

Primary Market Effectiveness Review: Feedback and final changes to the Listing Rules

Policy Statement

PS21/22

December 2021

This relates to

Consultation Paper 21/21
which is available on our website at
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1 Summary

1.1 On 5 July 2021, we published a consultation paper (CP) setting out a review of the effectiveness of our primary markets (CP21/21). The CP contained two main elements:

- i. An open discussion seeking views on the functioning of the UK listing regime so we can better understand the purpose and value to both issuers and investors of listing. We wanted to gather key input on how we can improve the regime to make it more efficient and accessible, while keeping high standards for the UK public markets.
- ii. A consultation on targeted changes to our existing regime to remove immediate barriers to listing and to improve the accessibility of our rulebooks, which also serve to protect and enhance market integrity.

1.2 As part of the consultation element, we proposed:

- a targeted form of dual class shares structure (DCSS) within premium listing
- increasing the minimum market capitalisation (MMC) threshold for both the premium and standard listing segments for shares in companies other than funds from £700,000 to £50 million
- reducing the proportion of shares required to be in public hands when listing (more commonly known as 'free float') from 25% to 10%
- showing more willingness to allow waivers for the coverage of the 3-year track record
- minor simplification and modernisation to the Listing Rules, Disclosure Guidance and Transparency Rules (DTRs), and Prospectus Regulation Rules (PRR)

1.3 This Policy Statement (PS) summarises the feedback we received on our consultation questions (chapters 5-9 of CP 21/21) and sets out our policy response. It also includes final rules and details of transitional arrangements where applicable. This PS does not provide feedback on the responses we received to the discussion of the functioning of the listing regime (chapter 3 of CP 21/21). We will provide further feedback and indicate next steps on this broader consideration of the listing regime's purpose and structure in the first half of 2022.

Who this affects

1.4 This PS will be of interest to:

- issuers
- prospective issuers considering a UK listing
- existing and prospective investors in listed companies, including institutional and individual investors
- law firms, investment banks, and other advisors and intermediaries who may assist issuers
- exchanges or venue operators
- intermediaries who may facilitate, including providing execution and/or marketing of investments into issuers, whether at initial public offering (IPO) or in secondary markets
- trade associations representing the various market participants above
- wider financial market participants, such as research analysts

The wider context of this policy statement

Our consultation

- 1.5** In CP21/21, we outlined the importance of public markets in enabling companies to finance their businesses, which in turn create growth and jobs for the UK economy. Trusted public markets also provide opportunities for investors in a well-understood environment with high standards of disclosure and FCA oversight. More companies listing at an earlier stage in their life cycle means more opportunities for investors to share in the returns of those companies as they grow.
- 1.6** However, both the UK Listing Review and the Kalifa Review of UK FinTech highlighted specific elements of our listing regime that act as barriers to companies listing. They recognise that our Listing Rules are only one part of the wider landscape contributing to these barriers. But they made specific recommendations for improving the regime.
- 1.7** Our consultation followed our consultation CP21/10 on changes to the Listing Rules to encourage larger special purpose acquisition companies (SPACs) with robust investor protection features to reduce the market integrity risks posed by these companies. We introduced these changes in August.
- 1.8** This work is being undertaken at the same time as HM Treasury's consultation on Wholesale Market Reform, a consultation on the UK Prospectus Regime, and our own work on Changes to UK MIFID's conduct and organisational requirements. These 3 consultations aim to deliver a framework that is fair, outcomes-based and improves the efficiency of our markets, while maintaining the highest regulatory standards.
- 1.9** The UK Listing Review also noted that the number of listed companies in the UK has fallen by about 40% from a recent peak in 2008. Between 2015 and 2020, the UK accounted for only 5% of IPOs globally. Market activity this year has been positive: around 50 admissions to the Main Market during January to October with a market capitalisation close to £800bn. However, we recognise that there are still opportunities to remove barriers to entry and ensure our regime is as efficient and effective as possible.

How it links to our objectives

- 1.10** As set out in CP21/21, we consider the proposals we are now finalising should reduce barriers and costs for companies considering listing. This should encourage more companies to become or stay listed in the UK. At the same time, market transparency and integrity would remain high. This should increase broader investor confidence in the UK listed markets and the reputation of UK listing.
- 1.11** Improving the effectiveness of primary markets helps us protect and enhance the integrity of the UK financial system through greater liquidity and greater stability. As such, our final rules are consistent with our statutory objective to ensure markets work well and with our operational objective to protect and enhance market integrity.

What we are changing

1.12 We are introducing the following changes to our Listing Rules:

- a targeted form of DCSS within premium listing
- a reduced level of shares required to be in public hands at listing to 10% from the current requirement of 25%
- an increased MMC threshold for listing to £30 million, for shares in companies other than funds
- minor modernisation to the Listing Rules, Disclosure Guidance and Transparency Rules (DTRs), and Prospectus Regulation Rules (PRR)

1.13 The legal instruments do not significantly differ from the drafts consulted on. Furthermore, we did not receive any material feedback on our cost benefit analysis (CBA) for our proposals as set out in Annexes 2 to 5 of CP21/21. We do not consider the limited changes made in finalising our rules suggest any material change to our original CBA.

Outcome we are seeking

1.14 We are introducing DCSS in the premium listing segment, reducing free float and making other minor changes to the Listing Rules. By these actions we aim to reduce barriers to companies listing in the UK and encourage private companies to consider listing at an earlier stage, while still retaining high standards for investors. Encouraging more companies to enter UK listed markets will also provide more investment opportunities for investors on well-regulated and transparent listed markets.

1.15 By increasing the MMC to £30m for new standard and premium listings, we aim to create an environment where there is:

- reduced potential for investor detriment due to misconduct or poor compliance by smaller listed companies, and
- increased confidence in UK listed markets by reduced cases of suspicious trading and potential market abuse, which may undermine market integrity

1.16 Both of the above should lead to enhanced attractiveness of UK markets.

Measuring success

1.17 We aim to measure the impact of our changes by monitoring:

- the reduction in the barriers to entry from listing and subsequent attractiveness of UK listing for issuers
- whether we have reduced existing harms to investors and markets, and
- whether any additional harms have emerged

1.18 We will look at a range of indicators, including the nature, number and size of IPOs on our listed markets, and the number and size of issuers who are accessing the listed markets via different means. This should indicate whether investor choice has increased.

