) that there is a proposal for a transaction, arrangement or other form of reconstruction of the *issuer* or its *group* which is necessary to ensure the survival of the *issuer* or its *group* and the continued *listing* would jeopardise the successful completion of the proposal;
- (3) explaining;
  - (a) why the cancellation is in the best interests of those to whom the *issuer* or its *directors* have responsibilities (including the bodies of *securities* holders and creditors, taken as a whole); and
  - (b) why the approval of shareholders will not be sought prior to the cancellation of *listing*; and
- (4) giving at least 20 *business days'* notice of the intended cancellation.

21.2.10 R Where a *closed-ended investment fund* no longer has a *listing* of *equity shares* in the *closed-ended investment funds* category, it must apply under ■ UKLR 21.2.17R for *cancellation* of the *listing* of any other class of *equity shares* listed in the *non-equity shares and non-voting equity shares* category or the *equity shares (transition)* category.

**Cancellation in relation to takeover offers: offeror interested in 50% or less of voting rights**

21.2.11 R ■ UKLR 21.2.8R does not apply to the *cancellation* of *listing* of *equity shares* in the *equity shares (commercial companies)* category or the *closed-ended investment funds* category in the case of a takeover offer if:



- (1) the *offeror* or any *controlling shareholder* who is an *offeror* is interested in 50% or less of the voting rights of an *issuer* before announcing its firm intention to make its takeover offer;
- (2) the *offeror* has, by virtue of its shareholdings and acceptances of its takeover offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*; and
- (3) the *offeror* has stated, in the offer document or any subsequent *circular* sent to the holders of the shares, that a notice period of not less than 20 *business days* prior to cancellation will commence either on the *offeror* obtaining the required 75% as described in paragraph (2) or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006 (Right of offeror to buy out minority shareholder).

**21.2.12** **R** For the purposes of **UKLR 21.2.11R(3)**, the offer document or *circular* must make clear that the notice period begins only when the *offeror* has announced that it has acquired or agreed to acquire *shares* representing 75% of the voting rights.

**21.2.13** **R** Where **UKLR 21.2.11R** applies, the *issuer* must notify shareholders:

- (1) by stating:
  - (a) that the *offeror* has reached the threshold described in **UKLR 21.2.11R(2)**;
  - (b) that the notice period has therefore commenced; and
  - (c) the anticipated date of cancellation; or
- (2) by stating in the explanatory letter or other material accompanying the section 979 notice:
  - (a) that the notice period has commenced; and
  - (b) the anticipated date of cancellation.

**Cancellation in relation to takeover offers: offeror interested in more than 50% of voting rights**

**21.2.14** **R** **UKLR 21.2.8R** does not apply to the cancellation of *listing of equity shares* in the *equity shares (commercial companies)* category or the *closed-ended investment funds* category in the case of a takeover offer if:

- (1) the *offeror* or any *controlling shareholder* who is an *offeror* is interested in more than 50% of the voting rights of an *issuer* before announcing its firm intention to make its takeover offer;
- (2) the *offeror* has, by virtue of its shareholdings and acceptances of its takeover offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*;
- (3) the *offeror* has obtained acceptances of its takeover offer or acquired or agreed to acquire *shares* from *independent shareholders* that represent a majority of the voting rights held by the *independent*

*shareholders* on the date its firm intention to make its takeover offer was announced; and

- (4) the *offeror* has stated, in the offer document or any subsequent *circular* sent to the holders of the *shares*, that a notice period of not less than 20 *business days* prior to cancellation will commence either on the *offeror* obtaining the relevant shareholding and acceptances as described in paragraphs (2) and (3) or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006.

**21.2.15** **R** For the purposes of **■ UKLR 21.2.14R(4)**, the offer document or *circular* must make clear that the notice period begins only when the *offeror* has announced that it has acquired or agreed to acquire *shares* representing 75% of the voting rights and, if relevant, has obtained acceptances of its takeover offer or acquired or agreed to acquire *shares* from *independent shareholders* that represent a majority of the voting rights held by the *independent shareholders*.

**21.2.16** **R** Where **■ UKLR 21.2.14R** applies, the *issuer* must notify shareholders:

- (1) by stating:
  - (a) that the relevant thresholds described in **■ UKLR 21.2.14R(2)** and (3) have been reached;
  - (b) that the notice period has therefore commenced; and
  - (c) the anticipated date of cancellation; or
- (2) by stating in the explanatory letter or other material accompanying the section 979 notice:
  - (a) that the notice period has commenced; and
  - (b) the anticipated date of cancellation.

**Requirements for cancellation of other securities**

**21.2.17** **R** An *issuer* that wishes the FCA to cancel the *listing of securities listed* in a category other than one of those specified in **■ UKLR 21.2.8R** 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 **■ UKLR 21.2.8R(2)**.

**21.2.18** **R** *Issuers with debt securities* falling under **■ UKLR 21.2.17R** must also notify, in accordance with the terms and conditions of the *issue* of those *securities*, holders of those *securities* or a representative of the holders, such as a trustee, of the intended cancellation of those *securities*, but the prior approval of the holders of those *securities* in a general meeting need not be obtained.

**Cancellation as a result of schemes of arrangement etc**

**21.2.19** **R** **■ UKLR 21.2.8R** and **■ UKLR 21.2.17R** do not apply to the cancellation of *equity shares* and *certificates representing shares* as a result of:

- (1) a takeover or restructuring of the *issuer* effected by a scheme of arrangement under Part 26 or Part 26A of the Companies Act 2006;
- (2) an administration or liquidation of the *issuer* pursuant to a court order under the Insolvency Act 1986, Building Societies Act 1986, Water Industry Act 1991, Banking Act 2009, Energy Act 2011 or the Investment Bank Special Administration Regulations 2011;
- (3) the appointment of an administrator under paragraphs 14 (appointment of administrator by holder of floating charge) or 22 (appointment of administrator by company or directors) of Schedule B1 to the Insolvency Act 1986;
- (4) a resolution for winding up being passed under section 84 of the Insolvency Act 1986;
- (5) the appointment of a provisional liquidator by the court under section 135 of the Insolvency Act 1986;
- (6) a company voluntary arrangement pursuant to Part 1 of the Insolvency Act 1986, subject to the time limits for the challenge of decisions made set out in Part 1 of the Insolvency Act 1986 having expired; or
- (7) statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation having similar effect to those set out in (1) to (6).

## 21.2.20

**G**

In determining whether the statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation have a similar effect to those set out in ■ UKLR 21.2.19R(1) to (6), the *FCA* will in particular have regard to whether those procedures require a court order, the approval of 75% of the shareholders entitled to vote on the resolution, or a formal declaration of the *overseas issuer's* insolvency or inability to pay its debts.

## 21.3 Requests to cancel or suspend

### Information to be included in request to suspend or cancel

#### 21.3.1

**R**

A request by an *issuer* for the *listing* of its *securities* to be suspended or cancelled must be in writing and must include:

- (1) the *issuer's* name;
- (2) details of the *securities* to which it relates and the *RIEs* on which they are traded;
- (3) a clear explanation of the background and reasons for the request;
- (4) the date on which the *issuer* requests the suspension or cancellation to take effect;
- (5) for a suspension, the time the *issuer* wants the suspension to take effect;
- (6) if relevant, a copy of any *circular* or announcement or other document upon which the *issuer* is relying;
- (7) if relevant, evidence of any resolution required under **■ UKLR 21.2.8R**;
- (8) if being made by an agent on behalf of the *issuer*, confirmation that the agent has the *issuer's* authority to make it;
- (9) the name and contact details of the *person* at the *issuer* (or, if appropriate, an agent) with whom the *FCA* should liaise in relation to the request;
- (10) if the *issuer* is making a conditional request, a clear statement of the applicable conditions;
- (11) a copy of any announcement the *issuer* proposes to notify to a *RIS* that it is relying on in making its request to suspend or cancel; and
- (12) a copy of any announcement the *issuer* proposes to notify to a *RIS* announcing the suspension or cancellation.

#### 21.3.2

**R**

The *issuer* must also include, with a request to cancel the *listing* of its *securities*, the following:

- (1) if the cancellation is to take effect after the completion of the compulsory acquisition procedures under Chapter 3 of Part 28 of the

Companies Act 2006, a copy of the notice sent to dissenting shareholders of the offeree, together with written confirmation that no objections have been made to the court within the prescribed period;

- (2) for a cancellation referred to in ■ UKLR 21.2.11R or ■ UKLR 21.2.14R an extract from, or a copy of, the offer document or relevant circular, clearly showing the intention to cancel the offeree's *listing*, and a copy of the announcement stating the date on which the cancellation was expected to take effect; and
- (3) if a cancellation is to take place after a scheme of arrangement becomes effective under section 899 of the Companies Act 2006 and a new *company* is to be *listed* as a result of that scheme, either:
  - (a) a copy of the certificate from the Registrar of Companies that the scheme has become effective; or
  - (b) documents which demonstrate adequately that the scheme will become effective on a specified date in the future.

21.3.3 **G** Announcements referred to in ■ UKLR 21.3.1R(12) should be issued after the dealing notice issued on a *RIS* announcing the suspension or cancellation.

**Timing of suspension requests**

21.3.4 **G** A written request by an *issuer* to have the *listing* of its *securities* suspended should be made as soon as practicable. Suspension requests received for the opening of the market should allow sufficient time for the *FCA* to deal with the request before trading starts.

**Timing of cancellation requests**

21.3.5 **R** A written request by an *issuer* to have the *listing* of its *securities* cancelled must be made not less than 24 hours before the cancellation is expected to take effect.

21.3.6 **G** Cancellations will only be specified to take effect when the market opens on a specified day. An *issuer* should therefore ensure that all accompanying information has been provided to the *FCA* well before the date on which the *issuer* wishes the cancellation to take effect and at the very latest by 3pm on the *business day* before it is to take effect. If the information is received after 3pm on the *business day* before the *issuer* wishes the cancellation to take effect, it will normally be specified to take effect at the start of the *business day* following the next *business day*.

**Withdrawing request**

21.3.7 **G** (1) If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities*, it may withdraw its request at any time before the suspension or cancellation takes effect. The withdrawal request should initially be made by telephone and should then be confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

- (2) Even if an *issuer* withdraws its request, the *FCA* may still suspend or cancel the *listing* of the *securities* if it considers it is necessary to do so.
- (3) If an *issuer* has published either a statement or a *circular* that states that the *issuer* is seeking, or intends to seek, a suspension or cancellation and the *issuer* no longer intends to do so, it should, as soon as possible, notify a *RIS* with a statement to that effect.

**Notice of cancellation or suspension**

21.3.8

G

If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities* under ■ UKLR 21.3.1R and the *FCA* agrees to do so, the notification given by the *FCA* to the *issuer* will include the following information:

- (1) the date on which the suspension or cancellation took effect or will take effect;
- (2) details of the suspension or cancellation; and
- (3) in relation to requests for suspension, details of the *issuer's* right to apply for the suspension of its *listed securities* to be cancelled.

## 21.4 Restoring listing

### Revoking a cancellation of listing

- 21.4.1 **G** If an *issuer* has the *listing* of its *securities* cancelled, it may only have them readmitted to the *official list* by re-applying for their listing.

### Restoring a listing that is suspended

- 21.4.2 **R** The *FCA* may restore the *listing* of any *securities* that have been suspended if it considers that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors. The *FCA* may restore the *listing* even though the *issuer* does not request it.

### Requests to restore

- 21.4.3 **G**
- (1) An *issuer* that has the *listing* of any of its *securities* suspended may request the *FCA* to have them restored.
  - (2) The request should be made sufficiently in advance of the time and date on which the *issuer* wishes the *securities* to be restored.
  - (3) Requests received for when the market opens should allow sufficient time for the *FCA* to deal with the request.
  - (4) The request may be an oral request. The *FCA* may require:
    - (a) documentary evidence that the events that led to the suspension are no longer current (for example, financial reports have been published or an appropriate announcement has been made); and
    - (b) written confirmation from the board that the *issuer* is otherwise in compliance with its obligations under the *listing rules*, the *disclosure requirements*, the *transparency rules* and the *corporate governance rules*,to process the request.
  - (5) The *FCA* will issue a dealing notice on a *RIS* announcing the restoration.

### Refusal of request to restore

- 21.4.4 **R** The *FCA* will refuse a request to restore the *listing* of *securities* if it is not satisfied of the matters set out in **UKLR 21.4.2R**.

**Withdrawal of a request to restore securities**

- 21.4.5 **G**
- (1) If an *issuer* has requested the *FCA* to restore the *listing* of any *securities*, it may withdraw its request at any time while the *securities* are still suspended. The withdrawal request should initially be made by telephone and should then be confirmed in writing as soon as possible.
  - (2) Even if a request to restore has been withdrawn, the *FCA* may restore the *listing* of *securities* if it believes the circumstances justify it.

**Restoring listing of securitised derivatives**

- 21.4.6 **G**
- (1) If an *underlying instrument* is restored, the *securitised derivative's listing* will normally be restored.
  - (2) For a *securitised derivative* relating to a basket of *underlying instruments* that has been suspended, the *securitised derivative's listing* may be restored by the *FCA*, irrespective of whether the *underlying instrument* has been restored, if:
    - (a) the *issuer* of the *securitised derivative* confirms to the *FCA* that, despite the relevant *underlying instrument(s)* suspension, a market in the *securitised derivative* will continue to be made; and
    - (b) the *FCA* is satisfied that restoring the *securitised derivative* is not inconsistent with either the protection of investors or the smooth operation of the market.

- 21.4.7 **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.

**Restoring listing of a shell company**

- 21.4.8 **R**
- Where the *listing* of a *shell company's equity shares* has been suspended in accordance with **UKLR 13.4**, a *shell company* must contact the *FCA* as soon as possible in the event that the *initial transaction* is no longer in contemplation or will not be proceeding to completion.



## 21.5 Transfer between listing categories

21

### Application

21.5.1

**R**

This section applies to an *issuer* that wishes to transfer the category of its *listing* from:

- (1) the *equity shares (international commercial companies secondary listing)* category to the *equity shares (commercial companies)* category;
- (2) the *equity shares (transition)* category to the *equity shares (commercial companies)* category;
- (3) the *equity shares (international commercial companies secondary listing)* category to the *closed-ended investment funds* category;
- (4) the *equity shares (transition)* category to the *closed-ended investment funds* category;
- (5) the *equity shares (international commercial companies secondary listing)* category to the *open-ended investment companies* category;
- (6) the *equity shares (transition)* category to the *open-ended investment companies* category;
- (7) the *open-ended investment companies* category to the *equity shares (international commercial companies secondary listing)* category;
- (8) the *open-ended investment companies* category to the *equity shares (commercial companies)* category;
- (9) the *equity shares (commercial companies)* category to the *equity shares (international commercial companies secondary listing)* category;
- (10) the *equity shares (commercial companies)* category to the *equity shares (shell companies)* category;
- (11) the *equity shares (commercial companies)* category to the *closed-ended investment funds* category;
- (12) the *equity shares (commercial companies)* category to the *open-ended investment companies* category;
- (13) the *closed-ended investment funds* category to the *equity shares (commercial companies)* category;

- (14) the *closed-ended investment funds* category to the *equity shares (international commercial companies secondary listing)* category;
- (15) the *equity shares (transition)* category to the *equity shares (international commercial companies secondary listing)* category;
- (16) the *equity shares (transition)* category to the *equity shares (shell companies)* category; or
- (17) the *equity shares (international commercial companies secondary listing)* category to the *equity shares (shell companies)* category.

**21.5.2** **G** An *issuer* will only be able to transfer a *listing* of its *equity shares* from the *closed-ended investment funds* category to the *equity shares (international commercial companies secondary listing)* or the *equity shares (commercial companies)* category if it has ceased to be a *closed-ended investment fund* (for example, if it has become a commercial company). This is because **■ UKLR 5.1.1R(1)** and **■ UKLR 14.1.1R(1)** provide that **■ UKLR 5** and **■ UKLR 14** do not apply to an *applicant* for *admission* of the *equity shares* of a *closed-ended investment fund*.

**21.5.3** **G** An *issuer* will only be able to transfer a *listing* of its *securities* from the *open-ended investment companies* category to the *equity shares (international commercial companies secondary listing)* or the *equity shares (commercial companies)* category if it has ceased to be an *open-ended investment company* (for example, if it has become a commercial company). This is because **■ UKLR 5.1.1R(2)** and **■ UKLR 14.1.1R(2)** provide that **■ UKLR 5** and **■ UKLR 14** do not apply to an *applicant* for the *admission* of *equity shares* of an *open-ended investment company*.

**21.5.4** **G** An *applicant* which is applying to transfer its category of *listing* to the *equity shares (shell companies)* category from the *equity shares (commercial companies)* category, the *equity shares (transition)* category or the *equity shares (international commercial companies secondary listing)* category under **■ UKLR 21.5.1R(10)**, (16) and (17) should consider the *guidance* in **■ UKLR 13.2.2G** to **■ UKLR 13.2.3G**.

**Initial notification to the FCA**

**21.5.5** **R**

- (1) If an *issuer* wishes to transfer the category of its *listing*, it must notify the *FCA* of the proposal.
- (2) The notification must be made as early as possible and in any event not less than 20 *business days* before it sends the *circular* required under **■ UKLR 21.5.6R(2)(a)** or publishes the announcement required under **■ UKLR 21.5.7R(2)**.
- (3) The notification must include:
  - (a) an explanation of why the *issuer* is seeking the transfer;
  - (b) if a *sponsor's* letter is not required under **■ UKLR 24.3.12R**, an eligibility letter setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer;

- (c) a proposed timetable for the transfer; and
- (d) if an announcement is required to be published under  
■ UKLR 21.5.7R(2), a draft of that announcement.