- 1.19** As part of our gateway processes, we will monitor the number and type of issuers that want to use the additional flexibility that our final rules will provide, and subsequently how they are received by the market.
- 1.20** We will also monitor activity to determine if new areas of misconduct are emerging or existing misconduct is increasing.
- 1.21** However, we know that the Listing Rules only constitute one element of the wider landscape of public markets; many other factors also determine when and where companies choose to list. Therefore, these measures may not automatically result in an overall increase in the number of listed companies. We will monitor the effect of our proposed changes to understand whether the Listing Rules remain a barrier to the entry of companies to public markets. We will also conduct further work with stakeholders to understand the population of issuers who choose to list elsewhere and why.

Summary of feedback and our response

- 1.22** 58 respondents commented specifically on our consultation proposals. There was general support for our proposals overall, except for our proposal to increase the MMC threshold from £700,000 to £50m for shares, which received more mixed views.
- 1.23** We have considered the feedback we received about our proposed changes. We summarise our decision on final rules and any changes from the proposals consulted on below based on feedback received, with detailed feedback provided in Chapters 2-6.
- Dual class shares structures (DCSS) in the premium listing segment: based on broad majority support, we are finalising rules as consulted on, including maintaining the key features of the DCSS approach we set out in CP21/21.
 - Minimum market capitalisation: some feedback expressed concern at the increase we proposed to minimum market capitalisation, from £700,000 to £50m. So we have conducted further analysis of our internal data on issues experienced with smaller listed issuers. We found that only a very small number of cases (7 cases) of standard issuers of shares in companies admitted to the Official List since 2017 had an MMC between £30m and £50m. We note that a robust assessment of alternative minimum market capitalisation levels between £20m (where the number of cases begins to reduce considerably) to £50m is not possible because of the very small number of companies listing in this range over the previous 4-5 years. We also carefully considered responses noting that a high threshold may exclude smaller companies that may prefer listing to unlisted public markets. We have therefore used our judgement and, on balance, have decided to finalise rules setting a lower market capitalisation threshold of £30m compared to our consultation approach. This threshold still addresses the vast majority (eg over 80%) of companies by size where we see persistent concerns and a majority of serious misconduct cases (eg approximately 75% of cases where we observed high share price volatility and received alerts of suspected suspicious trading from 2018-2021). But it acknowledges feedback to consider a lower level to reduce the numbers of smaller companies considering a UK listing that may find £50m too high a threshold. Chapter 3 provides further detail on the feedback received and the factors we considered in finalising this revised approach.
 - Minimum number of shares in public hands ('free float'): we are finalising rules as consulted on, setting a revised 10% level for the minimum value of shares in public

hands, following strong support in response to the CP. This replaces the current level of 25% and the discretionary ability for the FCA to modify the rule to accept a lower level. We do not intend to proceed with a suggested idea to require more specific transparency on free float, following more negative views on this suggestion.

- Track record: we received more compelling evidence to suggest a wider review of this requirement is necessary, rather than relying on a 'case-by-case' assessment and potential waivers by exception. We propose to review the track record obligation as we consider the potential for wider reforms to our listing regime in response to the discussion chapter (see below).
- Minor changes to the Listing Rules, Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules: we are proceeding broadly as consulted on, with some minor changes to reflect useful feedback that certain changes did not quite achieve the intended policy effect. In one area related to our significant transaction rules, we disagreed with feedback proposing a change in drafting and have maintained our approach as consulted on in making final rules.

Discussion on the role and purpose of listing

1.24 We received strong engagement and detailed views in response to our discussion of the possible models for a new structure to the listing regime. We are considering this input carefully and will use it to inform our assessment of further changes we could make to improve our listing regime.

1.25 We will provide more detailed information on the responses we received to this element of CP21/21 in the first half of 2022, including our proposed next steps. Before that, we intend to reach out to respondents or groups of respondents to discuss specific issues raised.

1.26 We acknowledge that some feedback on the CP and discussion chapter elements questioned whether it might be better to consider certain consultation measures alongside wider reform to our existing listing segments. However, we have concluded that our immediate changes will benefit UK markets while not precluding any future reforms to our listing segments. Therefore, the final rule changes confirmed in this PS should not be considered as indicating a pre-determined approach to any wider reforms we may consider in response to the discussion questions posed, on which we remain open-minded.

Equality and diversity considerations

1.27 We did not receive any feedback on our equality and diversity assessment. Our assessment of equality and diversity issues remains unchanged as a result of the final changes we have made. We do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010.

Next steps

1.28 The new rules come into force on 3 December 2021. But the package of minor changes to modernise and streamline our primary markets rule books, as outlined in Chapter 6, will come into force on 10 January 2022.

What you should do next

- 1.29** Issuers and applicants to list should familiarise themselves with the rule changes set out in this Policy Statement.
- 1.30** We have provided a transitional approach in relation to MMC, for current applicants to list and for existing listed shell companies. Chapter 3 has more details.

What we will we do next

- 1.31** We will provide more detailed information on the responses we received to the DP element of CP21/21 in the first half of 2022. Before that, we intend to engage further with market participants to discuss specific issues and ideas raised.

2 Dual class share structures

- 2.1** In this chapter we summarise the feedback received to our CP proposals to facilitate a targeted and time-limited form of dual class share structure (DCSS) within our premium listing segment.