### Shareholder approval required in certain cases

21.5.6

**R**

- (1) This *rule* applies to a transfer of the *listing* of:
  - (a) *equity shares* out of the *closed-ended investment funds* category;  
or
  - (b) *equity shares* out of the *equity shares (commercial companies)* category.
- (2) The *issuer* must:
  - (a) send a *circular* to the holders of the *equity shares*;
  - (b) notify a *RIS*, at the same time as the *circular* is despatched to the relevant holders of the *equity shares*, of the intended transfer and of the notice period and meeting date; and
  - (c) notify a *RIS* of the passing of the resolution required under (3) below.
- (3) In the case of:
  - (a) a transfer of the *listing* of *equity shares* out of the *closed-ended investment funds* category, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; or
  - (b) a transfer of *equity shares* out of the *equity shares (commercial companies)* category, the *issuer* must obtain at a general meeting the prior approval of a resolution for the transfer from:
    - (i) a majority of not less than 75% of the votes attaching to the *shares* voted on the resolution; and
    - (ii) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *shares* of *independent shareholders* voted on the resolution.

### Announcement required in other cases

21.5.7

**R**

- (1) This *rule* applies to any transfer of a *listing* of *equity shares* other than a transfer referred to in ■ UKLR 21.5.6R(1).
- (2) The *issuer* must publish an announcement on a *RIS* giving notice of its intention to transfer its *listing* category.

### Approval and contents of circular

21.5.8

**R**

- The *circular* referred to in ■ UKLR 21.5.6R must:
- (1) comply with the requirements of ■ UKLR 10.1, ■ UKLR 10.2 and ■ UKLR 10.3;
  - (2) be approved by the *FCA* before it is circulated or published; and

(3) include the anticipated transfer date (which must be not less than 20 *business days* after the passing of the resolution under ■ UKLR 21.5.6R).

**Approval and contents of announcement**

21.5.9 **R** The announcement referred to in ■ UKLR 21.5.7R(2) must:

- (1) contain the same substantive information as would be required under ■ UKLR 10.1 and ■ UKLR 10.3 if it were a *circular* but modified as necessary so it is clear that no vote of holders of the relevant *securities* is required; and
- (2) include the anticipated transfer date (which must be not less than 20 *business days* after the date the announcement is published).

21.5.10 **R** In the case of a transfer of the *listing of equity shares* into the *equity shares (commercial companies)* category, where:

- (1) the *issuer* is a *sovereign controlled commercial company*; and
- (2) the State which is a *sovereign controlling shareholder* is either:
  - (a) recognised by the government of the *UK* as a State at the time the announcement is made; or
  - (b) the *UK*,
 the announcement referred to in ■ UKLR 21.5.7R(2) must include the information specified in ■ UKLR 6.4.19R.

21.5.11 **R** The announcement must be approved by the *FCA* before it is published.

**Specific information required in circular or announcement**

21.5.12 **G** Information required under ■ UKLR 10.3.1R(1) (Contents of all circulars) to be included in the *circular* or announcement should include an explanation of:

- (1) the background and reasons for the proposed transfer;
- (2) any changes to the *issuer's* business that have been made or are proposed to be made in connection with the proposal;
- (3) the effect of the transfer on the *issuer's* obligations under the *listing rules*;
- (4) how the *issuer* will meet any new eligibility requirements that the *FCA* must be satisfied of under ■ UKLR 21.5.15R(3); and
- (5) any other matter that the *FCA* may reasonably require.

**Applying for the transfer**

21.5.13 **R** If an *issuer* has initially notified the *FCA* under ■ UKLR 21.5.5R, it may apply to the *FCA* to transfer the *listing* of its *securities* from one category to another. The application must include:

- (1) the *issuer's* name;
- (2) details of the *securities* to which the transfer relates;
- (3) the date on which the *issuer* wishes the transfer to take effect;
- (4) a copy of any *circular*, announcement or other document on which the *issuer* is relying;
- (5) if relevant, evidence of any resolution required under ■ UKLR 21.5.6R;
- (6) if an agent is making the application on the *issuer's* behalf, confirmation that the agent has the *issuer's* authority to do so;
- (7) the name and contact details of the *person* at the *issuer* (or, if appropriate, an agent) with whom the *FCA* should liaise in relation to the application; and
- (8) a copy of any announcement the *issuer* proposes to notify to a *RIS*, informing the market that the transfer has taken place.

**Issuer must comply with eligibility requirements**

- 21.5.14 **R**
- (1) An *issuer* applying for a transfer of its *securities* must comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *securities* 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, unless the context otherwise requires, a reference in such a requirement:
    - (a) to the admission of *securities* is to be taken to be a reference to the transfer of the *securities*; and
    - (b) to a *prospectus* or *listing particulars* is to be taken to be a reference to the *circular* or announcement.

**Approval of transfer**

- 21.5.15 **R**
- If an *issuer* applies for a transfer under ■ UKLR 21.5.13R, the *FCA* may approve the transfer if it is satisfied that:
- (1) the *issuer* has complied with ■ UKLR 21.5.6R or ■ UKLR 21.5.7R (whichever is relevant);
  - (2) the 20-*business day* period referred to in ■ UKLR 21.5.8R or ■ UKLR 21.5.9R (whichever is relevant) has elapsed; and
  - (3) the *issuer* and the *securities* will comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *securities* to the category of *listing* to which it wishes to transfer.

- 21.5.16 **G**
- The *FCA* will not generally reassess compliance with eligibility requirements if the *issuer* has previously been assessed by the *FCA* as meeting those

requirements under its existing *listing* category when its *securities* were *listed*.

**When transfer takes effect**

21.5.17 **R**

- (1) If the *FCA* approves a transfer of a *listing*, it must announce its decision on a *RIS*.
- (2) The transfer becomes effective when the *FCA*'s decision to approve is announced on the *RIS*.
- (3) The *issuer* must continue to comply with the requirements of its existing category of *listing* until the decision is announced on the *RIS*.
- (4) After the decision is announced, the *issuer* must comply with the requirements of the category of *listing* to which it has transferred.

**Obligations under the Act and Prospectus Rules**

21.5.18 **G**

An *issuer* may take steps, in connection with a transfer, which require it to consider whether a *prospectus* is necessary – for example, if the *company* or its capital is reconstituted in a way that could amount to an *offer of transferable securities to the public*. The *issuer* and its advisers should consider whether obligations under the *Act* and the *Prospectus Rules* may be triggered.

**Transfer as an alternative to cancellation**

21.5.19 **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 *FCA* may consider cancelling the *listing* of the *equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category. For example, for an *issuer* with *equity shares listed* in the *equity shares (commercial company)* category that becomes a *shell company*, the *FCA* may consider cancelling the *listing* of the *equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category to the *equity shares (shell companies)* category.

21.6 Miscellaneous

**Decision-making procedures for suspension, cancellation etc**

- 21.6.1 **G** The decision-making procedures that the *FCA* will follow when it cancels, suspends or refuses a request by an *issuer* to suspend, cancel or restore *listing* are set out in *DEPP*.

**Suspension, cancellation or restoration by overseas exchange or authority**

- 21.6.2 **R** An *issuer* must inform the *FCA* if its listing has been suspended, cancelled or restored by an *overseas* exchange or *overseas* authority.

- 21.6.3 **G**
- (1) The *FCA* 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 *listed issuer's securities* are suspended, cancelled or restored on its home exchange).
  - (2) The *FCA* will not normally suspend the *listing* of *securities* where there is a trading halt for the *security* on its home exchange.
  - (3) If a *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 *FCA* written confirmation:
    - (a) that the suspension, cancellation or restoration of listing on its home exchange has become effective; or
    - (b) if it has not yet become effective, of the time and date it is proposed to become effective.
  - (4) If an *overseas* exchange or *overseas* authority requests the *FCA* to suspend, cancel or restore the *listing* of *securities*, the *FCA* will, wherever practical, contact the *issuer* or its *sponsor* before it suspends, cancels or restores the *listing*. Therefore, *issuers* are encouraged to contact the *FCA* at the same time as they contact their home exchange.
  - (5) If the *FCA* is unable to contact the *issuer* or *sponsor*, it will suspend, cancel or restore the *listing* of the *securities* when it is satisfied that the listing of the relevant *securities* has been, or will be, suspended, cancelled or restored on their home exchange.

21.6.4

**G**

Where the *issuer* has a *listing* of *equity shares* in the *equity shares (international commercial companies secondary listing)* category, the *issuer* should note ■ UKLR 14.2.6R, ■ UKLR 14.3.1R and ■ UKLR 14.3.4R.



## Chapter 22

# Equity shares (transition): continuing obligations

## 22.1 Application

- 22.1.1** **R** (1) This chapter applies to a *listed company* which:
- (a) prior to 29 July 2024, had a *listing* of *equity shares* in what was previously known as the 'standard listing (shares)' category under the Listing Rules sourcebook as it applied immediately prior to 29 July 2024; or
  - (b) satisfies the following:
    - (i) falls within the definition of an "in-flight applicant" in ■ UKLR TP 1.1R ;
    - (ii) prior to 29 July 2024, had applied for a *listing* in what was previously known as the 'standard listing (shares)' category under the Listing Rules sourcebook as it applied immediately prior to 29 July 2024; and
    - (iii) has been admitted to listing prior to 29 July 2025, other than a *listing* of *equity shares* that would be eligible for *admission* to the *listing* categories in (2).
- (2) For the purposes of (1), the listing categories are:
- (a) the *equity shares (international commercial companies secondary listing)* category;
  - (b) the *equity shares (shell companies)* category; or
  - (c) the *non-equity shares and non-voting equity shares* category.
- 22.1.2** **R** A company's *equity shares* will not be eligible for *admission* to the *equity shares (transition)* category where those *equity shares* are eligible for *admission* to any of the *listing* categories set out in ■ UKLR 22.1.1R(2)(a) to ■ (c).
- 22.1.3** **R** A company with a *listing* of *equity shares* in the *equity shares (transition)* category will not be eligible for re-admission to the *equity shares (transition)* category on completion of a *reverse takeover*.
- 22.1.4** **G** A company will not be required to appoint a *sponsor* under this *listing* category unless the *company* is applying to transfer to a *listing* category which requires the appointment of a *sponsor*.

## 22.2 Continuing obligations

### Admission to trading

- 22.2.1 **R** Other than in regard to *securities* to which **■** UKLR 23 applies, the *listed equity shares* of a *company* must be admitted to trading on a *regulated market* for *listed securities*.

### Shares in public hands

- 22.2.2 **R**
- (1) For a *class of equity shares* admitted to *listing*, a sufficient number of equity shares of that class must continue to be distributed to the public.
  - (2) For the purposes of paragraph (1):
    - (a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* for which application for *admission* has been made are in public hands; and
    - (b) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.
  - (3) For the purposes of paragraphs (1) and (2), *shares* are not held in public hands if they are:
    - (a) held, directly or indirectly, by:
      - (i) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
      - (ii) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
      - (iii) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
      - (iv) any *person* who, under any agreement, has a right to nominate a *person* to the board of *directors* of the *applicant*; or
      - (v) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant *class*; or
    - (b) subject to a lock-up period of more than 180 days.

- 22.2.3 **G** When calculating the number of *shares* for the purposes of **■ UKLR 22.2.2R (3)(a)(v)**, holdings of *investment managers* in the same *group* will be disregarded where:
- (1) investment decisions are made independently by the individual in control of the relevant fund; and
  - (2) those decisions are unfettered by the *group* to which the *investment manager* belongs.
- 22.2.4 **R** A *listed company* that no longer complies with **■ UKLR 22.2.2R** must notify the *FCA* as soon as possible of its non-compliance.
- Further issues**
- 22.2.5 **R** Where *shares* of the same *class* as *equity shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one year of the allotment.
- Copies of documents**
- 22.2.6 **R** A *listed company* must forward to the *FCA*, for publication, by uploading to the *national storage mechanism*, a copy of:
- (1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and
  - (2) all resolutions passed by the *company*, other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.
- 22.2.7 **R**
- (1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under **■ UKLR 22.2.6R** unless the full text of the document is provided to the *RIS*.
  - (2) A notification made under (1) must set out where copies of the relevant document can be obtained.
- First point of contact details**
- 22.2.8 **R** A *listed company* must ensure that the *FCA* is provided with up-to-date contact details of at least one appropriate *person* nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules*, the *disclosure requirements* and the *transparency rules*, as applicable.
- Temporary documents of title (including renounceable documents)**
- 22.2.9 **R** A *listed company* must ensure that any temporary document of title (other than one issued in global form) for a *share*:
- (1) is serially numbered;

- (2) states, where applicable:
  - (a) the name and address of the first holder and the names of joint holders (if any);
  - (b) the pro rata entitlement;
  - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
  - (d) how the *shares* rank for dividend or interest;
  - (e) the nature of the document of title and the proposed date of issue;
  - (f) how fractions (if any) are to be treated; and
  - (g) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ UKLR 9.4.6R, in which the *offer* may be accepted, and how *shares* not taken up will be dealt with; and
- (3) if renounceable:
  - (a) states in a heading that the document is of value and negotiable;
  - (b) advises holders of *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 *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;
  - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
  - (3) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
  - (3) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
  - (3) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

**Definitive documents of title**

22.2.10

**R**

A *listed company* must ensure that any definitive document of title for a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (6)):

- (1) the authority under which the *company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *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 *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 *share* is transferable;
- (5) the date of the certificate;
- (6) for *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.

### Disclosure requirements and transparency rules

- 22.2.11 **G** A *listed company* whose *shares* are admitted to trading on a *regulated market* should consider its obligations under the *disclosure requirements* and the *transparency rules*.

### Disclosure of rights attached to shares

- 22.2.12 **R** Unless exempted in ■ UKLR 22.2.15R, a *listed company* must:
- (1) forward to the *FCA* for publication a copy of one or more of the following:
    - (a) the approved *prospectus* or *listing particulars* for its *listed shares*;
    - (b) the relevant agreement or document setting out the terms and conditions on which its *listed shares* were issued; or
    - (c) a document describing:
      - (i) the rights attached to its *listed shares*;
      - (ii) limitations on such rights; and
      - (iii) the procedure for the exercise of such rights, produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *company* been required to produce a *prospectus* for those *listed shares*; and
  - (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
    - (a) a new document in accordance with (1); or
    - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*.

- 22.2.13 **R** The documents in ■ UKLR 22.2.12R must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

22.2.14 **G** The purpose of **■ UKLR 22.2.12R** is to require *companies* to maintain publicly available information in relation to the rights attached to their *listed shares* so that investors can access such information.

22.2.15 **R** A *listed company* is exempt from **■ UKLR 22.2.12R** where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in **■ UKLR 22.2.12R(1)**;
- (2) if the information in relation to the rights attached to its *listed shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in **■ UKLR 22.2.12R(1)**; or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *company's listed shares*; and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

### Registrar

22.2.16 **R** An *overseas company* must appoint a registrar in the *United Kingdom* if:

- (1) there are 200 or more holders resident in the *United Kingdom*; or
- (2) 10% or more of the *shares* are held by *persons* resident in the *United Kingdom*.

### Notifications relating to capital

22.2.17 **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:

- (1) any proposed change in its capital structure, including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
- (2) any redemption of *listed shares*, including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;
- (3) any extension of time granted for the currency of temporary documents of title; and
- (4) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

**22.2.18** **R** Where the *shares* are subject to an underwriting agreement, a *listed company* may, at its discretion and subject to the *disclosure requirements* and contents of **■ DTR 2**, delay notifying a *RIS* as required by **■ UKLR 22.2.17(4)** for up to 2 *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

**Compliance with the transparency rules and corporate governance rules**

**22.2.19** **G** A *listed company* whose *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) and **■ DTR 6** (Continuing obligations and access to information).

**22.2.20** **R** A *listed company* that is not already required to comply with the *transparency rules* must comply with **■ DTR 4**, **■ DTR 5** and **■ DTR 6** as if it were an *issuer* for the purposes of the *transparency rules*.

**22.2.21** **R** A *listed company* that is not already required to comply with **■ DTR 7.2** (Corporate governance statements) must comply with **■ DTR 7.2** as if it were an *issuer* to which that section applies.

**22.2.22** **R** A *listed company* (other than an *open-ended investment company*) that is not already required to comply with **■ DTR 7.3** (Related party transactions) must comply with **■ DTR 7.3** as if it were an *issuer* to which **■ DTR 7.3** applies, subject to the modifications set out in **■ UKLR 22.2.23R**.

**22.2.23** **R** For the purposes of **■ UKLR 22.2.22R**, **■ DTR 7.3** is modified as follows:

(1) **■ DTR 7.3.2R** must be read as if the words ‘has the meaning in *UK-adopted IFRS*’ are replaced as follows:

‘has the meaning:

(1) in *UK-adopted IFRS*; or

(2) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*:

(a) in *UK-adopted IFRS*; or

(b) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared,

at the choice of the *listed company*.’

(2) **■ DTR 7.3.8R(2)** and (3) do not apply.



- (3) ■ DTR 7.3.9R must be read as follows:
  - (a) as if the words 'after obtaining board approval' are replaced by 'after publishing an announcement in accordance with ■ DTR 7.3.8R(1)'; and
  - (b) the reference to ■ DTR 7.3.8R must be read as a reference to ■ DTR 7.3.8R as modified by ■ UKLR 22.2.23R(2).
- (4) In ■ DTR 7.3.13R the references to ■ DTR 7.3.8R must be read as references to ■ DTR 7.3.8R as modified by ■ UKLR 22.2.23R(2).

### Information to be included in annual report and accounts

22.2.24

**R**

In addition to the requirements set out in ■ DTR 4.1, a *listed company* (other than an *investment entity* or a *shell company*) must include a statement in its annual financial report, setting out:

- (1) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;
- (2) in cases where the *listed company* has:
  - (a) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:
    - (i) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
    - (ii) a description of that document and where it can be found; and
    - (iii) the reasons for including the relevant disclosures in that document and not in the annual financial report; or
  - (b) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (a):
    - (i) the recommendations and/or recommended disclosures for which it has not included such disclosures;
    - (ii) the reasons for not including such disclosures; and
    - (iii) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and
- (3) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (1) can be found.