Introducing DCSS to premium listing

- 2.2** DCSS involves a class of shares that allows a shareholder (or group of shareholders) to retain voting control over a company that is disproportionate to their economic interest in the company. Generally speaking, our existing rules make it impractical for a company with DCSS to list shares in the premium listing segment. However, it is possible for companies with DCSS to list shares in the standard listing segment.
- 2.3** In CP21/21, we proposed introducing a conditional 5-year exception to the current rule that restricts votes on matters relevant to premium listing to holders of premium listed shares only. This was intended to enable holders of unlisted weighted voting rights shares, within a specific kind of DCSS, to participate in these votes.
- 2.4** In line with the UK Listing Review's recommendations, we proposed the exception applies where the class of shares with weighted voting rights meets the following conditions:
- a maximum weighted voting ratio of 20:1
 - may only be held by directors of the company or beneficiaries of such a director's estate
 - weighted voted rights only to be available in two limited circumstances:
 - a vote on the removal of the holder as a director, and
 - following a change of control, in relation to a vote on any matter (to operate as a strong deterrent to a takeover)
 - weighted voting rights can only be held by directors of the company
- 2.5** We proposed that shares meeting these conditions will be referred to as 'specified weighted voting rights shares' for the purposes of the premium listing regime.
- 2.6** We asked:

Q18: *Do you agree with our rationale for introducing DCSS to the premium listing segment? Is there any additional evidence that we should consider?*

Q19: *Do you foresee any limitations to our proposal if the weighted voting shares are unlisted?*

Q20: *Do you consider that a five year sunset period for DCSS in the premium listing segment is the correct length to protect companies from unwanted takeovers? Please provide evidence for your answer.*

Q21: *Do you consider that the mechanism proposed will be effective in providing a deterrent to unwanted takeovers? Please give reasons for your answer and any possible alternatives.*

Q22: *Do you agree with the proposed controls around for DCSS in the premium listing segment? Are there any additional controls that would make the regime more effective?*

Summary of feedback received

2.7 Of those who commented on DCSS, 30 respondents agreed with our proposals to introduce dual class share structures into the premium listing segment with the proposed conditions. This included a broad range of respondents from trade associations, to investment managers and trading venues. A minority of respondents questioned the introduction of DCSS into premium listing.

2.8 Comments from all respondents regarding the proposals fell into three broad themes:

- The proposals as designed would not attract companies to UK markets: some respondents considered that the policy would not attract companies to list on UK markets as our proposals did not go far enough or conversely that they would overly dilute the high standards associated with premium listing.
- The limitations and controls on DCSS in the premium listing segment: some viewed that the conditions that we proposed for introducing DCSS into the premium segment should be expanded to better meet our policy aims.
- The impact on stewardship: respondents commented that introducing DCSS will have a disproportionate impact on stewardship and the high standard of corporate governance in the premium listing segment. Some of these respondents commented that the controls should be made more restrictive to protect the high corporate governance standards in the premium segment.

The proposals as designed would not attract companies to UK markets

2.9 Around 8 respondents questioned the effectiveness of the changes we proposed. Specifically, they stated that allowing DCSS in the premium listing segment with the proposed controls would not make listing in UK significantly more attractive and would not have a material impact on companies' decisions as to where they may list. As such, these respondents felt the changes may only have a limited effect on the number of companies listing in London.

2.10 Other respondents stated that our proposal to only allow weighted voting rights on any matter put to shareholders in a general meeting after a change of control would not completely eliminate the risk of an unwanted takeover.

2.11 Other respondents wanted us to clarify why the proposals do not go further, considering that the scope of the weighted voting rights was too limited. They suggested that we should allow for weighted voting rights to apply to a vote on a change of control directly, or that we should allow alternative structures such as golden shares.

Our response

While acknowledging the points raised by a minority of respondents, we have decided to finalise rules as consulted on. Most respondents supported both the introduction of DCSS into the premium listing segment and the controls to enable this to happen.

Our objective for introducing DCSS into the premium listing segment was to facilitate innovative growth companies listing on public markets at an earlier stage in their development. This would in turn expand the opportunities available to investors to participate as these companies grow. We acknowledged that these companies can choose to list in the standard segment, on unlisted markets, or remain private. But we consider that the additional corporate governance and shareholder protections in the premium listing segment are better for shareholders.

We were clear in the consultation that we had designed the specific features of the regime to meet the needs of founder-led growth companies and address the specific barriers to these companies listing in the premium segment. As our feedback reflects, we recognise that some companies may wish to have a wider form of DCSS than the specific kind we have proposed for the premium listing segment; others may prefer to use 'golden shares'. We maintain that these companies are currently able to list in the standard segment using such structures. We also considered allowing directors a direct vote on blocking a change of control but decided that the proposed mechanism was the most compatible with the current listing rules.

We also recognise that some issuers may be particularly sensitive to the threat of an unwanted takeover or the removal of directors once they become listed companies, before they have had an opportunity to deliver the next phase in their business strategy. Having reviewed the feedback, we continue to believe that the proposed rules will serve as an effective deterrent to unwanted takeovers or a change of control although acknowledge that they will not prevent them entirely.

We do not see strong evidence to support a need for any broader application of DCSS in the premium listing segment. This also takes into consideration our view that the premium listing segment should continue to represent a high standard of corporate governance and shareholder engagement (which we discuss further in the section on stewardship).

The limitations and controls on DCSS in the premium listing segment

2.12 Some respondents stated that we should allow DCSS in the premium listing segment but amend or remove the proposed 5-year sunset clause. Alternative suggestions included:

- reducing the sunset clause to 3 years in line with companies' business planning
- extending the sunset clause to be more in line with practice in other jurisdictions for example to 7 years, and

- that removal of the rights attached to weighted voting shares should be linked to specific corporate events, with one respondent stating that time-dependent sunset clauses are inappropriate

2.13 A minority of respondents were concerned about the proposal to introduce a weighted voting ratio of 20:1. They felt that the ratio presented founders with excessive control that could in practice result in the effective disenfranchisement of non-founder shareholders. Respondents also stated that to have powers to effectively block a takeover and maintain control, directors would need an equity stake of 4.7%, as noted in our consultation.

2.14 One respondent noted that we were not amending the rules on controlling shareholders or the requirement that the listed company carries on an independent business. They stated that as holders of weighted voting shares may not meet the conditions to be a 'controlling shareholder', we should consider making controlling shareholder requirements apply automatically to such holders.