22.2.25

**G**

For the purposes of ■ UKLR 22.2.24R, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the *TCFD Annex* entitled 'Guidance for All Sectors';
- (2) (where appropriate) Section D of the *TCFD Annex* entitled 'Supplemental Guidance for the Financial Sector'; and
- (3) (where appropriate) Section E of the *TCFD Annex* entitled 'Supplemental Guidance for Non-Financial Groups'.
- 22.2.26** G For the purposes of ■ UKLR 22.2.24R, in determining whether a *listed company's* climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, the *FCA* considers that the following documents are relevant:
- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in ■ UKLR 22.2.24R and ■ UKLR 22.2.25G;
- (2) the *TCFD Technical Supplement on the Use of Scenario Analysis*;
- (3) the *TCFD Guidance on Risk Management Integration and Disclosure*;
- (4) (where appropriate) the *TCFD Guidance on Scenario Analysis for Non-Financial Companies*; and
- (5) the *TCFD Guidance on Metrics, Targets and Transition Plans*.
- 22.2.27** G For the purposes of ■ UKLR 22.2.24R, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should consider whether those disclosures provide sufficient detail to enable users to assess the *listed company's* exposure to and approach to addressing climate-related issues.
- A *listed company* should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:
- (1) the level of its exposure to climate-related risks and opportunities;  
and
- (2) the scope and objectives of its climate-related strategy,
- noting that these factors may relate to the nature, size and complexity of the *listed company's* business.
- 22.2.28** G (1) For the purposes of ■ UKLR 22.2.24R, the *FCA* would ordinarily expect a *listed company* to be able to make climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.
- (2) In particular, the *FCA* would expect that a *listed company* should ordinarily be able to make disclosures consistent with:
- (a) the recommendation and recommended disclosures on governance in the *TCFD Recommendations and Recommended Disclosures*;

- (b) the recommendation and recommended disclosures on risk management in the *TCFD Recommendations and Recommended Disclosures*; and
- (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the *TCFD Recommendations and Recommended Disclosures*, to the extent that the *listed company* does not face the transitional challenges referred to in (1) in relation to such disclosures.

**22.2.29** **G** Where making disclosures on transition plans as part of its disclosures on strategy under the *TCFD Recommendations and Recommended Disclosures*, a *listed company* that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the UK's commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered this commitment in developing and disclosing its transition plan, the FCA encourages a *listed company* to explain why it has not done so.

**22.2.30** **R** In addition to the requirements set out in **DTR 4.1**, a *listed company* (other than an *open-ended investment company* or *shell company*) must include in its annual financial report:

- (1) a statement setting out:
  - (a) whether the *listed company* has met the following targets on board diversity as at a chosen reference date within its accounting period:
    - (i) at least 40% of the individuals on its board of *directors* are women;
    - (ii) at least one of the following senior positions on its board of *directors* is held by a woman;
      - (A) the chair;
      - (B) the chief executive;
      - (C) the senior independent director; or
      - (D) the chief financial officer; and
    - (iii) at least one individual on its board of *directors* is from a *minority ethnic background*;
  - (b) in cases where the *listed company* has not met all of the targets in (a):
    - (i) the targets it has not met; and
    - (ii) the reasons for not meeting those targets;
  - (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
  - (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected

the *listed company's* ability to meet one or more of the targets in (a);

- (2) subject to ■ UKLR 22.2.31R, numerical data on the ethnic background and the gender identity or sex of the individuals on the *listed company's* board and in its *executive management* as at the reference date used for the purposes of (1)(a), which should be set out in the format of the tables contained in ■ UKLR 22 Annex 1 and contain the information prescribed by those tables; and
- (3) an explanation of the *listed company's* approach to collecting the data used for the purposes of making the disclosures in (1) and (2).

**22.2.31** **R** In relation to ■ UKLR 22.2.30R(2), where individuals on a *listed company's* board or in its *executive management* are situated *overseas*, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, a *listed company* may instead explain the extent to which it is unable to make the relevant disclosures.

**22.2.32** **G** Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of ■ UKLR 22.2.30R(2), a *listed company* may add to the categories included in the first column of the table in ■ UKLR 22 Annex 1.1R(1) in order to reflect the basis on which it has collected data.

**22.2.33** **G** In relation to ■ UKLR 22.2.30R(3), the *FCA* expects a *listed company's* approach to data collection to be:

- (1) consistent for the purposes of reporting under both ■ UKLR 22.2.30R(1) and ■ (2); and
- (2) consistent across all individuals in relation to whom data is being reported.

The *FCA* expects the explanation of a *listed company's* approach to data collection to include the method of collection and/or source of the data, and, where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked.

**22.2.34** **G** In addition to the information required under ■ UKLR 22.2.30R(1) to ■ (3) (and without prejudice to the requirements of ■ DTR 7.2.8AR), a *listed company* may, if it wishes to do so, include the following in its annual financial report:

- (1) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and *executive management*;
- (2) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country in which its main operations are located); and

- (3) any risks it foresees in being able to meet or continue to meet the board diversity targets in ■ UKLR 22.2.30R(1)(a) in the next accounting period, or any plans to improve the diversity of its board.

**22.2.35** **R** When making a statement required by ■ UKLR 22.2.30R(1) in its annual financial report, a *closed-ended investment fund* need not set out the following matters if they are inapplicable to the *closed-ended investment fund* and its statement sets out the reasons why those matters are inapplicable:

- (1) whether the *closed-ended investment fund* has met the board diversity target in ■ UKLR 22.2.30R(1)(a)(ii); and
- (2) matters set out in ■ UKLR 22.2.30R(1)(b) to the extent that they relate to the board diversity target in ■ UKLR 22.2.30R(1)(a)(ii).

**22.2.36** **R** When including numerical data required by ■ UKLR 22.2.30R(2) in its annual financial report, a *closed-ended investment fund* need not include the fields in the first row of each of the tables in ■ UKLR 22 Annex 1, and the corresponding data for those fields, that are inapplicable to the *closed-ended investment fund*, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable.

## 22.3 Reverse takeovers

### Cancellation of listing

22.3.1 **G** If a *listed company* is proposing to enter into a transaction classified as a *reverse takeover*, it should consider ■ UKLR 21.2.2G and ■ UKLR 21.2.5G.

22.3.2 **G** Where a *listed company* completes a *reverse takeover*, the *FCA* will seek to cancel the *listing* of an *issuer's equity shares* unless the *FCA* is satisfied that circumstances exist such that cancellation is not required. The *FCA* will have regard to ■ UKLR 21.2.1R and the individual circumstances of the case.

22.3.3 **R** Where the *listed company's listing* is cancelled following completion of a *reverse takeover*, the *issuer* must re-apply for the *listing* of the *shares* in a different *listing* category.

22.3.4 **G** ■ UKLR 22.3.6G sets out circumstances in which the *FCA* will generally be satisfied that a cancellation is not required.

### Acquisitions of targets (issuer to change its listing category from the equity shares (transition) category if issuer wishes to remain listed)

22.3.5 **R** Where a *listed company* completes a *reverse takeover* (regardless of whether those acquired *shares* are also *listed* in the *equity shares (transition) category*):

- (1) Unless the *FCA* is satisfied that the circumstances exist such that cancellation is not required, the *FCA* will seek to cancel the *listing* of the *listed company's equity shares*; and
- (2) the *listed company* would be required to re-apply for *admission* to a different *listing* category.

22.3.6 **G** The *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *target* is *listed* with a different *listing* category from that of the *listed company*;
- (2) the *listed company* wishes to transfer its *listing* to a different *listing* category in conjunction with the acquisition; and

(3) the *listed company* as enlarged by the relevant acquisition complies with the relevant requirements of ■ UKLR 21.5 to transfer to a different *listing* category.

22.3.7

**G**

A *listed company* proposing to transfer its *listing* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category should consider its obligation to appoint a *sponsor* under ■ UKLR 4.2.2R.

22.3.8

**R**

A *listed company* or, where a *sponsor* has been appointed in accordance with ■ UKLR 4.2.2R, a *sponsor* on behalf of a *listed company*, must contact the *FCA* as early as possible:

(1) before a *reverse takeover* which has been agreed or is in contemplation is announced; or

(2) where details of the *reverse takeover* have leaked,

to discuss whether a cancellation of *listing* is appropriate on completion of the *reverse takeover*.





**Data on the diversity of the individuals on a listed company’s board and in its executive management**

The following tables set out the information a *listed company* must include in its annual financial report under ■ UKLR 22.2.30R(2), and the format in which it must be set out.

(1) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					

[Note: The placeholder for ‘Other categories’ is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with UKLR 22.2.32G.]

(2) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)					
Mixed/ multiple ethnic groups					
Asian/Asian British					
Black/ African/ Caribbean/Black British					

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
<b>Other ethnic group</b>					
<b>Not specified/ prefer not to say</b>					

## Chapter 23

# Listing particulars for professional securities market and certain other securities: all securities



## 23.1 Application and purpose

### Application

23.1.1

**R**

This chapter applies to an *issuer* that has applied for the *admission* of:

- (1) *securities* specified in article 1(2) of the *Prospectus Regulation* (other than *securities* specified in article 1(2)(a), (b) or (d) of that regulation); or
- (2) any other *specialist securities* for which a *prospectus* is not required under the *Act* or the *Prospectus Regulation*.

### Purpose

23.1.2

**G**

The purpose of this chapter is to require *listing particulars* to be prepared and published for *securities* that are the subject of an application for *listing* in the circumstances set out in **UKLR 23.1.1R** where a *prospectus* is not required under the *Prospectus Regulation*.

### Listing particulars to be approved and published

23.1.3

**R**

An *issuer* must ensure that *listing particulars* for *securities* referred to in **UKLR 23.1.1R** are approved by the *FCA* and published in accordance with **UKLR 23.3.5R**.

[**Note:** Under **UKLR 3.2.11R**, the *securities* will only be *listed* if *listing particulars* for the *securities* have been approved by the *FCA* and published.]



## 23.2 Contents and format of listing particulars

### General contents of listing particulars

23.2.1 **G** Section 80(1) of the *Act* (General duty of disclosure in listing particulars) requires *listing particulars* submitted to the *FCA* to contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of:

- (1) the assets and liabilities, financial position, profits and losses, and prospects of the *issuer* of the *securities*; and
- (2) the rights attaching to the *securities*.

### Summary

23.2.2 **R** (1) The *listing particulars* must contain a summary that complies with the requirements in article 7 of the *Prospectus Regulation*, **■** PRR 4.1.2R and Chapter I of the *Prospectus RTS Regulation* (as if those requirements applied to the *listing particulars*).

(2) Paragraph (1) does not apply:

- (a) in relation to *specialist securities* referred to in **■** UKLR 23.1.1R(2); or
- (b) if, in accordance with article 7(1) of the *Prospectus Regulation*, no *summary* would be required in relation to the *securities*.

### Format of listing particulars

23.2.3 **R** The *listing particulars* must be in a format that complies with the relevant requirements in the *Prospectus Regulation* and the *PR Regulation* (as if those requirements applied to the *listing particulars*).

### Minimum information to be included

23.2.4 **R** The following minimum information from the *PR Regulation* must be included in *listing particulars*:

- (1) for an issue of bonds, including bonds convertible into the *issuer's shares* or exchangeable into a third-party *issuer's shares* or derivative *securities*, irrespective of the denomination of the issue, the minimum information required by Annexes 7 and 15 of the *PR Regulation*;

- (2) the additional information required by Annexes 17 and 18 of the *PR Regulation*, where relevant;
- (3) for an issue of *asset backed securities*, irrespective of the denomination per unit of the issue, the minimum information required by Annexes 9, 15 and 19 of the *PR Regulation*;
- (4) for an issue of *certificates representing shares*, irrespective of the denomination per unit of the issue, the minimum information required by Annexes 5 and 13 (for a primary issuance) of the *PR Regulation*;
- (5) for an issue of *securities* by the government of a *third country* or a local or regional authority of a *third country*, the minimum information required by Annexes 10 and 15 of the *PR Regulation*; and
- (6) for all issues that are guaranteed, the minimum information required by Annex 21 of the *PR Regulation*.

23.2.5 **G** For all other issues, the *FCA* would expect *issuers* to follow the most appropriate Annexes in the *PR Regulation* to determine the minimum information to be included in *listing particulars*.

**Incorporation by reference**

23.2.6 **R** An *issuer* may incorporate information by reference in the *listing particulars* as if article 19 of the *Prospectus Regulation* and the *PR Regulation* applied to the *listing particulars*.

**Equivalent information**

23.2.7 **R** An *issuer* may include equivalent information in *listing particulars* as if article 18(2) of the *Prospectus Regulation* applied to the *listing particulars*.

**English language**

23.2.8 **R** *Listing particulars* must be in English.

**Omission of information**

23.2.9 **G** Under section 82 of the *Act* (Exemptions from disclosure) the *FCA* may authorise the omission from *listing particulars* of information on specified grounds.

23.2.10 **R** A request to the *FCA* to authorise the omission of specific information in a particular case must:

- (1) be in writing from the *issuer*;
- (2) identify the specific information concerned and the specific reasons for the omission; and
- (3) state why in the *issuer's* opinion one or more of the grounds in section 82 of the *Act* applies.

23.2.11 **R** For the purposes of section 82(1)(c) of the *Act*, *specialist securities* are specified.

**Responsibility for listing particulars**.....

23.2.12 **G** Part 3 of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (SI 2001/2956) sets out the *persons* responsible for *listing particulars*. In particular, in those regulations:

- (1) regulation 6 specifies who is generally responsible for *listing particulars*; and
- (2) regulation 9 modifies the operation of regulation 6 in relation to *specialist securities*.

23.2.13 **R**

- (1) In the case of *listing particulars* for *specialist securities*:
  - (a) the *issuer* must state in the *listing particulars* that it accepts responsibility for the *listing particulars*;
  - (b) the *directors* may state in the *listing particulars* that they accept responsibility for the *listing particulars*; and
  - (c) other *persons* may state in the *listing particulars* that they accept responsibility for all or part of the *listing particulars* and, in that case, the statement by the *issuer* or *directors* may be appropriately modified.
- (2) An *issuer* that is a government or a local or regional authority is not required under paragraph (1)(a) to state that it accepts responsibility for the *listing particulars*.



## 23.3 Approval and publication of listing particulars

### Approval of listing particulars

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- 23.3.1 **R** An application for approval of *listing particulars* or *supplementary listing particulars* must comply with the procedures in **■** PRR 3.1 (as if those procedures applied to the application), except that the *applicant* does not need to submit a completed Form A.
- 23.3.2 **R** The *FCA* will approve *listing particulars* or *supplementary listing particulars* if it is satisfied that the requirements of the *Act* and this chapter have been complied with.
- 23.3.3 **G** The *FCA* will generally seek to notify the *applicant* of its decision on an application for approval of *listing particulars* or *supplementary listing particulars* within the same time limits as are specified in article 20 of the *Prospectus Regulation* for an application for approval of a *prospectus* or *supplementary prospectus*.
- 23.3.4 **R** An *issuer* must ensure that *listing particulars* or *supplementary listing particulars* are not published until they have been approved by the *FCA*.

### Filing and publication of listing particulars

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- 23.3.5 **R** An *issuer* must ensure that after *listing particulars* or *supplementary listing particulars* are approved by the *FCA*, the *listing particulars* or *supplementary listing particulars* are filed and published as if the relevant requirements in **■** PRR 3.2, article 21 of the *Prospectus Regulation*, the *PR Regulation* and the *Prospectus RTS Regulation* applied to them.





## 23.4 Miscellaneous

### Supplementary listing particulars

**23.4.1** **G** Section 81 of the Act (Supplementary listing particulars) requires an *issuer* to submit *supplementary listing particulars* to the FCA for approval if at any time after *listing particulars* have been submitted to the FCA and before the commencement of dealings in the *securities* following their *admission* to the *official list*:

- (1) there is a significant change affecting any matter contained in those *listing particulars*, the inclusion of which was required by:
  - (a) section 80 of the Act (General duty of disclosure in listing particulars);
  - (b) *listing rules*; or
  - (c) the FCA; or
- (2) a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when those *listing particulars* were prepared.

**23.4.2** **R** An *issuer* must ensure that after *supplementary listing particulars* are approved by the FCA, the *supplementary listing particulars* are filed and published as if the requirements in ■ PRR 3.2, article 21 of the *Prospectus Regulation*, the *PR Regulation* and the *Prospectus RTS Regulation* applied to them.

### Final terms

**23.4.3** **R** If the final terms of the offer are not included in the *listing particulars*:

- (1) the final terms must be provided to investors and filed with the FCA, and made available to the public, as if the relevant requirements in ■ PRR 3.2, article 21 of the *Prospectus Regulation*, the *PR Regulation* and the *Prospectus RTS Regulation* applied to them; and
- (2) the *listing particulars* must disclose the criteria and/or the conditions in accordance with which the above elements will be determined or, in the case of price, the maximum price.



Sponsors

# Chapter 24

## Sponsors

## 24.1 Application

24

24.1.1 **R** A *sponsor* must comply with ■ UKLR 24.

24.1.2 **R** A *person* applying for approval as a *sponsor* must comply with ■ UKLR 24.4 (Criteria for approval as a *sponsor*).

[**Note:** ■ UKLR 4.2 sets out the various circumstances in which an *issuer* must appoint or obtain guidance from a *sponsor*.]