2.15 One respondent commented that DCSS in the premium listing segment should be limited to electronics-based technology issuers.

2.16 Another respondent was concerned that the proposal to permit holders of specified weighting voting rights shares to participate on voting to approve documents requiring prior approval (including employee share schemes and long-term incentive plans and discounted option arrangements under LR 9.4, related party transactions under LR 11 and dealing in own securities and shares as outlined in LR 12) undermines important shareholder protections. They suggested that holders of specified weighting voting rights shares should continue to be precluded from voting on such matters.

Our response

The limitations and controls we proposed on DCSS were designed to retain the majority of the shareholder protections that characterise the premium listing regime. Again, the majority of respondents agreed with our proposals and the controls that ensure that high levels of corporate governance are maintained.

Given the feedback we have received, we still consider that a sunset period of 5 years is appropriate to remove the risk of an unwanted takeover in the early stages of being listed. We believe a mandatory, time-based sunset provision will be an effective safeguard against the entrenchment of weighted voting rights and the permanent exposure to moral hazard by minority shareholders. This number is also consistent with the various academic research highlighted in the consultation and provides a reasonable time period for founder-led companies to adapt to public markets and pursue their business strategy as a public company. We recognise that there are other ways for weighted voting rights to expire. However, we feel that these would add unnecessary complexity to our rules and may make it more difficult for investors to understand and mitigate any risks they perceive in an issuers' voting structure.

We recognise that some issuers may want to extend their DCSS arrangements, and the specified weighted voting rights shares, for longer than 5 years. To achieve this, the company would need to pass a shareholder vote to move to another segment (eg standard listing), or de-list, in accordance with LR 5.4A or LR 5.2.

Limits on weighted voting ratios ensure that the shareholders' stake in governance decisions is related to the degree of economic ownership. The higher this ratio, the more disproportionate the level of control the holder would have in the company. This ratio can be set at a higher or lower level, with a commensurate effect on the equity share needed to have 50% control when the weighted voting rights are used. Given the feedback that we have received, we have seen no additional evidence, beyond that which we had already considered before consultation, that alters our view that it is reasonable to set the ratio relatively high to ensure it is effective in the limited situations that it can be used.

We have not seen any new evidence that suggests that we should amend the rules on controlling shareholders or the requirements that the listed company carries on an independent business at this stage. In our view, the protections that the controlling shareholder regime offers are consistent with the specified weighted voting rights shares to which the exception to LR 9.2.21R applies.

The holders of the shares with specified weighted voting rights will be able to participate in certain votes on a 'one share one vote' basis. The additional weight of the voting rights will not apply other than following a change in control. It is for this reason that we do not see it as appropriate to exclude holders of weighted voting rights from other certain matters.

The impact on stewardship

- 2.17** Some respondents were concerned that we were allowing founders voting control over a company that is disproportionate to their equity shareholding. They stated that this is not in the long-term interest of investors as it may hamper their power to hold companies accountable and undermines their ability to fulfil their stewardship responsibilities.
- 2.18** One respondent thought it was important for a poorly-performing company to be taken over by a bidder at any time (and not just after 5 years from the date of listing) where the majority of shareholders consider that to be in the best interests of such company and its shareholders. This was developed by another respondent who stated that that there was no evidence that takeovers inhibit the development of companies.
- 2.19** One respondent stated it should be possible to remove a director or for the weighted voting shares to be automatically converted to ordinary shares for certain specified reasons. These reasons included failure to undertake their duties for an extended period of time, and the board determining that the director has suffered a permanent incapacity.

- 2.20** A minority of respondents stated that facilitating DCSS in the premium listing segment under any circumstances would not be appropriate given the potential corporate governance concerns. They referenced concerns about passive investors, who would have no choice other than to own these companies assuming they were included in the relevant indices. However, they did note that there would be a potential offsetting positive if the change created a more dynamic mix of companies represented in the indices.
- 2.21** Another respondent stated that key information about the DCSS structure used by the company should be clearly communicated through documents such as annual reports, RNS (Regulatory News Service) announcements, and circulars. They also suggested requiring enhanced transparency through the prospectus and other public announcements to highlight the risks associated with investing in the securities of an issuer that used DCSS. This could focus in particular on the impact on voting power for other shareholders, the ratio of the voting rights in the different classes of shares and the relevant time limits.

Our response

The majority of respondents from law firms to asset managers agreed with the balance that we had made between allowing DCSS structures into premium listing while maintaining London's high levels of corporate governance and stewardship. We will proceed with rules as consulted on.

We recognise the importance of stewardship and the importance of high standards of corporate governance in UK public markets. In general, our proposals are designed to be targeted and minimise concerns about corporate governance by only addressing the specific elements of DCSS that evidence suggests are most critical for innovative growth companies. The majority, 28 respondents, agreed with the safeguards that we had put in place to protect the high standards of corporate governance we have in the premium listing segment.

We believe that the premium listing segment provides wide and significant additional safeguards for shareholders, even if using our proposed form of DCSS. We consider that these are sufficient to maintain high corporate governance standards and investor confidence in such issuers. These safeguards are also significantly higher than in the standard listing segment, or on unlisted markets in the UK, where these companies may otherwise access public markets.

Companies may wish to add additional measures into their articles of incorporation, including measures to remove a director if they are unable to perform their duties for any reason, but we will not require this. It is our policy intention to set out the minimum required for a company to use DCSS structures in the premium listing segment.

In CP 21/21, we stated that we also recognise concerns about additional risks to consumers who invest via passive funds. We acknowledged that without changes to investment mandates, these consumers are likely to be invested in DCSS companies that would not previously have been eligible for inclusion in the premium listing segment. We consider that the limitations and controls that we have designed will continue to

promote high standards of corporate governance within the premium listing segment. Index inclusion is also a matter for commercial providers, who can choose to change their criteria and may often do so subject to seeking views from their user base. We note that one index provider has already launched a consultation on these proposed changes to the Listing Rules to consider whether it should change its own index admission criteria as a result.