## 24.2 Role of a sponsor: general

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### Responsibilities of a sponsor

- 24.2.1** **R** A sponsor must, in relation to a *sponsor service*:
- (1) provide assurance to the *FCA*, when required, that the applicable requirements of the *issuer* with a *listing of equity shares* or applying for *admission* of its *equity shares* under the *listing rules* and the *Prospectus Rules* have been met;
  - (2) provide to the *FCA* any explanation or confirmation in such form and within such time limit as the *FCA* reasonably requires for the purposes of ensuring that the applicable requirements of the *listing rules*, the *Prospectus Rules*, the *disclosure requirements* and the *transparency rules* are being complied with by an *issuer* with a *listing of equity shares* or applying for *admission* of its *equity shares*; and
  - (3) guide the *issuer* with a *listing of equity shares* or applying for *admission* of its *equity shares* in understanding and meeting its responsibilities under the *listing rules*, the *Prospectus Rules*, the *disclosure requirements* and the *transparency rules*.
- 24.2.2** **R** A sponsor must, for so long as it provides a *sponsor service*:
- (1) take such reasonable steps as are sufficient to ensure that any communication or information it provides to the *FCA* in carrying out the *sponsor service* is, to the best of its knowledge and belief, accurate and complete in all material respects; and
  - (2) as soon as possible provide to the *FCA* any information of which it becomes aware that materially affects the accuracy or completeness of information it has previously provided.
- 24.2.3** **G** Where a *sponsor* provides information to the *FCA* which is or is based on information it has received from a third party in assessing whether a *sponsor* has complied with its obligations in **UKLR 24.2.2R(1)**, the *FCA* will have regard, among other things, to whether a *sponsor* has appropriately used its own knowledge, judgement and expertise to review and challenge the information provided by the third party.
- 24.2.4** **G** The *sponsor* will be the main point of contact with the *FCA* for any matter referred to in **UKLR 4.2**. The *FCA* expects to discuss all issues relating to a transaction and any draft or final document directly with the *sponsor*.

However, in appropriate circumstances, the *FCA* will communicate directly with the *issuer* with a *listing of equity shares* or applying for *admission* of its *equity shares*, or its advisers.

- 24.2.5 **G** A *sponsor* remains responsible for complying with **■ UKLR 24.2** even where a *sponsor* relies on the *issuer* with a *listing of equity shares* or applying for *admission* of its *equity shares* or a third party when providing assurance or confirmation to the *FCA*.

#### Principles for sponsors: due care and skill

- 24.2.6 **R** A *sponsor* must, in relation to a *sponsor service*, act with due care and skill.

#### Principles for sponsors: honesty and integrity

- 24.2.7 **R** A *sponsor* must, in relation to a *sponsor service*, act with honesty and integrity.

#### Principles for sponsors: duty regarding directors of issuers

- 24.2.8 **R** Where, in relation to a *sponsor service*, a *sponsor* gives any guidance or advice to a *listed issuer* or *applicant* on the application or interpretation of the *listing rules*, the *disclosure requirements* or the *transparency rules*, the *sponsor* must take reasonable steps to satisfy itself that the *director* or *directors* of the *listed issuer* or *applicant* understand their responsibilities and obligations under the *listing rules*, the *disclosure requirements* and the *transparency rules*.

#### Principles for sponsors: relations with the FCA

- 24.2.9 **R** A *sponsor* must at all times (whether in relation to a *sponsor service* or otherwise):

- (1) deal with the *FCA* in an open and cooperative way; and
- (2) deal with all enquiries raised by the *FCA* promptly.

- 24.2.10 **R** If, in connection with the provision of a *sponsor service*, a *sponsor* becomes aware that it, or an *issuer* with a *listing of equity shares* or applying for *admission* of its *equity shares*, is failing or has failed to comply with its obligations under the *listing rules*, the *disclosure requirements* or the *transparency rules*, the *sponsor* must promptly notify the *FCA*.

#### Principles for sponsors: identifying and managing conflicts

- 24.2.11 **G** The purpose of **■ UKLR 24.2.12R** to **■ UKLR 24.2.17G** is to ensure that conflicts of interest do not adversely affect:

- (1) the ability of a *sponsor* to perform its functions properly under this chapter; or
- (2) market confidence in *sponsors*.

- 24.2.12** **R** A *sponsor* must, for so long as it provides a *sponsor service*, take all reasonable steps to identify conflicts of interest that could adversely affect its ability to perform its functions properly under this chapter.
- 24.2.13** **G** In identifying conflicts of interest, *sponsors* should also take into account circumstances that could:
- (1) create a perception in the market that a *sponsor* may not be able to perform its functions properly; or
  - (2) compromise the ability of a *sponsor* to fulfil its obligations to the *FCA* in relation to the provision of a *sponsor service*.
- 24.2.14** **R** A *sponsor* must, for so long as it provides a *sponsor service*, take all reasonable steps to put in place and maintain effective organisational and administrative arrangements that ensure conflicts of interest do not adversely affect its ability to perform its functions properly under this chapter.
- 24.2.15** **G** Disclosure of a conflict of interest will not usually be considered to be an effective organisational or administrative arrangement for the purpose of **■ UKLR 24.2.14R**.
- 24.2.16** **R** A *sponsor* must, for so long as it provides a *sponsor service*, be reasonably satisfied that its organisational and administrative arrangements will ensure that its ability to perform its functions properly under this chapter will not be adversely affected by a conflict of interest. If a *sponsor* is not so reasonably satisfied in relation to a *sponsor service*, it must decline or cease to provide such *sponsor service*.
- 24.2.17** **G** **■ UKLR 24.2.16R** recognises that there will be some conflicts of interest that cannot be effectively managed. Providing *sponsor services* in those cases could adversely affect both a *sponsor's* ability to perform its functions properly and market confidence in *sponsors*. If in doubt about whether a conflict can be effectively managed, a *sponsor* should discuss the issue with the *FCA* before it decides whether it can provide a *sponsor service*.
- Principles for sponsors: joint sponsors** .....
- 24.2.18** **R** If a *listed issuer* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*:
- (1) the appointment does not relieve any of the appointed *sponsors* of their obligations under **■ UKLR 24**; and
  - (2) the *sponsors* are each responsible for complying with the obligations under **■ UKLR 24**.
- 24.2.19** **G** If a *listed issuer* or *applicant* appoints more than one *sponsor* to provide a *sponsor service*, the *FCA* expects the *sponsors* to cooperate with each other in relation to the *sponsor service*, including by establishing arrangements for

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the sharing of information as appropriate, having regard to the *sponsor service*.

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## 24.3 Role of a sponsor: transactions

### Application for admission

24.3.1

R

■ UKLR 24.3.2R to ■ UKLR 24.3.4G apply in relation to an application for admission of equity shares to the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category if:

- (1) an applicant does not have equity shares already admitted to listing;
- (2) the conditions in ■ UKLR 5.1.2R(1) or ■ UKLR 5.1.2R(2) do not apply; and
- (3) in connection with the application, the applicant is required:
  - (a) to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the Prospectus Regulation; or
  - (b) to submit to the FCA:
    - (i) a prospectus or supplementary prospectus;
    - (ii) a summary document under article 1(5)(j) of the Prospectus Regulation; or
    - (iii) for an issuer that is a closed-ended investment fund, listing particulars or supplementary listing particulars.

24.3.2

R

A sponsor must not submit to the FCA an application on behalf of an applicant, in accordance with ■ UKLR 20, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the applicant has satisfied all requirements of the listing rules relevant to an application for admission;
- (2) the applicant has satisfied all applicable requirements set out in the Prospectus Rules;
- (3) the directors of the applicant have a reasonable basis on which to make any working capital statement included in the document referred to in ■ UKLR 24.3.1R;
- (4) the directors of the applicant have established procedures which enable the applicant to comply with the listing rules, the disclosure requirements and the transparency rules on an ongoing basis; and
- (5) the directors of the applicant have established procedures which provide a reasonable basis for them to make proper judgements on

an ongoing basis as to the financial position and prospects of the *applicant* and its *group*.

### New applicants: procedure

24.3.3

R

A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FCA* either:
  - (a) on the day the *FCA* is to consider the application for approval of a document referred to in ■ UKLR 4.2.1R(1) and prior to the time such document is approved; or
  - (b) at a time agreed with the *FCA*, if the *FCA* is not approving such document;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9am on the day the *FCA* is to consider the application;
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering:
  - (a) the application for *admission*; and
  - (b) whether the *admission* of the *equity shares* would be detrimental to investors' interests,

have been disclosed with sufficient prominence in the document referred to in ■ UKLR 4.2.1R(1) or ■ UKLR 4.2.1R(2), or otherwise in writing to the *FCA*; and
- (4) submit a letter to the *FCA* setting out how the *applicant* satisfies the criteria in ■ UKLR 3 and, if applicable, ■ UKLR 5, ■ UKLR 11 or ■ UKLR 13, no later than when the first draft of the document referred to in ■ UKLR 4.2.1R(1) or ■ UKLR 4.2.1R(2) is submitted (or, if the *FCA* is not approving such document, at a time to be agreed with the *FCA*).

[**Note:** The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the *FCA*'s website.]

24.3.4

G

Depending on the circumstances of the case, a *sponsor* providing *sponsor services* to an *applicant* on an application for *admission* may have to confirm in writing to the *FCA* the number of *equity shares* to be allotted or admitted.

[**Note:** See ■ UKLR 20.4.5R.]

### Application for admission: further issues

24.3.5

R

■ UKLR 24.3.6R to ■ UKLR 24.3.8G apply in relation to an application for *admission* of *equity shares* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category of an *applicant* that has *securities* already *admitted* to listing or in circumstances in which ■ UKLR 5.1.2R(1) or ■ UKLR 5.1.2R(2) apply.

**24.3.6** **R** A *sponsor* appointed in accordance with **■ UKLR 4.2.1R** must not submit to the *FCA* an application on behalf of an *applicant*, in accordance with **■ UKLR 20**, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *applicant* has satisfied all requirements of the *listing rules* relevant to an application for *admission*;
- (2) the *applicant* has satisfied all applicable requirements set out in the *Prospectus Rules*; and
- (3) the *directors* of the *applicant* have a reasonable basis on which to make any working capital statement included in the document referred to in **■ UKLR 4.2.1R(1)**.

#### Further issues: procedure

**24.3.7** **R** A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FCA* either:
  - (a) on the day the *FCA* is to consider the application for approval of the document referred to in **■ UKLR 4.2.1R(1)** and prior to the time such document is approved; or
  - (b) at a time agreed with the *FCA* if the *FCA* did not approve the document referred to in **■ UKLR 4.2.1R(1)**;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9am on the day the *FCA* is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the application for *admission* have been disclosed with sufficient prominence in the document referred to in **■ UKLR 4.2.1R(1)** or **■ UKLR 4.2.1R(2)**, or otherwise in writing to the *FCA*.

[**Note:** The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the *FCA*'s website.]

**24.3.8** **G** Depending on the circumstances of the case, a *sponsor* providing *sponsor services* to an *applicant* on an application for *admission* may have to confirm, in writing to the *FCA*, the number of *equity shares* to be allotted or admitted.

[**Note:** See **■ UKLR 20.4.5R**.]

#### Circulars: reverse takeovers or relevant related party transactions by closed-ended investment funds

**24.3.9** **R** **■ UKLR 24.3.10R** to **■ UKLR 24.3.13R** apply in relation to transactions involving an *issuer* with *equity shares* admitted to *listing* that is required to submit to the *FCA* for approval a *reverse takeover circular* or a *relevant related party transaction circular* required by **■ UKLR 11**.

**24.3.10** **R** A *sponsor* must not submit to the *FCA*, on behalf of a *listed issuer*, a *reverse takeover circular* or a *relevant related party transaction circular* required by **UKLR 11** for approval, unless the *sponsor* has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *listed issuer* has satisfied all requirements of the *listing rules* relevant to the production of a *reverse takeover circular* or a *relevant related party transaction circular* required by **UKLR 11**; and
- (2) the transaction will not have an adverse impact on the *listed issuer's* ability to comply with the *listing rules*, the *disclosure requirements* or the *transparency rules*.

### Circulars: procedure

**24.3.11** **R** A *sponsor* acting on a transaction falling within **UKLR 24.3.9R** must:

- (1) submit a completed Sponsor's Declaration for the Production of a Circular to the *FCA* on the day the *circular* is to be approved by the *FCA* and prior to the time the *circular* is approved;
- (2) submit a Pricing Statement, if applicable, to the *FCA* by 9am on the day the *FCA* is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the transaction have been disclosed with sufficient prominence in the documentation or otherwise in writing to the *FCA*.

[**Note:** The Sponsor's Declaration for the Production of a Circular, the Shareholder Statement and the Pricing Statement forms can be found on the Primary Markets section of the *FCA's* website.]

### Applying for transfer between listing categories

**24.3.12** **R** In relation to a proposed transfer under **UKLR 21.5.1 R**, if a *sponsor* is appointed in accordance with **UKLR 4.2.2R**, it must:

- (1) submit a letter to the *FCA* setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of listing to which it wishes to transfer, by no later than when the first draft of the document referred to in **UKLR 21.5.6R(2)(a)** or **UKLR 21.5.7R(2)** is submitted;
- (2) submit a completed Sponsor's Declaration for a Transfer of Listing to the *FCA* for the proposed transfer on the day the document referred to in **UKLR 21.5.6R(2)(a)** or **UKLR 21.5.7R(2)** is to be approved by the *FCA* and before it is approved; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the transfer between listing categories have been disclosed with sufficient prominence in the document referred to in **UKLR 21.5.6R(2)(a)** or **UKLR 21.5.7R(2)** or otherwise in writing to the *FCA*.

[**Note:** The Sponsor's Declaration for a Transfer of Listing form can be found on the Primary Markets section of the *FCA* website.]

- 24.3.13** **R** A *sponsor* must not submit to the *FCA* on behalf of an *issuer* a final *circular* or announcement for approval or a Sponsor's Declaration for a Transfer of Listing, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:
- (1) the *issuer* satisfies all eligibility requirements of the *listing rules* that are relevant to the new category to which it is seeking to transfer;
  - (2) the *issuer* has satisfied all requirements relevant to the production of the *circular* required under ■ UKLR 21.5.6R(2)(a) or the announcement required under ■ UKLR 21.5.7R(2) (whichever is relevant);
  - (3) the *directors* of the *issuer* have established procedures which enable the *issuer* to comply with the *listing rules*, the *disclosure requirements* and the *transparency rules* on an ongoing basis; and
  - (4) the *directors* of the *issuer* have established procedures which provide a reasonable basis for them to make proper judgements on an ongoing basis as to the financial position and prospects of the *issuer* and its *group*.

- 24.3.14** **R** ■ UKLR 24.3.13R(3) and ■ UKLR 24.3.13R(4) do not apply in relation to an *issuer* that was required to meet these requirements under its existing listing category.

#### Initial transactions

- 24.3.15** **R** A *sponsor* acting on an *initial transaction* by an *issuer* with *equity shares* admitted to the *equity shares (shell companies)* category must provide such written confirmations to the *FCA* as may be required in connection with the *initial transaction* as specified in ■ UKLR 13.4 before the *issuer* makes an announcement in respect of such *initial transaction* under ■ UKLR 13.4.

## 24.4 Criteria for approval as a sponsor

### List of sponsors

24.4.1 **G** The *FCA* will maintain a *list of sponsors* on its website.

### Application for approval as a sponsor

24.4.2 **R** A *person* wanting to provide *sponsor services*, and to be included on the *list of sponsors*, must apply to the *FCA* for approval as a *sponsor* by submitting the following to the Primary Market Specialist Supervision Team at the *FCA*'s address:

- (1) a completed Sponsor Firm Application form;
- (2) details of any matter in the past 5 years that would have been notifiable to the *FCA* pursuant to **■ UKLR 24.5.12R(2)**, **■ (3)**, **■ (4)** or **■ (5)**, had the *person* been approved as a *sponsor*; and
- (3) the application fee set out in **■ FEES 3**.

[**Note:** The Sponsor's Firm Application form can be found on the Primary Markets section of the *FCA*'s website.]

24.4.3 **R** A *person* wanting to provide *sponsor services* and be included on the *list of sponsors* must also submit:

- (1) all additional documents, explanations and information as required by the *FCA*; and
- (2) verification of any information in such a manner as the *FCA* may specify.

24.4.4 **G** When considering an application for approval as a *sponsor*, the *FCA* may:

- (1) carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators;
- (2) request that the applicant or its specified representative answer questions and explain any matter the *FCA* considers relevant to the application; and
- (3) take into account any information which it considers appropriate in relation to the application.

[**Note:** The decision-making procedures that the *FCA* will follow when it considers whether to refuse an application for approval as a *sponsor* are set out in *DEPP*.]

### Criteria for approval as a sponsor

- 24.4.5** **R** The *FCA* will approve a *person* as a *sponsor* only if it is satisfied that the *person*:
- (1) is an *authorised person* or a *member of a designated professional body*;
  - (2) is competent to provide *sponsor services* in accordance with ■ UKLR 24; and
  - (3) has appropriate systems and controls in place to carry out its role as a *sponsor* in accordance with ■ UKLR 24.
- 24.4.6** **G** In assessing whether a *person* wanting to provide *sponsor services* satisfies ■ UKLR 24.4.5R(2), the *FCA* will consider a variety of factors, including any matters notified to it pursuant to ■ UKLR 24.4.2R(2).
- 24.4.7** **R** The *FCA* may impose restrictions or limitations on the *sponsor services* a *sponsor* can provide at the time of granting a *sponsor's* approval.
- 24.4.8** **G** Situations when the *FCA* may impose restrictions or limitations on the *sponsor services* a *sponsor* can provide, include (but are not limited to) where it appears to the *FCA* that:
- (1) the *employees* of the *person* applying to be a *sponsor* whom it is proposed will perform *sponsor services* have no or limited relevant experience and expertise of the kind described in ■ UKLR 24.4.12R(1) in relation to certain types of *sponsor services* or in relation to certain types of *company*; or
  - (2) the *person* applying to be a *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *person* applying to be a *sponsor* proposes to undertake.
- [**Note:** A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]
- 24.4.9** **G** Where a *person* wishes to apply for approval as a *sponsor* to provide a limited range of *sponsor services*, it may do so on the basis that the *FCA* will impose a limitation or restriction on its approval (in accordance with section 88 of the *Act*). In such circumstances, the *FCA* will assess whether the *person* satisfies ■ UKLR 24.4.5R(2) and ■ UKLR 24.4.5R(3) taking into consideration the *sponsor services* to which the approval, as formally limited or restricted by the *FCA*, will relate.

**Continuing obligations**

**24.4.10** **R** A *sponsor* must comply, at all times, with the criteria set out in **■ UKLR 24.4.5R**.

**24.4.11** **G** In assessing whether a *sponsor* satisfies **■ UKLR 24.4.10R**, the *FCA* will consider a variety of factors, including any matters notified to it pursuant to **■ UKLR 24.5.12R**.

**Competence of a sponsor**

**24.4.12** **R** A *sponsor*, or a *person* applying for approval as a *sponsor*, will not satisfy **■ UKLR 24.4.5R(2)** unless it has:

- (1) a sufficient amount of relevant experience and expertise, demonstrated by having:
  - (a) submitted a *sponsor declaration* to the *FCA*:
    - (i) for a *person* applying for approval as a *sponsor*, within 5 years of the date of its application; and
    - (ii) for a *sponsor*, within the previous 5 years; or
  - (b) provided sufficient relevant corporate finance advisory services within the previous 5 years to *persons*:
    - (i) with securities admitted to trading on, or applying for admission of securities to trading on, a *UK RIE* or a market established under the rules of a *UK RIE*; and
    - (ii) each having an aggregate market value or expected aggregate market value of at least the amount specified in **■ UKLR 3.2.7R(1)(a)** or, where the *sponsor* or *person* applying for approval as a *sponsor* is doing so on the basis of providing *sponsor services* to *closed-ended investment funds* only, **■ UKLR 3.2.7R(2)**,  
at the time such services were provided; and
- (2) a sufficient number of *employees* with the skills and knowledge necessary for it to:
  - (a) provide *sponsor services* in accordance with **■ UKLR 24.2**;
  - (b) understand:
    - (i) the *rules* and *guidance* directly relevant to *sponsor services*;
    - (ii) the procedural requirements and processes of the *FCA*;
    - (iii) the due diligence process required in order to provide *sponsor services* in accordance with **■ UKLR 24.2** and **■ UKLR 24.3**;
    - (iv) the responsibilities and obligations of a *sponsor* in **■ UKLR 24**; and
    - (v) specialist industry sectors and/or certain types of *company*, if relevant to the *sponsor services* it provides or intends to provide; and
  - (c) be able to comply with the key contact requirements in **■ UKLR 24.4.28R**.



- 24.4.13** **G** In assessing whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies **■ UKLR 24.4.12R**, the *FCA* will consider a variety of factors, including:
- (1) the nature, scale and complexity of its business;
  - (2) the diversity of its operations;
  - (3) the volume and size of transactions it undertakes;
  - (4) the volume and size of transactions it anticipates undertaking in the following year; and
  - (5) the degree of risk associated with the transactions it undertakes or anticipates undertaking in the following year.
- 24.4.14** **G** To determine whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies **■ UKLR 24.4.12R(1)(a)**, the *FCA* may consider whether any of the *sponsor's* or *person's employees* have had material involvement in the provision of *sponsor services* that have required the submission of a *sponsor declaration* within the previous 5 years.
- 24.4.15** **G** For the purposes of **■ UKLR 24.4.12R(1)(a)**, any declaration or confirmation given by a *sponsor* to the *FCA* that is not a *sponsor declaration* will not be accepted as demonstrating relevant experience and expertise.
- 24.4.16** **G** To determine whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies **■ UKLR 24.4.12R(1)(b)**, the *FCA* may consider a variety of factors, including:
- (1) the cumulative body of its experience and expertise providing relevant corporate finance advisory services, including any *sponsor services* provided where no *sponsor declaration* has been required;
  - (2) the range of skills and knowledge evidenced through its provision of relevant corporate finance advisory services, including:
    - (a) advising on the rules and guidance issued by a regulator or exchange;
    - (b) adhering to the procedural requirements and processes of a regulator or exchange; and
    - (c) undertaking due diligence to:
      - (i) support assurances or information delivered to a regulator or exchange; and
      - (ii) verify public statements made by an issuer; and
  - (3) the extent of the *sponsor services* intended to be provided.
- 24.4.17** **G** To determine whether a *sponsor*, or a *person* applying for approval as a *sponsor*, satisfies **■ UKLR 24.4.12R(1)(b)**, the *FCA* may consider whether any of the *sponsor's* or *person's employees* have within the previous 5 years had

material involvement in the provision of relevant corporate finance advisory services to *persons*:

- (1) with securities admitted to trading on, or applying for admission of securities to trading on, a *UK RIE* or a market established under the rules of a *UK RIE*; and
- (2) each having an aggregate market value or expected aggregate market value of at least the amount specified in:
  - (a) ■ UKLR 3.2.7R(1)(a); or
  - (b) where the sponsor or *person* applying for approval as a *sponsor* is doing so on the basis of providing *sponsor services* to *closed-ended investment funds* only, ■ UKLR 3.2.7R(2), at the time such services were provided.

**24.4.18** **G** In exceptional circumstances, the *FCA* may consider dispensing with, or modifying, the requirement in ■ UKLR 24.4.12R(1) in accordance with ■ UKLR 1.2.1R.

**24.4.19** **G** Notwithstanding ■ UKLR 24.4.13G, when considering whether a *sponsor* satisfies ■ UKLR 24.4.12R(2)(c) the *FCA* expects a *sponsor* to have no fewer than 2 *employees* who are able to satisfy the key contact requirements in ■ UKLR 24.4.28R(2).

**24.4.20** **G** In assessing whether a *sponsor*, or a *person* applying for approval as a *sponsor*, can demonstrate it is competent in the areas required under ■ UKLR 24.4.12R(2), the *FCA* may also take into account, where relevant, the guidance or advice on the *listing rules*, the *disclosure requirements* and the *transparency rules* the *sponsor* or *person* has given in circumstances other than in providing *sponsor services*.

### Systems and controls: general

**24.4.21** **R** A *sponsor*, or a *person* applying for approval as a *sponsor*, will not satisfy ■ UKLR 24.4.5R(3) unless it has in place:

- (1) clear and effective reporting lines for the provision of *sponsor services* (including clear and effective management responsibilities);
- (2) effective systems and controls which require *employees* with management responsibilities for the provision of *sponsor services* to understand and apply the requirements of ■ UKLR 24;
- (3) effective systems and controls for the appropriate supervision of *employees* engaged in the provision of *sponsor services* by the *sponsor*;
- (4) effective systems and controls for compliance with all applicable *listing rules* at all times, including when performing *sponsor services*;
- (5) effective systems and controls which require appropriate staffing arrangements for providing each *sponsor service* in line with the principles for *sponsors* in ■ UKLR 24.2;

- (6) effective systems and controls for *employees* engaged in the provision of *sponsor services* to receive appropriate guidance and training to provide each *sponsor service* in line with the principles for *sponsors* in ■ UKLR 24.2;
- (7) effective systems and controls to identify and manage conflicts of interest;
- (8) effective systems and controls for compliance with each of the requirements in ■ UKLR 24.4.12R(2)(b); and
- (9) systems and controls which comply with the requirements of ■ UKLR 24.4.25R.

**24.4.22** **G** When considering a *sponsor's* ability to comply with ■ UKLR 24.4.21R, the *FCA* will consider a variety of factors, including:

- (1) the nature, scale and complexity of its business;
- (2) the diversity of its operations;
- (3) the volume and size of the transactions it undertakes;
- (4) the volume and size of the transactions it anticipates undertaking in the following year; and
- (5) the degree of risk associated with the transactions it undertakes or anticipates undertaking in the following year.

#### **Systems and controls: conflicts of interest**.....

**24.4.23** **G** A *sponsor* will generally be regarded as having appropriate systems and controls for identifying and managing conflicts if it has in place effective policies and procedures:

- (1) to ensure that decisions taken on managing conflicts of interest are taken by appropriately senior staff and on a timely basis;
- (2) to monitor whether arrangements put in place to manage conflicts are effective; and
- (3) to ensure that individuals within the *sponsor* are appropriately trained to enable them to identify, escalate and manage conflicts of interest.

**24.4.24** **G** The policies and procedures referred to in ■ UKLR 24.4.23G are distinct from the actual organisational and administrative arrangements that a *sponsor* is required to put in place and maintain under ■ UKLR 24.2.14R to manage specific conflicts.

#### **Systems and controls: record management**.....

**24.4.25** **R** A *sponsor* must have effective arrangements to create and retain for 6 years accessible records which are sufficient to be capable of demonstrating that it

has provided *sponsor services* and otherwise complied with its obligations under ■ UKLR 24, including:

- (1) where a declaration is to be submitted to the *FCA*:
  - (a) under ■ UKLR 24.3.3R(1), ■ UKLR 24.3.7R(1), ■ UKLR 24.3.11R(1) or ■ UKLR 24.3.12R(2); or
  - (b) pursuant to an appointment under ■ UKLR 4.2.1R(5), the basis of each declaration given;
- (2) where any opinion, assurance or confirmation is provided by a *sponsor* to the *FCA* or an *issuer* with a *listing* of *equity shares* or applying for *admission* of its *equity shares* in relation to a *sponsor service*, the basis of that opinion, assurance or confirmation;
- (13) where a sponsor submits a request to the *FCA*:
  - (a) to modify, waive or substitute the operation of ■ UKLR 7, ■ UKLR 8 or ■ UKLR 11 pursuant to ■ UKLR 4.2.3R; or
  - (b) for individual guidance pursuant to ■ UKLR 4.2.4R, the basis upon which any guidance, judgements or opinions made or given by the *sponsor* to an *issuer* which underlie the request have been made or given;
- (4) where a *sponsor* provides guidance to an *issuer* with a *listing* of *equity shares* or applying for *admission* of its *equity shares* pursuant to ■ UKLR 4.2.6R or ■ UKLR 24.2.1R(3), the basis upon which the guidance is given and upon which any judgements or opinions underlying the guidance have been made or given; and
- (5) the steps taken to comply with its obligations under ■ UKLR 24.2.12R, ■ UKLR 24.2.14R, ■ UKLR 24.2.16R and ■ UKLR 24.4.10R.

24.4.26 **G** Records should:

- (1) be capable of timely retrieval; and
- (2) include material communications which relate to the provision of *sponsor services*, including any advice or guidance given to an *issuer* with a *listing* of *equity shares* or applying for *admission* of its *equity shares* in relation to its responsibilities under the *listing rules*, the *disclosure requirements* and the *transparency rules*.

24.4.27 **G** In considering whether a *sponsor* has satisfied the requirements regarding sufficiency of records in ■ UKLR 24.4.25R, the *FCA* will consider whether the records would enable a person with general knowledge of the sponsor regime and a basic understanding of a transaction to which a *sponsor service* relates to understand and verify the basis upon which material judgements have been made throughout the provision of the *sponsor service*.

### Key contact

24.4.28 **R** For each *sponsor service* requiring the submission of a document to the *FCA* or contact with the *FCA*, a *sponsor* must:

- (1) at the time of submission or on first making contact with the *FCA* in connection with the *sponsor service*, notify the *FCA* of the name and contact details of a key contact within the *sponsor* for that matter; and
- (2) ensure that its key contact:
  - (a) has sufficient knowledge about the *listed issuer* or *applicant* and the proposed matter to be able to answer queries from the *FCA* about it;
  - (b) is available to answer queries from the *FCA* on any *business day* between 7am and 6pm;
  - (c) is authorised to make representations to the *FCA* for and on behalf of the *sponsor*;
  - (d) possesses technical knowledge of *rules* and *guidance* directly relevant to the *sponsor service*; and
  - (e) understands the responsibilities and obligations of the *sponsor* under ■ UKLR 24 in relation to the *sponsor service*.

## 24.5 Supervision of sponsors

- 24.5.1 **G** The *FCA* expects to have an open, cooperative and constructive relationship with a *sponsor* to enable it to have a broad picture of the *sponsor's* activities and its ability to satisfy the criteria for approval as a *sponsor* as set out in **■** UKLR 24.4.5R.

### Requirement to provide information

- 24.5.2 **R**
- (1) The *FCA* may, by notice in writing given to a *sponsor*, require it to provide specified documents or specified information to the *FCA*.
  - (2) The *sponsor* must, as soon as practicable, provide to the *FCA* any documents or information that it has been required to provide under (1).
  - (3) This *rule* applies only to documents or information reasonably required by the *FCA* in connection with the performance of its functions in relation to a *sponsor* or a *person* that has appointed a *sponsor*.

### Supervisory tools

- 24.5.3 **G** The *FCA* uses a variety of tools to monitor whether a *sponsor*:
- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in **■** UKLR 24.4.5R; and
  - (2) remains in compliance with all applicable *listing rules*.
- 24.5.4 **R** The *FCA* may impose restrictions or limitations on the *sponsor services* a *sponsor* can provide at any time following the grant of a *sponsor's* approval.
- 24.5.5 **G** Situations when the *FCA* may impose restrictions or limitations on the *sponsor services* a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:
- (1) the *sponsor* has no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or
  - (2) the *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *sponsor* is undertaking or proposing to undertake.

[**Note:** A *statutory notice* may be required under section 88 of the Act. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

24.5.6 **G** FCA staff, after notifying the *sponsor*, may make supervisory visits to a *sponsor* on a periodic and an ad hoc basis.

24.5.7 **G** The FCA will give reasonable notice to a *sponsor* of requests for meetings or requests for access to a *sponsor's* documents and records.

### Requests from other regulators

24.5.8 **G** The FCA, on behalf of other regulators, may request information from a *sponsor* or pass information on to other regulators to enable such regulators to discharge their functions.

### Fees

24.5.9 **R** A *sponsor* must pay the annual fee set out in ■ FEES 4 in order to remain on the *list of sponsors*.

### Annual notifications

24.5.10 **R** A *sponsor* must provide to the FCA on or after the first *business day* of January each year but no later than the last *business day* of January each year:

- (1) written confirmation that it continues to satisfy the criteria for approval as a *sponsor* as set out in ■ UKLR 24.4.5R; and
- (2) for each of the criteria in that *rule*, evidence of the basis upon which it considers that it meets that criterion.

24.5.11 **R** Written confirmation must be provided by submitting a completed Sponsor Annual Notification form to the FCA by electronic mail to the address specified by the *sponsor's* usual supervisory contact at the FCA.

[**Note:** The Sponsor Annual Notification form can be found on the Primary Markets section of the FCA's website.]

### General notifications

24.5.12 **R** A *sponsor* must notify the FCA in writing as soon as possible if:

- (1) (a) the *sponsor* ceases to satisfy the criteria for approval as a *sponsor* set out in ■ UKLR 24.4.5R or becomes aware of any matter which, in its reasonable opinion, would be relevant to the FCA in considering whether the *sponsor* continues to comply with ■ UKLR 24.4.10R; or
- (b) the *sponsor* becomes aware of any fact or circumstance relating to the *sponsor* or any of its *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*

which, in its reasonable opinion, would be likely to adversely affect market confidence in *sponsors*;

- (2) the *sponsor*, or any of its *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*, are:
  - (a) convicted of any offence involving fraud, theft or other dishonesty; or
  - (b) the subject of a bankruptcy proceeding, a receiving order or an administration order;
- (3) any of its *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor* are disqualified by a court from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*;
- (4) the *sponsor*, or any of its *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*, are subject to any public criticism, regulatory intervention or disciplinary action:
  - (a) by the *FCA*;
  - (b) by any *UK RIE*;
  - (c) by any *designated professional body*;
  - (d) by any body that is comparable to the *FCA* or a *designated professional body*; or
  - (e) under any comparable legislation in any jurisdiction outside the *United Kingdom*;
- (5) the *sponsor* resigns or is dismissed by a *listed issuer* or *applicant*, giving details of any relevant facts or circumstances;
- (6) the *sponsor* changes its name;
- (7) a *listed issuer* or *applicant* denies the *sponsor* access to documents or information that have been the subject of a reasonable request by the *sponsor*;
- (8) it identifies or otherwise becomes aware of any material deficiency in the *sponsor's* systems and controls;
- (9) there is intended to be a change of control of the *sponsor*, any restructuring of the *sponsor's group*, or a re-organisation of or a substantial change to the *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*; or
- (10) there is expected to be a change in the financial position of the *sponsor* or any of its *group companies* that would be likely to adversely affect the *sponsor's* ability to perform *sponsor services* or otherwise comply with ■ UKLR 24.

### 24.5.13



Where a *sponsor* is of the opinion that, notwithstanding the circumstances giving rise to a notification obligation under ■ UKLR 24.5.12R, it continues to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ UKLR 24.4.10R, it must include in its notification to the *FCA* a statement to that effect and the basis for its opinion.



24.5.14 **G** General notifications may be made in the first instance by telephone but must be confirmed promptly in writing.

24.5.15 **G** Written notifications should be sent to the Primary Market Specialist Supervision Team at the *FCA's* address.

### Non-delegation of sponsor functions

24.5.16 **R** A *sponsor* must not delegate any of its functions as such, or permit another *person* to perform those functions.

### Discipline of sponsors

24.5.17 **G** The *FCA* may take action against a *sponsor* under section 88A of the *Act* if it considers that the *sponsor* has contravened a requirement or restriction imposed on the *sponsor* by the *listing rules*. *EG* sets out the *FCA's* policy on when and how it will use its disciplinary powers, including in relation to a *sponsor*.

[**Note:** A *statutory notice* may be required under section 88A of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

### Cancellation of a sponsor's approval at the sponsor's request

24.5.18 **G** A *sponsor* that intends to request the *FCA* to cancel its approval as a *sponsor* should comply with **■ UKLR 24.5.20R**.