The Listing Rules, under LR 9.2.6E R, require issuers to disclose the rights attached to equity shares. They can do this either via a prospectus or by forwarding a document to the FCA for publication that describes the rights attached to the listed equity shares, limitations on such rights and the procedure for exercise of such rights. We consider that this would ensure adequate disclosure of the effects of key information about an issuer's DCSS structure.

3 Minimum market capitalisation

- 3.1** This chapter summarises the feedback we received on our proposal to change our Listing Rules to require new issuers seeking to list as premium or standard listed shares to have a minimum market capitalisation (MMC) of £50m. In addition, we set out our response, including areas where we have made changes from the consultation proposals in the final rules.

Summary of proposals

- 3.2** In CP21/21, we proposed to:

- change LR 2.2.7R1(a) to require that the expected aggregate market value of all securities to be listed should be increased from its current level of £700,000 to at least £50m for shares
- apply this to new listings only (from a specified date) and, as is currently the case, this will not apply as a continuing obligation
- not change the expected aggregate market value of shares of a closed-ended investment fund or open-ended investment company to be listed ie they would remain as at least £700,000

- 3.3** We asked:

Q23: *Do you agree with our proposal to raise the minimum market capitalisation for companies seeking to list under standard and premium listing to £50m? If not, please state your reasons and indicate what alternative threshold may be more appropriate along with any supporting evidence. We also welcome views on whether we should consider setting out conditions under which we might modify the proposed rule on the new threshold, and if so what criteria stakeholders think we could usefully consider.*

Q24: *Do you consider that the current level of market capitalisation for listed debt remains appropriate? Please give reasons for your answer.*

Summary of feedback received

- 3.4** Just over 40 respondents commented on our MMC proposals.

- 3.5** 15 of the 40 agreed with our proposal to increase the MMC for shares in companies seeking to list in the standard or premium listing segment to £50m. An additional 11 agreed the current MMC is too low, but said an increase to £50m is too high. Alternative thresholds put forward were between £5m and £25m, with the majority suggesting £10m.

- 3.6** Around 10 respondents, mainly from smaller issuers, sell-side market participants and trading venues, did not agree with increasing the threshold for shares at all. Reasons given included that it would disadvantage smaller companies and may drive listings elsewhere (including to other countries). Some also thought this was a blunt tool if the underlying concern is the 'quality' of a company and its ability to meet regulatory obligations on an ongoing basis.
- 3.7** 7 respondents said that the Alternative Investment Market (AIM) and Aquis Stock Market (AQSE) were not necessarily suitable alternative markets for various reasons. These included that AIM and AQSE apply more burdensome and costly regimes than standard listing, due to the requirements for companies to have close and continuous advice from approved advisors and the gatekeeping role that those advisers play. A small number said it also disadvantages investors, by taking away choice and the potential for higher returns.
- 3.8** Some alternative suggestions to increasing the MMC included requiring standard listed issuers to have a nominated adviser or an eligibility letter from a sponsor. Another suggestion was for the FCA to consider additional training to provide smaller issuers with additional support.
- 3.9** 8 respondents highlighted concerns about liquidity if a 10% free float were combined with a low MMC.
- 3.10** Just under 10 respondents queried how existing small acquisition companies, such as SPACs, would be impacted. Some felt our proposals would disadvantage them. They noted existing listed SPACs with MMCs below the new threshold would need to raise more capital than expected for any future re-listing application, following an acquisition, to meet an increased MMC threshold.
- 3.11** Some said that increasing MMC suggests that all companies below that threshold are not suitable for listing, and we should focus more on the maturity of a company instead.
- 3.12** A small number suggested more flexibility or proportionality would be needed. Suggestions included:
- applying £50m to the premium listed segment and a lower level to the standard listed segment
 - the ability to apply a flexible approach for those applicants on the margins of any new threshold, or
 - allowing a lower MMC if a company has a higher free float level
- 3.13** One respondent queried the implications for Depositary Receipts issuers. They suggested that, for those issuers that are already listed, the Listing Rules should refer to the market capitalisation of the entire underlying share capital rather than the portion of shares that are represented by the listed Depositary Receipts. The respondent thought that without such a change these Depositary Receipts issuers would be required to de-list if they could not satisfy the increased MMC on a continuing basis post admission, if investors were to swap their Depositary Receipts for direct holdings in the underlying shares.
- 3.14** A few respondents suggested we keep any changes under review.

- 3.15** 10 responded specifically to the question about our proposal to retain the current MMC level of £200,000 for debt listings – the majority were in support. Those who did not agree mainly said that the MMC for debt was also out of date and needed updating. No suggestions on the minimum level were put forward by those suggesting it could be raised.

Our response

We have finalised our proposed approach with some amendments in response to feedback received. In summary we have:

- reduced the proposed MMC level for shares from £50m to £30m.
- introduced transitional provisions to allow applicants that have made a complete submission to us for a listing eligibility review at the date of this publication to continue to be able to formally apply for listing based on the current MMC of £700,000, provided they do so within 18 months.
- introduced a transitional provision to allow shell companies (including SPACs) already listed at the date of commencement, to allow listing applications following an acquisition to be made based on the current MMC of £700,000. This is provided that complete submissions to us for an eligibility review for listing and a prospectus review are made within 2 years of the commencement date. This means a listed shell company will have 2 years to find an acquisition target and re-apply for listing in accordance with LR5.6.21R. The submission documents required under this transitional provision differ slightly as, unlike current applicants, listed shell companies will have time to prepare submissions for both the eligibility and prospectus reviews.

MMC final rules

We have carefully considered representations made that a level of £50m may exclude companies that are capable of meeting and maintaining the standards we expect in listed markets, and that have a specific reason to prefer listing versus unlisted markets.

Based on further internal analysis, we have concluded that we could lower the proposed £50m MMC to £30m, and largely still achieve our policy intention (paragraph 1.23 also refers). Our CBA analysis in CP21/21 showed that over 85% of cases where we observed high share price volatility and received alerts of suspected suspicious trading from 2018-2021 were for companies with a market cap of below £50m. A revised threshold of £30m still captures 75% of these companies. A threshold of £30m also captures a majority of the smaller number of companies where we are investigating cases of serious misconduct. At the same time, it reduces the barrier to listing for some smaller cap companies that may reach a threshold of £30m versus £50m.