24.5.19 **G** Examples of when a *sponsor* should submit a cancellation request pursuant to **■ UKLR 24.5.20R** include, but are not limited to:

- (1) situations where the *sponsor* ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with **■ UKLR 24.4.10R** and, following a notification made under **■ UKLR 24.5.12R**, there are no ongoing discussions with the *FCA* which could lead to the conclusion that the *sponsor* remains eligible; or
- (2) where there is a change of control of the *sponsor* or any restructuring of the *sponsor's group* that will result in *sponsor services* being provided by a different *person*, in which case the *person* that is intended to provide the *sponsor services* should apply for approval as a *sponsor* under **■ UKLR 24.4** before it provides any *sponsor services*.

24.5.20 **R** A request by a *sponsor* for its approval as a *sponsor* to be cancelled must be in writing and must include:

- (1) the *sponsor's* name;
- (2) a clear explanation of the background and reasons for the request;
- (3) the date on which the *sponsor* requests the cancellation to take effect;

- (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and
- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise in relation to the request.

**24.5.21** **G** A *sponsor* may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

### Suspension of a sponsor's approval at the sponsor's request

**24.5.22** **R** A request by a *sponsor* for its approval as a *sponsor* to be suspended must be in writing and must include:

- (1) the *sponsor's* name;
- (2) a clear explanation of the background and reasons for the request;
- (3) the date on which the *sponsor* requests the suspension to take effect;
- (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and
- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

**24.5.23** **G** A *sponsor* may withdraw its request at any time before the suspension takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

**24.5.24** **G** A *sponsor* may wish to consider submitting a suspension request under **■ UKLR 24.5.22R** where the *sponsor*:

- (1) ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with **■ UKLR 24.4.10R**;
- (2) has notified the *FCA* in accordance with **■ UKLR 24.5.12R**;
- (3) is having ongoing discussions with the *FCA* regarding remedial action; and
- (4) is undertaking remedial action which may result in the *sponsor* being able to satisfy the ongoing criteria for approval in accordance with **■ UKLR 24.4.10R**.

### Sponsors: advancing the FCA's operational objectives

**24.5.25** **G** The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide or suspend a *sponsor's* approval under section 88E of the *Act* if the

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*FCA considers it desirable to do so in order to advance one or more of its operational objectives.*

[**Note:** A *statutory notice* may be required under section 88F of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]



## Transitional provisions: general

### UKLR TP 1

#### Transitional provisions: general

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
<b>Definition of 'inflight applicant'</b>					
1.	R		In these transitional provisions, 'inflight applicant' means an <i>applicant</i> for the <i>admission</i> of <i>securities</i> : (1) that has made a complete submission to the <i>FCA</i> for an eligibility review for <i>listing</i> by 4pm on the date on which the UK Listing Rules Instrument 2024 ( <i>FCA 2024/23</i> ) is published and where the <i>securities</i> have not been <i>admitted to listing</i> prior to 29 July 2024; and (2) whose submission for an eligibility review for <i>listing</i> has not been withdrawn or lapsed.	From 29 July 2024	29 July 2024
<b>Transitional provision in relation to waivers and modifications</b>					
2.	UKLR	R	(1) This transitional provision applies where: (a) a <i>rule</i> contained in the Listing Rules sourcebook as it applied immediately before 29 July 2024 (the 'predecessor rule') has been dispensed with or modified in accordance with section 101(2) of the <i>Act</i> in a way that has continuing effect; and (b) the predecessor rule is substantively the same as a <i>rule</i> contained in the <i>UKLR</i> sourcebook (the 'successor rule'). (2) Where this transitional provision applies, the dispensation or modification given in relation to the predecessor rule is treated as a dispensation or modification given in relation to the successor rule, until the dispensation or modifica-	Indefinitely	29 July 2024

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			tion ceases to have effect on its terms, or is revoked, whichever is the earlier.		
<b>Transitional provisions in relation to contact details under UKLR 1</b>					
3.	UKLR 1.3.5R, UKLR 1.3.7R and UKLR 1.3.8R	R	(1) This transitional provision applies to an <i>issuer</i> which: <ul style="list-style-type: none"> <li>(a) is a <i>listed company</i> which had a <i>listing of securities</i> immediately before 29 July 2024;</li> <li>(b) is a <i>listed company</i> which was an inflight applicant; or</li> <li>(c) is an inflight applicant.</li> </ul> (2) UKLR 1.3.5R, UKLR 1.3.7R and UKLR 1.3.8R are not applicable to an <i>issuer</i> to which this transitional provision applies.	From 29 July 2024 up to and including 29 January 2025	29 July 2024
<b>Transitional provisions in relation to Listing Principles under UKLR 2</b>					
4.	UKLR 2.1.1R and UKLR 2.2.1R	R	(1) This transitional provision applies to an <i>issuer</i> which: <ul style="list-style-type: none"> <li>(a) is a <i>listed company</i> which had <i>securities admitted</i> to what was previously known as 'standard listing' under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) immediately before 29 July 2024; or</li> <li>(b) is a <i>listed company</i> which was an inflight applicant whose submission for an eligibility review related to an application for the <i>admission of securities</i> to what was previously known as 'standard listing' under the Listing Rules sourcebook as it applied immediately before 29 July 2024.</li> </ul> (2) Listing Principles 3 to 6 are not applicable to an <i>issuer</i> to which this transitional provision applies.	From 29 July 2024 up to and including 29 January 2025	29 July 2024
<b>Transitional provisions in relation to eligibility requirements for inflight applicants</b>					
5.	UKLR 13.2	R	(1) This provision applies to an inflight applicant:	From 29 July 2024 up	29 July 2024

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
UKLR 14.2 UKLR 22			<p>(a) which, prior to 29 July 2024 was applying for the <i>admission</i> of <i>equity shares</i> to what was previously known as the 'standard listing (shares)' category under the Listing Rules sourcebook as it applied immediately before 29 July 2024; and</p> <p>(b) where there has not been a material change to the <i>applicant's</i> overall business proposition during the period since the date on which the <i>applicant</i> made its complete submission for eligibility review for <i>listing</i>.</p> <p>(2) The requirements for listing in UKLR 13.2 and UKLR 14.2 are not applicable to an <i>issuer</i> to which this transitional provision applies.</p> <p>(3) The requirements for listing set out in section 14.2 of the Listing Rules sourcebook (as it applied immediately before 29 July 2024) shall apply to an <i>issuer</i> to which this transitional provision applies.</p> <p>(4) The application for <i>admission to listing</i> of the <i>equity shares</i> will otherwise be treated as an application for the <i>admission</i> of <i>equity shares</i> to the following <i>listing</i> categories:</p> <p>(a) in the case of an <i>issuer</i> which is a <i>shell company</i>, the <i>equity shares (shell companies)</i> category;</p> <p>(b) in the case of an <i>issuer</i> where the <i>FCA</i> has agreed that the <i>equity shares</i> will be <i>listed</i> in the <i>equity shares (international commercial companies secondary listing)</i> category, the <i>equity shares (international commercial companies secondary listing)</i> category; and</p>	to and including 29 July 2025	

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			<p>(c) in any other case, the <i>equity shares (transition)</i> category.</p> <p>(5) For the purposes of (4)(b), the FCA will generally agree that the <i>equity shares</i> will be <i>listed</i> in the <i>equity shares (international commercial companies secondary listing)</i> category where the following characteristics are met:</p> <p>(a) the <i>issuer</i> is an <i>overseas company</i> or an <i>overseas public sector issuer</i>; and</p> <p>(b) the <i>equity shares</i>:</p> <p>(i) are admitted to trading on an overseas regulated, regularly operating, recognised open market;</p> <p>(ii) are capable of being traded on the overseas public market referred to in (i); and</p> <p>(iii) are in the same <i>class</i> as the <i>equity shares</i> admitted to trading on the overseas public market referred to in (i).</p>		
<b>Transitional provisions in relation to modifications for sovereign controlled commercial companies under UKLR 6, UKLR 8 and UKLR 9</b>					
6.	UKLR 6.2.34R UKLR 6.6.22R UKLR 8.2.9R UKLR 9.5.2R	R	(1)	This provision applies to a <i>company</i> that has:	In-definitely 29 July 2024
			(a)	a <i>listing of equity shares</i> in the <i>equity shares (commercial companies)</i> category where the <i>equity shares</i> were admitted to what was previously known as 'premium listing' under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) immediately before 29 July 2024; and	



(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force	
			<p>(b) a <i>sovereign controlling shareholder</i> which was a <i>sovereign controlling shareholder</i> before 29 July 2024.</p> <p>(2) The modifications to:</p> <p>(a) UKLR 6 set out in UKLR 6.2.34R and UKLR 6.6.22R;</p> <p>(b) UKLR 8 set out in UKLR 8.2.9R; and</p> <p>(c) UKLR 9 set out in UKLR 9.5.2R,</p> <p>apply to a <i>listed company</i> to which this transitional provision applies where the <i>listed company</i> has complied with (3).</p> <p>(3) The conditions in (2) are that the <i>listed company</i> has:</p> <p>(a) made a notification to a <i>RIS</i> which includes the information set out in UKLR 6.4.19R(1) to (3) and</p> <p>(b) notified the <i>FCA</i> that it has made a notification in accordance with (a).</p>			
<b>Transitional provisions for UKLR 14</b>						
7.	UKLR 14.3	R	(1)	This provision applies to a <i>listed company</i> which has:	In-definitely	29 July 2024
			(a)	a <i>listing of equity shares</i> in the <i>equity shares (international commercial companies secondary listing)</i> category where the <i>equity shares</i> were admitted to what was previously known as 'standard listing' under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) immediately before 29 July 2024; and		

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			<p>(b) a <i>listing of equity shares</i> in the <i>equity shares (international commercial companies secondary listing)</i> category where the <i>listed company</i> was an in-flight applicant.</p> <p>(2) The modifications in (3) apply to a <i>listed company</i> to which this transitional provision applies.</p> <p>(3) UKLR 14.3.1R is modified as follows:</p> <p>(a) as if the words 'UKLR 14.2.4R' are omitted; and</p> <p>(b) as if the reference to 'UKLR 14.2.6R' is modified so that, in the definition of <i>qualifying home listing</i>, paragraphs (1) and (2) are omitted.</p>		
<b>Transitional provisions for UKLR 15</b>					
8.	UKLR 15.3.1R(2) in so far as it applies UKLR 15.2.8R (Admission to trading on overseas market)	R	An <i>issuer of equity shares</i> represented by <i>certificates representing certain securities</i> that were <i>admitted to listing</i> prior to 29 July 2024 is not required to comply with UKLR 15.3.1R(2) in so far as it applies UKLR 15.2.8R (Admission to trading on overseas market).	In-definitely	29 July 2024
<b>Transitional provisions for UKLR 20</b>					
9.	UKLR 20.3.1R	R	(1) This transitional provision applies to an in-flight applicant.	From 29 July 2024 up	29 July 2024

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
		(2)	UKLR 20.3.1R is not applicable to an <i>issuer</i> to which this transitional provision applies.	to and including 29 January 2025	



## Transfer between listing categories transitional provisions – transfers from the equity shares (transition) category into the equity shares (commercial companies) category

### UKLR TP 2

#### Transfer between listing categories transitional provisions – transfers from the equity shares (transition) category into the equity shares (commercial companies) category

Application		
2.1	R	<p>UKLR TP 2 applies to an <i>issuer</i> with a <i>listing</i> of <i>equity shares</i> in the <i>equity shares (transition)</i> category which:</p> <ol style="list-style-type: none"> <li>(1) has had a <i>listing</i> of <i>equity shares</i> for a continuous period of at least 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(2) does not have the <i>listing</i> of any of its <i>securities</i> suspended and has not had the <i>listing</i> of any of its <i>securities</i> suspended during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(3) has complied with its obligations under the <i>listing rules</i>, the <i>disclosure requirements</i>, the <i>transparency rules</i> and the <i>corporate governance rules</i> during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(4) is not undergoing, and has not undergone during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>, a significant change to its business; and</li> <li>(5) is applying to transfer the <i>listing</i> of its <i>equity shares</i> to the <i>equity shares (commercial companies)</i> category.</li> </ol>
		Duration of transitional arrangements
2.2	R	UKLR TP 2 applies from 29 July 2024.
		Specific information required in circular or announcement
2.3	R	<ol style="list-style-type: none"> <li>(1) UKLR 21.5.12G(2) does not apply.</li> <li>(2) In UKLR 21.5.12G(4), the reference to UKLR 21.5.15R(3) must be read as a reference to UKLR 21.5.15R(3) as modified by UKLR TP 2.6R.</li> </ol>
		Compliance with eligibility requirements
2.4	R	(1) UKLR 21.5.14R(1) does not apply.

Application		
	(2)	An <i>issuer</i> applying for a transfer of its <i>securities</i> must comply with the eligibility requirements set out in: <ul style="list-style-type: none"> <li>(a) UKLR 5.2 (Externally managed companies);</li> <li>(b) UKLR 5.3 (Controlling shareholders); and</li> <li>(c) UKLR 5.4 (Constitutional arrangements).</li> </ul>
2.5	G	<p>When considering an application for a transfer of <i>listing</i> to the <i>equity shares (commercial companies)</i> category, the <i>FCA</i> will consider whether the <i>issuer</i> has adequate procedures, systems and controls in place to comply with the continuing obligations set out in UKLR 6 to UKLR 10 which do not apply to the <i>issuer</i> under UKLR 22, including in relation to:</p> <ul style="list-style-type: none"> <li>(1) identifying whether any obligations arise under UKLR 7 (Equity shares (commercial companies): significant transactions and reverse takeovers) and UKLR 8 (Equity shares (commercial companies): related party transactions); and</li> <li>(2) complying with the requirements in UKLR 6.6 (Annual financial report).</li> </ul>
		Approval of transfer
2.6	R	UKLR 21.5.15R(3) must be read as if the words ‘all eligibility requirements that would apply if the <i>issuer</i> was seeking admission to <i>listing</i> of the <i>securities</i> to the category of <i>listing</i> to which it wishes to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 5.2 (Externally managed companies), UKLR 5.3 (Controlling shareholders) and UKLR 5.4 (Constitutional arrangements)’.
		Sponsor
2.7	R	The <i>sponsor</i> must take reasonable steps to satisfy itself that the <i>director</i> or <i>directors</i> of the <i>issuer</i> understand the responsibilities and obligations under UKLR 6 to UKLR 10 which do not apply to the <i>issuer</i> under UKLR 22.
2.8	R	<p>UKLR 24.3.12R is modified as follows:</p> <ul style="list-style-type: none"> <li>(1) UKLR 24.3.12R(1) must be read as if the words ‘each <i>listing rule</i> requirement relevant to the category of <i>listing</i> to which it wishes to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 5.2 (Externally managed companies), UKLR 5.3 (Controlling shareholders) and UKLR 5.4 (Constitutional arrangements)’;</li> <li>(2) UKLR 24.3.12R(2) must be read as if the words ‘Sponsor’s Declaration for a Transfer of Listing’ are replaced by ‘Sponsor’s Declaration for a Transfer of Listing: modified transfer process’; and</li> <li>(3) UKLR 24.3.12R(3) must be read as if the words ‘in considering the transfer between listing categories’ are replaced by ‘in considering the transfer between listing categories as modified by UKLR TP 2’.</li> </ul> <p>[Note: The ‘Sponsor’s Declaration for a Transfer of Listing: modified transfer process’ can be found on the Primary Markets section of the <i>FCA</i>’s website.]</p>
2.9	R	UKLR 24.3.13R is modified as follows:

Application		
		(1) the reference to 'a Sponsor's Declaration for a Transfer of Listing' is replaced by 'a Sponsor's Declaration for a Transfer of Listing: modified transfer process';
		(2) UKLR 24.3.13R(1) must be read as if the words 'all eligibility requirements of the <i>listing rules</i> that are relevant to the new category to which it is seeking to transfer' are replaced by 'the eligibility requirements set out in UKLR 5.2 (Externally managed companies), UKLR 5.3 (Controlling shareholders) and UKLR 5.4 (Constitutional arrangements)';
		(3) UKLR 24.3.13R(3) must be read as if the words 'the <i>listing rules</i> ' are replaced by 'the obligations set out in UKLR 6 to UKLR 10 which do not apply to the <i>issuer</i> under UKLR 22'; and
		(4) UKLR 24.3.13R(4) does not apply.
2.10	R	A <i>sponsor</i> must provide confirmation to the <i>FCA</i> that it has not identified any adverse information that would lead it to conclude that the <i>issuer</i> would not be able to comply with its obligations under the <i>listing rules</i> , the <i>disclosure requirements</i> and the <i>transparency rules</i> .
2.11	R	UKLR 24.3.14R must be read as if the words 'UKLR 24.3.13R(3) and UKLR 24.3.13R(4) do not' are replaced by 'UKLR 24.3.13R(3) as modified by UKLR TP 2.9R(3) does not'.





## Transfer between listing categories transitional provisions – transfers from the equity shares (transition) category into the equity shares (shell companies) category

### UKLR TP 3

#### Transfer between listing categories transitional provisions – transfers from the equity shares (transition) category into the equity shares (shell companies) category

	Application		
3.1	R	UKLR TP 3 applies to an <i>issuer</i> with a <i>listing</i> of <i>equity shares</i> in the <i>equity shares (transition)</i> category which:	
		(1)	has had a <i>listing</i> of <i>equity shares</i> for a continuous period of at least 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i> ;
		(2)	does not have the <i>listing</i> of any of its <i>securities</i> suspended and has not had the <i>listing</i> of any of its <i>securities</i> suspended during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i> ;
		(3)	has complied with its obligations under the <i>listing rules</i> , the <i>disclosure requirements</i> , the <i>transparency rules</i> and the <i>corporate governance rules</i> during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i> ; and
		(4)	is applying to transfer the <i>listing</i> of its <i>equity shares</i> to the <i>equity shares (shell companies)</i> category.
	Duration of transitional arrangements		
3.2	R	UKLR TP 3 applies from 29 July 2024.	
	Specific information required in circular or announcement		
3.3	R	(1)	UKLR 21.5.12G(2) does not apply.
		(2)	In UKLR 21.5.12G(4), the reference to UKLR 21.5.15R(3) must be read as a reference to UKLR 21.5.15R(3) as modified by UKLR TP 3.6R.
	Compliance with eligibility requirements		
3.4	R	(1)	UKLR 21.5.14R(1) does not apply.
		(2)	An <i>issuer</i> applying for a transfer of its <i>securities</i> must comply with the eligibility requirements set out in UKLR 13.2 (Requirements for listing) except for:

		(a)	UKLR 13.2.4R (Equity shares in public hands); and
		(b)	UKLR 13.2.6R (Shares of a third country shell company).
3.5	G	When considering an application for a transfer of <i>listing</i> to the <i>equity shares (shell companies)</i> category, the <i>FCA</i> will consider whether the <i>issuer</i> has adequate procedures, systems and controls in place to comply with the continuing obligations set out in UKLR 13.3 which do not apply to the <i>issuer</i> under UKLR 22.	
		Approval of transfer	
3.6	R	UKLR 21.5.15R(3) must be read as if the words ‘all eligibility requirements that would apply if the <i>issuer</i> was seeking admission to <i>listing</i> of the <i>securities</i> to the category of <i>listing</i> to which it wishes to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 13.2 (Requirements for listing) except for UKLR 13.2.4R (Equity shares in public hands) and UKLR 13.2.6R (Shares of a third country shell company)’.	
		Sponsor	
3.7	R	The <i>sponsor</i> must take reasonable steps to satisfy itself that the <i>director</i> or <i>directors</i> of the <i>issuer</i> understand the responsibilities and obligations under UKLR 13 which do not apply to the <i>issuer</i> under UKLR 22.	
3.8	R	UKLR 24.3.12R is modified as follows:	
		(1)	UKLR 24.3.12R(1) must be read as if the words ‘each <i>listing rule</i> requirement relevant to the category of <i>listing</i> to which it wishes to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 13.2 (Requirements for listing) except for UKLR 13.2.4R (Equity shares in public hands) and UKLR 13.2.6R (Shares of a third country shell company)’;
		(2)	UKLR 24.3.12R(2) must be read as if the words ‘Sponsor’s Declaration for a Transfer of Listing’ are replaced by ‘Sponsor’s Declaration for a Transfer of Listing: modified transfer process’; and
		(3)	UKLR 24.3.12R(3) must be read as if the words ‘in considering the transfer between listing categories’ are replaced by ‘in considering the transfer between listing categories as modified by UKLR TP 3’.
		[Note: The ‘Sponsor’s Declaration for a Transfer of Listing: modified transfer process can be found on the Primary Markets section of the <i>FCA</i> ’s website.]	
3.9	R	UKLR 24.3.13R is modified as follows:	
		(1)	the reference to ‘a Sponsor’s Declaration for a Transfer of Listing’ is replaced by ‘a Sponsor’s Declaration for a Transfer of Listing: modified transfer process’;
		(2)	UKLR 24.3.13R(1) must be read as if the words ‘all eligibility requirements of the <i>listing rules</i> that are relevant to the new category to which it is seeking to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 13.2 (Requirements for listing) except for UKLR 13.2.4R (Equity shares in public hands) and UKLR 13.2.6R (Shares of a third country shell company)’;

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		(3)	UKLR 24.3.13R(3) must be read as if the words ' <i>the listing rules</i> ' are replaced by 'the obligations set out in UKLR 13.3 which do not apply to the <i>issuer</i> under UKLR 22'; and
		(4)	UKLR 24.3.13R(4) does not apply.
3.10	R		A <i>sponsor</i> must provide confirmation to the <i>FCA</i> that it has not identified any adverse information that would lead it to conclude that the <i>issuer</i> would not be able to comply with its obligations under the <i>listing rules</i> , the <i>disclosure requirements</i> and the <i>transparency rules</i> .
3.11	R		UKLR 24.3.14R must be read as if the words 'UKLR 24.3.13R(3) and UKLR 24.3.13R(4) do not' are replaced by 'UKLR 24.3.13R(3) as modified by UKLR TP 3.9R(3) does not'.



## Transfer between listing categories transitional provisions – transfers from the equity shares (transition) category into the equity shares (international commercial companies secondary listing) category

### UKLR TP 4

## Transfer between listing categories transitional provisions – transfers from the equity shares (transition) category into the equity shares (international commercial companies secondary listing) category

Application	
4.1	<p>R UKLR TP 4 applies to an <i>issuer</i> with a <i>listing</i> of <i>equity shares</i> in the <i>equity shares (transition)</i> category which:</p> <ol style="list-style-type: none"> <li>(1) has had a <i>listing</i> of <i>equity shares</i> for a continuous period of at least 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(2) does not have the <i>listing</i> of any of its <i>securities</i> suspended and has not had the <i>listing</i> of any of its <i>securities</i> suspended during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(3) has complied with its obligations under the <i>listing rules</i>, the <i>disclosure requirements</i>, the <i>transparency rules</i> and the <i>corporate governance rules</i> during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(4) is not undergoing, and has not undergone during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>, a significant change to its business; and</li> <li>(5) is applying to transfer the <i>listing</i> of its <i>equity shares</i> to the <i>equity shares (international commercial companies secondary listing)</i> category.</li> </ol>
Duration of transitional arrangements	
4.2	<p>R UKLR TP 4 applies from 29 July 2024.</p> <p>Specific information required in circular or announcement</p>
4.3	<p>R</p> <ol style="list-style-type: none"> <li>(1) UKLR 21.5.12G(2) does not apply.</li> <li>(2) In UKLR 21.5.12G(4), the reference to UKLR 21.5.15R(3) must be read as a reference to UKLR 21.5.15R(3) as modified by UKLR TP 4.6R.</li> </ol>

Compliance with eligibility requirements			
4.4	R	(1) (2)	UKLR 21.5.14R(1) does not apply. An <i>issuer</i> applying for a transfer of its <i>securities</i> must comply with the eligibility requirements set out in: (a) UKLR 14.2.1R (Incorporation); (b) UKLR 14.2.4R (Place of central management and control); and (c) UKLR 14.2.6 (Qualifying home listing).
4.5	G		When considering an application for a transfer of <i>listing</i> to the <i>equity shares (international commercial companies secondary listing)</i> category, the <i>FCA</i> will consider whether the <i>issuer</i> has adequate procedures, systems and controls in place to comply with the continuing obligations set out in UKLR 14.3 which do not apply to the <i>issuer</i> under UKLR 22.
Approval of transfer			
4.6	R		UKLR 21.5.15R(3) must be read as if the words 'all eligibility requirements that would apply if the <i>issuer</i> was seeking admission to <i>listing</i> of the <i>securities</i> to the category of <i>listing</i> to which it wishes to transfer' are replaced by 'the eligibility requirements set out in UKLR 14.2.1R (Incorporation), UKLR 14.2.4R (Place of central management and control) and UKLR 14.2.6 (Qualifying home listing)'.

## Transfer between listing categories transitional provisions – transfers from the equity shares (international commercial companies secondary listing) category into the equity shares (commercial companies) category

### UKLR TP 5

#### Transfer between listing categories transitional provisions – transfers from the equity shares (international commercial companies secondary listing) category into the equity shares (commercial companies) category

	Application
5.1	<p>R UKLR TP 5 applies to an <i>issuer</i> with a <i>listing</i> of <i>equity shares</i> in the <i>equity shares (international commercial companies secondary listing)</i> category which:</p> <ol style="list-style-type: none"> <li>(1) is a <i>listed company</i> which: <ol style="list-style-type: none"> <li>(a) had <i>equity shares</i> admitted to what was previously known as 'standard listing' under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) immediately before 29 July 2024; or</li> <li>(b) was an inflight applicant as defined in UKLR TP 1R(1);</li> </ol> </li> <li>(2) has had a <i>listing</i> of <i>equity shares</i> for a continuous period of at least 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(3) does not have the <i>listing</i> of any of its <i>securities</i> suspended and has not had the <i>listing</i> of any of its <i>securities</i> suspended during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(4) has complied with its obligations under the <i>listing rules</i>, the <i>disclosure requirements</i>, the <i>transparency rules</i> and the <i>corporate governance rules</i> during the period of 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>;</li> <li>(5) is not undergoing, and has not undergone during the previous 18 months prior to the date on which it notifies the <i>FCA</i> of its proposal to transfer the category of its <i>listing</i>, a significant change to its business; and</li> <li>(6) is applying to transfer the <i>listing</i> of its <i>equity shares</i> to the <i>equity shares (commercial companies)</i> category.</li> </ol> <p>Duration of transitional arrangements</p>

5.2	R	UKLR TP 5 applies from 29 July 2024. Specific information required in circular or announcement
5.3	R	(1) UKLR 21.5.12G(2) does not apply. (2) In UKLR 21.5.12G(4), the reference to UKLR 21.5.15R(3) must be read as a reference to UKLR 21.5.15R(3) as modified by UKLR TP 5.6R. Compliance with eligibility requirements
5.4	R	(1) UKLR 21.5.14R(1) does not apply. (2) An <i>issuer</i> applying for a transfer of its <i>securities</i> must comply with the eligibility requirements set out in: (a) UKLR 5.2 (Externally managed companies); (b) UKLR 5.3 (Controlling shareholders); and (c) UKLR 5.4 (Constitutional arrangements).
5.5	G	When considering an application for a transfer of <i>listing</i> to the <i>equity shares (commercial companies)</i> category, the <i>FCA</i> will consider whether the <i>issuer</i> has adequate procedures, systems and controls in place to comply with the continuing obligations set out in UKLR 6 to UKLR 10 which do not apply to the <i>issuer</i> under UKLR 14, including in relation to: (1) identifying whether any obligations arise under UKLR 7 (Equity shares (commercial companies): significant transactions and reverse takeovers) and UKLR 8 (Equity shares (commercial companies): related party transactions); and (2) complying with the requirements in UKLR 6.6 (Annual financial report). Approval of transfer
5.6	R	UKLR 21.5.15R(3) must be read as if the words ‘all eligibility requirements that would apply if the <i>issuer</i> was seeking admission to <i>listing</i> of the <i>securities</i> to the category of <i>listing</i> to which it wishes to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 5.2 (Externally managed companies), UKLR 5.3 (Controlling shareholders) and UKLR 5.4 (Constitutional arrangements)’. Sponsor
5.7	R	The <i>sponsor</i> must take reasonable steps to satisfy itself that the <i>director</i> or <i>directors</i> of the <i>issuer</i> understand the responsibilities and obligations under UKLR 6 to UKLR 10 which do not apply to the <i>issuer</i> under UKLR 14.
5.8	R	UKLR 24.3.12R is modified as follows: (1) UKLR 24.3.12R(1) must be read as if the words ‘each <i>listing rule</i> requirement relevant to the category of listing to which it wishes to transfer’ are replaced by ‘the eligibility requirements set out in UKLR 5.2 (Externally managed companies), UKLR 5.3 (Controlling shareholders) and UKLR 5.4 (Constitutional arrangements)’; (2) UKLR 24.3.12R(2) must be read as if the words ‘Sponsor’s Declaration for a Transfer of Listing’ are replaced by ‘Sponsor’s Declaration for a Transfer of Listing: modified transfer process’; and (3) UKLR 24.3.12R(3) must be read as if the words ‘in considering the transfer between listing categories’ are replaced by ‘in considering the transfer between listing categories as modified by UKLR TP 5’.



		[ <b>Note:</b> The 'Sponsor's Declaration for a Transfer of Listing: modified transfer process' can be found on the Primary Markets section of the FCA's website.]
5.9	R	<p>UKLR 24.3.13R is modified as follows:</p> <p>(1) the reference to 'a Sponsor's Declaration for a Transfer of Listing' is replaced by 'a Sponsor's Declaration for a Transfer of Listing: modified transfer process';</p> <p>(2) UKLR 24.3.13R(1) must be read as if the words 'all eligibility requirements of the <i>listing rules</i> that are relevant to the new category to which it is seeking to transfer' are replaced by 'the eligibility requirements set out in UKLR 5.2 (Externally managed companies), UKLR 5.3 (Controlling shareholders) and UKLR 5.4 (Constitutional arrangements)';</p> <p>(3) UKLR 24.3.13R(3) must be read as if the words 'the <i>listing rules</i>' are replaced by 'the obligations set out in UKLR 6 to UKLR 10 which do not apply to the <i>issuer</i> under UKLR 14'; and</p> <p>(4) UKLR 24.3.13R(4) does not apply.</p>
5.10	R	A <i>sponsor</i> must provide confirmation to the FCA that it has not identified any adverse information that would lead it to conclude that the <i>issuer</i> would not be able to comply with its obligations under the <i>listing rules</i> , the <i>disclosure requirements</i> and the <i>transparency rules</i> .
5.11	R	UKLR 24.3.14R must be read as if the words 'UKLR 24.3.13R(3) and UKLR 24.3.13R(4) do not' are replaced by 'UKLR 24.3.13R(3) as modified by UKLR TP 5.9R(3) does not'.



## Transitional provisions for mid-flight transactions by former premium listed issuers

### UKLR TP 6 Transitional provisions for mid-flight transactions by former premium listed issuers

		Application
6.1	R	UKLR TP 6 applies to an <i>issuer</i> which: <ol style="list-style-type: none"> <li>(1) had what was previously known as ‘premium listing’ under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) immediately before 29 July 2024; and</li> <li>(2) has a <i>listing</i> of <i>equity shares</i> in the <i>equity shares (commercial companies)</i> category or the <i>closed-ended investment funds</i> category from 29 July 2024.</li> </ol>
		Definitions
6.2	R	For the purposes of this transitional provision, a ‘mid-flight transaction’ is a transaction which: <ol style="list-style-type: none"> <li>(1) was underway immediately prior to 29 July 2024 (the ‘transition date’);</li> <li>(2) had not completed prior to that date; and</li> <li>(3) is classified as one of the following under the <i>UKLR</i> sourcebook:           <ol style="list-style-type: none"> <li>(a) a <i>significant transaction</i>;</li> <li>(b) an indemnity or similar arrangement subject to UKLR 7.4.1R;</li> <li>(c) an issue by a <i>major subsidiary undertaking</i> subject to UKLR 7.4.4R;</li> <li>(d) a <i>reverse takeover</i>; or</li> <li>(e) a <i>related party transaction</i>.</li> </ol> </li> </ol>
		Purpose
6.3	G	<ol style="list-style-type: none"> <li>(1) The purpose of this transitional provision is to set out how the obligations in the <i>UKLR</i> sourcebook apply to mid-flight transactions which were subject to the premium listing rules in the Listing Rules sourcebook immediately before the transition date.</li> <li>(2) From the transition date, a transaction will be classified in accordance with the criteria specified in the <i>UKLR</i> sourcebook rather than the Listing Rules sourcebook. Furthermore, a mid-flight transaction that remains in scope of <i>UKLR</i> requirements will not be required to comply with any obligations in the Listing Rules sourcebook that have not been carried forward to the <i>UKLR</i> sourcebook.</li> <li>(3) For example, this means that an <i>issuer</i> can cease to treat a transaction as a <i>significant transaction</i>, a <i>related party transaction</i> or a <i>reverse takeover</i> from the transition date</li> </ol>

if it does not qualify as such under the *UKLR* sourcebook, and cease complying with relevant obligations accordingly. Transactions which are not within the scope of *UKLR 7* or *UKLR 8* are also not required to be aggregated under the relevant *UKLR* requirements. An *issuer* may no longer be required to maintain the appointment of a *sponsor*, if the obligation to appoint a *sponsor* has not been included in the *UKLR* sourcebook.

- (4) However, mid-flight transactions will generally have to comply in full with all obligations relevant to the transaction in the *UKLR* sourcebook, including, for example, the *UKLR* notification requirements (even where the transaction has previously been notified to a *RIS* under the Listing Rules sourcebook). This avoids information gaps arising because of the more substantial notification requirements in the *UKLR* sourcebook and ensures that all relevant information is contained in a single notification or can easily be located from a single notification in the case of *significant transactions*. An *issuer* will generally be required to make the new, *UKLR*-compliant *RIS* notification as soon as reasonably practicable after the transition date and prior to completion.
- (5) We make an exception if an *issuer* has sent a *circular* to shareholders about a mid-flight transaction under the Listing Rules sourcebook. The transitional provision allows such a *circular* to be treated as meeting comparable *circular* requirements under the *UKLR* sourcebook, or (to the extent the *circular* requirements have been replaced by *RIS* notifications) the *RIS* notification requirements under the *UKLR* sourcebook. This reduces duplication and ensures that new *UKLR* requirements apply proportionately.
- (6) Where an obligation has not in substance changed from the Listing Rules sourcebook to the *UKLR* sourcebook, an *issuer* does not need to comply twice. For example, if a *reverse takeover* has already received shareholder approval but has not yet completed on the transition date, it does not need to re-obtain approval after the transition date unless the terms of the transaction materially change.

#### Mid-flight transactions subject to *UKLR* sourcebook

6.4 R An *issuer* must comply with all obligations relevant to a mid-flight transaction in the *UKLR* sourcebook, subject to the modifications in *UKLR TP 6.5R* to *UKLR TP 6.7R*.