We consider that increasing the MMC from £700,000 to £30m should reduce future harms arising from the high number of smaller companies that struggle to meet our expectations when initially listing, and subsequently, if we choose to list them, often have further difficulties in complying with ongoing regulatory obligations and are subject to suspicious trading activity.

If companies cannot meet the new threshold, we continue to view the growth markets offered by AIM and AQSE in the UK as likely to be appropriate alternatives for most smaller companies. On these markets, the requirement for ongoing support by a specified type of advisor ensures a smaller company has the expertise of an authorised firm to help them understand and meet their regulatory obligations – this should reduce cases of non-compliance and suspicious trading concerns (eg due to poor understanding of the market abuse regime).

Other suggested approaches

With regard to other suggestions, we maintain a view that a single threshold for listing remains appropriate, rather than having different thresholds for the standard listing segment and the premium listed segment. Although we recognise that applicants to standard listing will be impacted the most, we consider a single threshold remains clearer and simpler.

We do not think it feasible or practical to have an approach that involves case-by-case judgments on whether we accept a lower threshold based on more qualitative factors or with reference to a proposed level of free float a company will have. We want to give issuers reasonable certainty about how the rules will apply, given the amount of planning that goes into an IPO. We will, however, keep these changes under review and consider the feedback received on MMC as part of our consideration of the wider reforms. This may include, eg consideration of introducing a requirement for certain smaller listed companies to have an approved adviser or sponsor in the longer term.

Transitional provisions for existing applicants and listed shell companies

We have accepted feedback that reasonable transition provisions should be provided for certain companies and applicants, given the change we are finalising in relation to the MMC threshold. As noted above, we have finalised transitional measures that allow for:

- applicants for admission to listing of shares who have made a completed submission to the FCA for a listing eligibility review as of 4pm on 2 December 2021 to apply for listing based on the MMC of £700,000 provided they have applied to list by 2 June 2023 (ie within 18 months from the date the new rules apply)
- shell companies, including SPACs, that have existing listed shares or that have recently cancelled a listing and subsequently re-apply to list shares following a reverse takeover, to apply for listing based on an MMC threshold of £700,000. This is provided they have completed submissions to the FCA for an eligibility review for listing and a prospectus review on or before 1 December 2023 (ie allowing such companies up to 2 years to find a target and commence the process to list a new entity)
- companies with existing classes of shares admitted to listing prior to 3 December 2021 and that continue to have at least 1 class of shares listed to list additional classes of shares based on an MMC of £700,000, which is not time-limited

The transitional arrangements are designed to ease the impact of the changes on existing applicants, where there is a completed

submission, and listed shell companies. We would not intend the transitional provisions to extend to applicants where there has been a material change to their overall business proposition during the transitional period. If such a change has occurred, it will be treated as a new submission, so the transitional arrangements will not apply. It is not possible to set out an exhaustive list of these material changes; even identical changes across different applicants may not have the same effect on their overall business proposition and we will need to assess that on a case-by-case basis. However, they could include, for example, a founder's exit or a significant change in the directors or principal shareholders of a company if they hold a significant influence or the applicant is a shell company; or a material change in the nature of the proposed business (especially for start-up companies). Furthermore, we will continue with our existing approach of lapsing cases where there has been no substantive activity for a period of three months. Where a case subject to the transitional provision has been lapsed in this way, any further submissions will be treated as new cases such that the transitional provision will not apply.

We recognise these transitional measures on MMC combined with our final rules on free float may allow certain issuers benefitting from transitional provisions to potentially float with a value of shares in public hands of £70,000. We discuss our response to this point in Chapter 4 below.

Depository Receipts

We note the specific feedback on Depository Receipts. We can clarify that the MMC requirements in LR 2.2.7 R apply only on first admission of a particular class of security to listing. Issuers are not required to continue to comply with the rule thereafter. Therefore, the changes we are introducing will apply at the point of first listing only and not as a continuing obligation. The rule change will not therefore impact issuers listed before the increased MMC comes into force. As such, we do not consider there is a risk that Depository Receipts issuers will be required to de-list their securities as a result of this change.

However, applications to list new Depository Receipts of a class that is not already listed will be required to meet the increased MMC threshold in LR2.2.7R on first admission (as interpreted by LR18.2.11R). This is consistent with our policy aim to reduce risks from smaller listed equity issuances. We did not receive any feedback to the consultation to suggest the new MMC threshold would be a barrier for new listings of Depository Receipts. Data also indicates that there were no admissions to listing for Depository Receipts below £50m in aggregate value in the last 10 years, so in practice this change should not impact such listings.

MMC for debt listings

In relation the current MMC level of £200,000 for debt listings, we are not proposing to make any changes at this stage.

4 Minimum number of shares in public hands – ‘free float’

- 4.1** This chapter summarises the feedback we received on our proposal to amend our Listing Rules to require a minimum of 10% of shares to be in public hands (‘free float’) at admission and as an ongoing requirement, rather than the existing 25%. In addition, we set out our response, including areas where we have made changes from the consultation proposals in the final rules.

Summary of proposals

- 4.2** In CP21/21, we proposed to change the free float required under our Listing Rules for both the premium and standard listing segments from 25% to 10%, both at listing and as a continuing obligation. This would allow issuers more flexibility to structure their IPOs in the way that suits them.
- 4.3** We also proposed to remove the guidance in our rules about applying for a modification to the rule where we can accept a lower percentage in view of certain factors. These factors include where many shares of the same class are being admitted and the extent of their distribution to the public. These modifications are on the basis that the company is able to demonstrate a liquid market in its shares will exist upon listing. This means that we will not accept as a matter of course a free float lower than 10% at listing application or as compliance with the respective continuing obligation.
- 4.4** If existing listed issuers are in breach of the 10% level, we would no longer allow them to show they had liquidity via other means. Instead we would ask that they present a plan for coming back into compliance with the rule as soon as possible.
- 4.5** We asked:

Q25: *Do you agree with our proposal to reduce free float to 10% and to remove current guidance on modifications? Please give your reasons.*

Q26: *Would you find information about issuers’ free float level useful to inform investment decision-making?*

Summary of feedback received

- 4.6** There were 37 responses to Question 25. Of these, a significant majority (28) supported our proposal to reduce free float to 10% and remove current guidance on modifications, while 7 were opposed, and 2 had mixed views. Supporters included trading venues, law firms and buy-side representatives. Those opposing included other buy-side bodies and institutional investors, a trade association and another trading venue.

Views supporting our proposal

- 4.7** Those who supported our proposal included respondents who agreed with our analysis that our current rules may create barriers to listing due to uncertainty about whether issuers will be able to list at a free float level of below 25% in the UK compared with other jurisdictions where there appears to be a more flexible approach.
- 4.8** 9 of the respondents stated that current requirements may create barriers to listing. One made several points in support of this, including that the proposed reduction to 10% would better recognise the differences between individual companies and mirror other listing destinations, such as the US or Europe, where a fixed percentage is either not required or is applied more flexibly. This same respondent noted, in support of their view, that since 2010 almost a third of IPOs listing in Amsterdam have sold less than 25% of shares to the public. They also noted that for many companies, an IPO would still involve the sale of at least 25% of shares to the public, as issuers seek to raise additional capital to grow and earlier-stage investors look to realise some of their investment.
- 4.9** 4 of the respondents explicitly supported our data analysis and the findings of our cost benefit analysis (CBA) that any downside risks of unintended consequences for liquidity were more than offset by the potential benefits from reducing barriers to listing in the UK. One respondent commented that they felt benefits in reducing barrier to listing outweighed any risks of reduced liquidity.
- 4.10** Another respondent echoed this view, noting that the differences in companies meant free float would not necessarily mean higher liquidity. They gave an example that a company with high free float but with shares predominantly held by long-term investors may have lower liquidity than a company with a lower free float but with greater shareholder turnover. They concluded that a higher percentage free float threshold is not the sole factor influencing liquidity and that liquidity may not deteriorate at lower free floats. An asset management firm also commented that a high free float level, even allowing for our ability to waive the rule to allow a lower level, may be a deterrent for companies seeking a listing. On that basis, they supported our analysis and the proposed change to 10%.

Views opposing the change

Liquidity concerns and link to market capitalisation

- 4.11** Of those against our proposal, 5 raised concerns that a lower level of free float may impact negatively on liquidity. One respondent commented that some evidence showed that the increase in minimum free float requirements for the UK FTSE in 2011, from 15% to 25%, positively impacted liquidity. They added that shares with higher free float have a higher level of liquidity, and this is more pronounced when the legal structure and corporate governance of a company is stronger.
- 4.12** Another respondent also commented that it felt that a free float of 10% was too low as a safeguard for liquidity for anything but the largest companies. They expressed concerns that the combination of an MMC of £50m and a 10% free float threshold would allow a minimum float value of £5m. They viewed this as insufficient to ensure market liquidity in the longer term. To address this, they suggested an additional requirement to ensure sufficient liquidity over time.
- 4.13** A trade body had similar concerns, noting that a £5m minimum float value due to a revised MMC and free float level could not satisfy investor needs for market liquidity and that these levels were unlikely to attract institutional investors to participate in an

IPO. It noted that this may lead to concerns with the liquidity and orderly functioning of the market in these shares; it felt the FCA should consider these concerns given the potential risks to retail investors if price formation is inefficient. Others made similar comments either encouraging a specific link between MMC and free float to ensure a minimum value, so welcoming our proposal in combination, and/or expressing concern about a 10% free float level only where a company that also had a small market capitalisation might use this minimum.

Corporate governance concerns – minority shareholders

- 4.14** 5 respondents commented that free float is an important protection for smaller or minority shareholders, particularly in fostering the build-up of blocks of independent shareholders. One commented that a minimum 25% free float would potentially allow a block of independent shareholders that have concerns with how a company is being managed or its strategy to signal their concerns to the Board and other stakeholders. Another respondent considered the current free float requirement as being 'around the right level' or that it could even be increased to 30%. They felt less than 25% would favour controlling shareholders and dilute the potential for minority shareholders to influence companies, so may be detrimental to long-term corporate success.

Our response

In light of the strong support from respondents we have decided to proceed with our proposal as consulted on to reduce free float to 10% and to remove guidance about modifications linked to the previous free-float limit.

In CP 21/21 we noted that a free float requirement had previously been set at 25% to safeguard liquidity. Further, from our analysis it appeared reasonable to assume that any reduction in liquidity related to the proposed reduction in free float level would be likely to be very small and temporary. We gave 2 reasons for this:

- i. that issuers can already apply for a modification to our rules to list at a free float of below 25% so some would already have listed at below this level, and
- ii. that our broad analysis of average free floats in the UK, at IPO, shows that typically levels are much higher than 25%

Furthermore, in our cost benefit analysis we argued that we could not estimate precisely the impact of our proposal on liquidity in the market despite the weak correlation between free float and liquidity that our analysis suggested. We note that those respondents who raised concerns that a free float of 10% may impact negatively on liquidity have not put forward detailed new evidence on the potential impacts on liquidity from our proposals. Given this, we remain of the view that we should not set free float to safeguard liquidity but should ensure that there are at least 2 public shareholders, to give meaning to 'shares in public hands'.

Our cost benefits analysis also considered whether reducing the uncertainty of whether issuers could list at a free float below 25% would reduce barriers to listing in the UK. This may make such listing more difficult or onerous compared to listing on other international jurisdictions. We note that nearly a quarter of those who responded on this issue explicitly stated that our current free float requirements constitute a barrier to listing.