#### *RIS* notification obligations

- 6.5 R
- (1) The obligations to notify a *RIS* under *UKLR 7.3.1R*, *UKLR 7.4.1R*, *UKLR 7.4.3R*, *UKLR 7.5.1R* and *UKLR 8.2.1R(4)* are modified as set out in (2) and (3).
- (2) The obligation to notify a *RIS* under *UKLR 7.3.1R* (including as applied by *UKLR 7.4.1R*, *UKLR 7.4.4R* and *UKLR 7.5.1R*) is modified so that an *issuer* that has already made an *RIS* notification for a mid-flight transaction under the Listing Rules sourcebook is required to make a new notification under the *UKLR* sourcebook in respect of the mid-flight transaction as soon as reasonably practicable after 29 July 2024, but in any event prior to completion of the transaction. The new notification must include:
- (a) all information required by *UKLR 7.3.1R* which has not been included in the *RIS* notification made under the Listing Rules sourcebook; and

		(b)	a hyperlink to the <i>RIS</i> notification made under the Listing Rules sourcebook.
		(3)	The obligation to notify a <i>RIS</i> under UKLR 8.2.1R(4) is modified so that an <i>issuer</i> that has already made an <i>RIS</i> notification for a mid-flight transaction under the Listing Rules sourcebook is required to make a new notification under the <i>UKLR</i> sourcebook in respect of the mid-flight transaction as soon as reasonably practicable after 29 July 2024, but in any event prior to completion of the transaction. The new notification must include all information required by UKLR 8.2.2R and UKLR 8.2.3R.
6.6	R		Significant transactions and related party transactions
		(1)	An <i>issuer</i> may treat a <i>significant transaction circular</i> or <i>related party transaction circular</i> sent to shareholders in accordance with all relevant requirements of the Listing Rules sourcebook as fulfilling its obligation to notify a <i>RIS</i> under: <ul style="list-style-type: none"> <li>(a) UKLR 7.3.1R, UKLR 7.4.1R, UKLR 7.4.4R or UKLR 8.2.1R(4), as modified by UKLR TP 6.5R;</li> <li>(b) UKLR 7.3.2R; or</li> <li>(c) UKLR 7.3.4R (if applicable).</li> </ul>
		(2)	If an <i>issuer</i> becomes aware of any matter specified in UKLR 7.3.13R(1) or UKLR 8.2.8R(1) (as appropriate) as it affects the <i>circular</i> in (1), it must make a supplementary <i>RIS</i> notification in accordance with the relevant requirements in the <i>UKLR</i> sourcebook.
6.7	R		Reverse takeovers circulars and relevant related party transaction circulars
		(1)	An <i>issuer</i> may treat a <i>reverse takeover circular</i> sent to shareholders in accordance with all relevant requirements of the Listing Rules sourcebook as fulfilling its obligation to notify a <i>RIS</i> and send a <i>reverse takeover circular</i> to shareholders under UKLR 7.5.1R.
		(2)	A <i>closed-ended investment fund</i> may treat a <i>relevant related party transaction circular</i> sent to shareholders in accordance with all relevant requirements of the Listing Rules sourcebook as fulfilling its obligation to notify an <i>RIS</i> and send a <i>relevant related party transaction circular</i> to shareholders under UKLR 11.5.5R.
		(3)	If an <i>issuer</i> becomes aware of any matter specified in UKLR 7.5.5R(2) or UKLR 11.5.10R(2) (as appropriate) as it affects the <i>circular</i> in (1) or (2), it must advise the <i>FCA</i> and send a supplementary <i>circular</i> to shareholders in accordance with the relevant requirements in the <i>UKLR</i> sourcebook.
6.8	R		Interpretation
			Where this transitional provision modifies provisions in <i>UKLR</i> , or allows an <i>issuer</i> to treat compliance with an obligation in the Listing Rules sourcebook as fulfilling a comparable obligation in the <i>UKLR</i> sourcebook, other provisions must be interpreted accordingly so as to ensure that they operate appropriately.
6.9	R		In this transitional provision, references to provisions in UKLR 7 and UKLR 8 include references to these provisions as applied and modified by UKLR 11.



## Transitional provisions in relation to shell companies under UKLR 13 and consequential amendments for shell companies under UKLR 4 and UKLR 24 (relating to sponsors)

### UKLR TP 7

#### Transitional provisions in relation to shell companies under UKLR 13 and consequential amendments for shell companies under UKLR 4 and UKLR 24 (relating to sponsors)

	Purpose		
7.1	G	(1)	The purpose of this transitional provision is to set out how the <i>listing rules</i> apply to former standard and premium listed <i>issuers</i> with, or inflight applicants (as defined in UKLR TP 1R(1)) applying for, a <i>listing of equity shares</i> before 29 July 2024 (the 'transition date') that are <i>listed</i> in the <i>equity shares (shell companies)</i> category from 29 July 2024.
		(2)	From the transition date, <i>shell companies</i> and inflight applicants described in (1) will have 1 year from 29 July 2024 as a transitional period (as defined in UKLR TP 7.3R) to complete their operations if they can be completed during the transition period or make the necessary changes to comply with the proposed additional requirements set out in UKLR 13.  For <i>shell companies</i> and inflight applicants this means, from the transition date, together with the 1-year transitional period above, they may have up to a maximum of 6.5 years to complete an <i>initial transaction</i> , provided the requirements in UKLR 13.2.1R are met.
		(3)	While inflight applicants may be admitted to the <i>equity shares (shell companies)</i> category at any point within 1 year of 29 July 2024, the transitional period in (2) will still apply to inflight applicants, so the transitional period may be shorter in the case of such inflight applicants.
		(4)	Further non-exhaustive examples of how UKLR TP 7 applies in practice are set out below:
		(a)	Where an inflight applicant or <i>shell company</i> under (1) has, prior to 29 July 2024, satisfied the following rule and guidance provisions in the Listing Rules sourcebook (or in the case of UKLR TP 7.1(4)(a)(v) continues to satisfy the relevant requirement) as it applied immediately before 29 July 2024:
		(i)	5.6.18AG (relating to conditions);

			(ii)	5.6.18CR (relating to the confirmation requirements);
			(iii)	5.6.18DR (relating to announcement requirement);
			(iv)	5.6.18ER (relating to the publication requirement); and
			(v)	5.6.18FR (relating to the requirement to contact the FCA),
				the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that a suspension is not required under UKLR 13.
		(b)		Where an inflight applicant or <i>shell company</i> under (1) has, prior to 29 July 2024, not yet satisfied UKLR TP 7.1(4)(a)(ii) to (v) above, but satisfies UKLR TP 7.1G(4)(a)(i) during the transitional period, subject to the inflight applicant or <i>shell company</i> meeting UKLR TP 7.1G(4)(a)(ii) to (v) at the required time under the Listing Rules sourcebook (as it applied immediately before 29 July 2024), the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that a suspension is not required under UKLR 13.
		(c)		A <i>shell company</i> under (1) is not required to comply with the requirements in relation to an <i>initial transaction</i> under UKLR 13.4.22R where, prior to 29 July 2024, the <i>shell company</i> was required under the Listing Rules sourcebook (as it applied immediately before 29 July 2024) to announce the reverse takeover on a RIS. In any event, a <i>shell company</i> will need to comply with its obligations under the <i>listing rules</i> and the <i>disclosure requirements</i> and <i>transparency rules</i> , as applicable.
7.2	Application R	(1)		This transitional provision applies to an <i>issuer</i> which:
			(a)	is a <i>shell company</i> which had <i>securities</i> admitted to what was previously known as 'standard listing' or 'premium listing' under the Listing Rules sourcebook (as it applied immediately before 29 July 2024); or
			(b)	is a <i>shell company</i> which is an inflight applicant (as defined in UKLR TP 1.1R) whose submission for an eligibility review related to an application for the <i>admission</i>



			of <i>securities</i> to what was previously known as ‘standard listing’ under the Listing Rules sourcebook (as it applied immediately before 29 July 2024), and
			is listed in the <i>equity shares (shell companies)</i> category in the case of (1)(a) or would be listed, in the case of (1)(b), if its application for admission to the <i>equity shares (shell companies)</i> category was approved, from 29 July 2024.
		(2)	An <i>issuer</i> under UKLR TP 7.2R must comply with all obligations in the UKLR sourcebook, subject to the modifications in UKLR TP 7.4R to UKLR TP 7.8R.
	Length of transitional period		
7.3	R		For the purposes of UKLR TP 7, ‘transitional period’ means 1 year from 29 July 2024.
	UKLR 13 requirements not applicable to issuers under UKLR TP 7.2R		
7.4	R		During the transitional period, an <i>issuer</i> under UKLR TP 7.2R is not required to comply with:
		(1)	UKLR 13.1.5G and UKLR 13.1.7G (When a sponsor must be appointed);
		(2)	UKLR 13.2.1R and UKLR 13.3.2R (Time period for initial transaction to be completed);
		(3)	UKLR 13.2.7R and UKLR 13.2.8R (Disclosures to be published in a prospectus);
		(4)	UKLR 13.3.3R (Board approval of any initial transaction) ;
		(5)	UKLR 13.3.7R (Notification of non-compliance with continuing obligations);
		(6)	UKLR 13.4.4R (contact requirements in relation to requirement for a suspension), UKLR 13.4.11R and UKLR 13.4.15R (relating to a written confirmation that must be given by a sponsor);
		(7)	UKLR 13.4.22R and UKLR 13.4.23R (Notification of an initial transaction); or
		(8)	UKLR 13.4.24R (Cancellation of listing).
	Listing Rules sourcebook requirements that apply where UKLR TP 7.4R(7) applies		
7.5	G		For an <i>initial transaction</i> , where UKLR TP 7.4R(7) applies, the FCA would expect a <i>shell company</i> to comply with the disclosure and notification requirements under section 5.6 of the Listing Rules sourcebook (as it applied immediately before 29 July 2024).
	Where the FCA will be satisfied that a suspension is not required where an issuer has met comparable Listing Rules conditions and obligations and consequential amendments		
7.6	R	(1)	During the transitional period, where a <i>shell company</i> or an inflight applicant under UKLR TP 7.2R has satisfied the provisions in (2) (or, in the case of UKLR TP 7.6R(2)(e), continues to satisfy the relevant requirement), the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that:
		(a)	a suspension is not required under UKLR 13.4.17G; and
		(b)	the relevant confirmation under UKLR 13.4.19R(2) will not be required.

		<p>(2) The provisions in (1) are the following rule and guidance provisions in the Listing Rules sourcebook as it applied immediately before 29 July 2024:</p> <p>(a) 5.6.18AG (relating to conditions);</p> <p>(b) 5.6.18CR (relating to the confirmation requirements);</p> <p>(c) 5.6.18DR (relating to the announcement requirement);</p> <p>(d) 5.6.18ER (relating to the publication requirement); and</p> <p>(e) 5.6.18FR (relating to the requirement to contact the FCA).</p> <p>(3) During the transitional period, where an inflight applicant or <i>shell company</i> under UKLR TP 7.2R has prior to 29 July 2024 not yet satisfied UKLR TP 7.6R(2)(b) to (e), but satisfies UKLR TP 7.6R(2)(a) during the required time under the Listing Rules sourcebook as it applied immediately before 29 July 2024, the FCA will generally be satisfied that the <i>shell company</i> has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised such that:</p> <p>(a) a suspension is not required under UKLR 13.4.17G; and</p> <p>(b) the relevant confirmation under UKLR 13.4.19R(2) will not be required,</p> <p>subject to the inflight applicant or <i>shell company</i> under UKLR TP 7.2R satisfying UKLR TP 7.6R(2)(b) to (e) at the required time under the Listing Rules (as it applied immediately before 29 July 2024).</p> <p>(4) UKLR 13.4.20R must be read as follows:</p> <p>(a) the reference to UKLR 13.4.17G must be read as a reference to 5.6.18AG in the Listing Rules sourcebook as it applied immediately before 29 July 2024; and</p> <p>(b) the reference to UKLR 13.4.19R must be read as a reference to 5.6.18CR(1) in the Listing Rules sourcebook as it applied immediately before 29 July 2024.</p> <p>(5) UKLR 13.4.21R must be read as if the references to ‘sponsor’ are replaced by ‘issuer’.</p>
		Certain UKLR 4 requirements not applicable to issuers under UKLR TP 7.2R
7.7	R	<p>During the transitional period, an <i>issuer</i> under UKLR TP 7.2R is not required to comply with:</p> <p>(1) UKLR 4.2.1R (When a sponsor must be appointed); or</p> <p>(2) UKLR 4.2.6R (Other transactions where an issuer must obtain a sponsor’s guidance).</p>
		Certain UKLR 24 requirements not applicable to sponsors
7.8	R	<p>(1) During the transitional period, an <i>issuer</i> under UKLR TP 7.2R(1)(b) is not required to comply with the UKLR 4 requirements in UKLR TP 7.7R and, as a result, a <i>sponsor</i> is not required to comply with UKLR 24.3.1R to UKLR 24.3.3R (relating to a sponsor’s role in an application for admission and the procedure for new applicants).</p>

		(2)	During the transitional period, an <i>issuer</i> under UKLR TP 7.2R is not required to comply with the UKLR 4 requirements in UKLR TP 7.7R and, as a result, a <i>sponsor</i> is not required to comply with:  (a) UKLR 24.3.5R to UKLR 24.3.7R (relating to a sponsor's role in further issues relating to an application and the procedure for admission); or  (b) UKLR 24.3.15R (Initial transactions).
7.9	Interpretation R		Where UKLR TP 7 modifies provisions in <i>UKLR</i> , or allows an <i>issuer</i> to treat compliance with a historic obligation in the Listing Rules sourcebook (as it applied immediately before 29 July 2024) as fulfilling a corresponding obligation in the <i>UKLR</i> sourcebook, other provisions in the <i>UKLR</i> sourcebook must be interpreted accordingly so as to ensure that the relevant regulatory requirements operate appropriately.



## Transitional provisions: Companies Act 2006 transitional provisions – class consent for purchase of own equity shares

### UKLR TP 8

#### Transitional provisions: Companies Act 2006 transitional provisions – class consent for purchase of own equity shares

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 9.6.7R(2)	R	A <i>company</i> may obtain the approval required by UKLR 9.6.7R(2) by extraordinary resolution (rather than a special resolution) if there is a reference to an extraordinary resolution in the <i>company's</i> memorandum and articles which requires or permits it and which continues to have effect by virtue of article 9 and paragraph 23 of Schedule 3 of The Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.	From 29 July 2024 until further notice	29 July 2024



## Transitional provisions for a prospectus approved before IP completion day

### UKLR TP 9

#### Transitional provisions for a prospectus approved before IP completion day

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Hand-book provision: coming into force
1.	UKLR 7.3.6R , UKLR 7.3.7R, UKLR 10.1.3R, UKLR 10.4.1R and UKLR 20.4.8R	R	<p>For the purposes of these rules, references to a <i>prospectus</i> include:</p> <p>(1) a prospectus referred to under regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019; and</p> <p>(2) a prospectus approved by the <i>FCA</i> before <i>IP completion day</i> .</p>	<p>For UKLR 20.4.8R, a period of 6 years following <i>IP completion day</i>.</p> <p>For UKLR 7.3.6R, UKLR 7.3.7R, UKLR 10.1.3R and UKLR 10.4.1R, an indefinite period of time.</p>	29 July 2024





## Transitional provisions in relation to market capitalisation under UKLR 3.2.7R(1)

### UKLR TP 10

## Transitional provisions in relation to market capitalisation under UKLR 3.2.7R(1)

Transitional provisions for applications for admission to listing

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 3.2.7R(1) R		<p>These transitional provisions apply to an <i>applicant</i> for the <i>admission of shares</i>:</p> <p>(1) that made a complete submission to the <i>FCA</i> for an eligibility review for <i>listing</i> by 4pm on 2 December 2021;</p> <p>(2) whose submission for an eligibility review for <i>listing</i> has not been withdrawn or lapsed;</p> <p>(3) that made an application for <i>listing</i> in accordance with chapter 3 of the Listing Rules sourcebook on or before 2 June 2023; and</p> <p>(4) whose overall business proposition had not materially changed between its submission in (1) and when it</p>	Indefinitely	29 July 2024

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			applied for <i>listing</i> in (3). [ <b>Note:</b> Guidance on submissions for an eligibility review for listing can be accessed on the FCA's Knowledge Base at <a href="https://www.fca.org.uk/markets/primary-markets/knowledge-base">https://www.fca.org.uk/markets/primary-markets/knowledge-base</a> .]		
2.	UKLR 3.2.7R(1)	R	The expected aggregate market value of all <i>shares</i> (excluding <i>treasury shares</i> ) to be <i>listed</i> must be at least £700,000.	Indefinitely	29 July 2024

#### Transitional provisions for shell companies

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 3.2.7R(1)	R	These transitional provisions apply to a <i>shell company</i> : (1) that had a <i>listing</i> of <i>shares</i> or certificates representing equity securities immediately before 3 December 2021; and (2) that made complete submissions to the FCA for an eligibility review for <i>listing</i> and a <i>prospectus</i> review in relation to its proposed application for <i>listing</i> in accordance with rule 5.6.21 of the Listing Rules sourcebook by 4pm on 1 December 2023; and	Indefinitely	29 July 2024

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2.	UKLR 3.2.7R(1)	R	<p>(3) whose submissions for an eligibility review for <i>listing</i> and a <i>prospectus</i> review have not been withdrawn or lapsed.</p> <p>[Note: [Note: Guidance on submissions for an eligibility review for <i>listing</i> and a <i>prospectus</i> review can be accessed on the FCA's Knowledge Base at <a href="https://www.fca.org.uk/markets/primary-markets/knowledge-base">https://www.fca.org.uk/markets/primary-markets/knowledge-base</a>.]</p> <p>The expected aggregate market value of all <i>shares</i> (excluding <i>treasury shares</i>) to be <i>listed</i> must be at least £700,000.</p>	Indefinitely	29 July 2024

#### Transitional provisions for issuers of listed shares

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 3.2.7R(1)	R	<p>These transitional provisions apply to an <i>issuer</i> (except a <i>closed-ended investment fund</i> or an <i>open-ended investment company</i>) that:</p> <p>(1) had at least 1 <i>class of listed shares</i> immediately before 3 December 2021;</p> <p>(2) continues to have at least 1 <i>class of listed shares</i>; and</p> <p>(3) is applying for another <i>class of shares</i> to be <i>listed</i>.</p>	Indefinitely	29 July 2024

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2.	UKLR 3.2.7R(1)	R	The expected aggregate market value of all <i>shares</i> (excluding <i>treasury shares</i> ) to be <i>listed</i> must be at least £700,000.	Indefinitely	29 July 2024