We note also that several stakeholders have commented on links between a minimum float and liquidity in the market and our proposal to raise MMC. In CP 21/21 we conducted separate cost benefit analyses for our proposals on free float and MMC, which we regarded as self-standing. However, we considered the potential for unintended consequences due to effects on liquidity from our proposal on free float. We considered this potential would be small due to the weak correlation between free float and liquidity. But we noted that it would be further offset by the rise in MMC from its current level of £700,000 (which creates a minimum float value of only £175,000 at the point of listing under the current 25% free float rule) to £50m, which would create a minimum float of £5m at the point of listing. The latter level is comparable to a minimum float value threshold used by the major Euronext exchanges in Europe. Under our revised position to raise the MMC to £30m, this still results in an effective rise in the minimum float value to £3m at the point of listing. We still consider this should act to reduce the risk of potential unintended consequences for liquidity.

We also recognise that under the transitional provisions for MMC, a float of £70,000 may be possible for a limited number of companies compared to the current £175,000 (eg if an applicant uses the new 10% free float threshold while benefitting from the transitional measures allowing them to use the existing £700,000 MMC threshold for shares). As stated earlier, we are of the view that free float is generally not an effective policy measure to safeguard liquidity. We do not consider the difference between a value of free float of £175,000 to £70,000 is likely to materially change the prospective liquidity of shares in such companies.

We expect in many cases issuers may choose to issue more than this minimum level. In addition, investors can make an informed choice about whether they wish to invest in a new listing where the value of the float will be very low, and as such opportunities to buy and sell may be limited and the share price more volatile. It is important to note that we are setting the minimum and not a target – we do not expect free float to be 10% in most cases as issuers will need to consider investor appetite as part of their structuring decisions. Existing applicants would need to reflect their intention to use a lower free-float level under the new rules in their eligibility submission and listing application. This means they will need to submit an updated Listing Rules eligibility checklist and include the information about the level of free float and number of shareholders in their listing application, in accordance with relevant provisions in LR 3.3.2 R to LR 3.3.4 R.

Other respondents also raised concerns that reducing free float may impact negatively on corporate governance, for example on protections for minority shareholders. As stated in CP 21/21 we do not regard free float as an effective tool for ensuring effective corporate governance and have put in place the controlling shareholder regime. Responses about our proposals to ensure a minimum number of public shareholders are considered in the section below on other issues raised in relation to free float (at paragraph 4.17).

Suggestions for a lower level or retained flexibility

4.15 A couple of stakeholders believed that we could go further in reducing the free float requirement. A body representing retail investors commented, based on our data analysis, that an even simpler approach could be to remove the limit completely. They argued investors could take their own view on liquidity risk so the market would be self-regulating. On a similar theme, another stakeholder felt that in addition to lowering the level in our rules to 10%, we could also retain the ability to accept a lower percentage in exceptional circumstances. A couple of respondents also argued this may be the case particularly for large (or mega-cap) listings. One of these also suggested this could be accompanied by a 'sliding scale' requiring companies entering on a lower free float to build this up over time.

4.16 By contrast, a couple of respondents who opposed the reduction in free float felt it would be better for the FCA to show additional flexibility rather than reduce free float.

Our response

Our proposal in CP 21/21 was intended to reduce uncertainty about whether companies could list at a free float of below 25%. We considered that this uncertainty had been a barrier to listing. Our analysis had suggested that there were few IPOs in comparable international markets at a free float below 15% even where it was allowed. Given this, although we recognise the potential benefits of greater flexibility in some cases as set out by respondents to the consultation, we consider that, on balance, it would be better to continue with our proposed approach to remove guidance about modifications and generally not to allow listing at a free float below 10%.

Other issues raised in relation to free float

4.17 4 respondents commented that we may wish to revisit the definition of shares in public hands. One stated that the rule could pose a barrier for companies at IPO stage if the new shareholder base primarily consists of large institutions and private wealth companies such that their aggregated holdings exceed 5% (so would not be considered as shares in public hands under our rules). This has the potential to stop a company from launching. Another respondent raised a similar point and suggested the 'aggregate holdings' threshold should increase to 10%. They also proposed that blocks of shares held by the same group but where holdings are managed independently from each other should not be aggregated.

- 4.18** On a different note, one respondent felt that the ability of a company to satisfy the free float requirement with only 2-3 public shareholders was inconsistent with the purpose of the free float requirement, and that a higher minimum number of public shareholders should be required as well to be eligible for listing.
- 4.19** Other comments included one firm asking us to clarify our position in cases where companies may breach the ongoing minimum free float obligation due to a takeover situation, and where it may not come back into compliance. Meanwhile, one respondent requested that we consider facilitating direct listings. They suggested that we could consider that a company had met a 10% free float requirement when it made available for sale shares of a minimum of 10% of its existing issued share capital (either through a primary or secondary offer to the public) through an auction run by the regulated trading venue on which it is seeking admission.
- 4.20** Some stakeholders proposed that we change the definition of 'shares in public hands'. Stakeholders asked us also to consider increasing the number of required public shareholders beyond the minimum of 2 public shareholders implied by our existing definition.

Our response

Under our current proposal we considered the minimum number of shareholders a company should have for it to be considered to be 'in public hands' and if setting the level of free float at 10% would ensure more than 2 public shareholders in any company at the point of listing.

In CP 21/21 we considered whether there was any available evidence that might suggest we should set this requirement to ensure a higher number of shareholders. However, we concluded that as the purpose of the requirement was not to ensure liquidity, but simply to ensure that the company was to some degree held in public hands, a higher number was not justified.

Some stakeholders commented that the current limit of 5% limit on the proportion of ownership of shareholdings which could be considered within the free float under our current definition of shares in public hands may exclude some shareholders who may act towards stewardship or promote ESG or better corporate governance. A couple of respondents commented that a 10% limit may work better. We recognise the important role that institutional investors and asset managers play in promoting stewardship. But we consider that, as we do not have data on the effects of such a change, it would not be appropriate to change our requirements at this time, particularly as such a change may act in practice to reduce the number of 'public' shareholders.

In CP 21/21 we recognised that in exploring potential changes to free float, there is a potential expectation that a company should have a minimum level of public shares or shareholders to be considered 'public'. This has formed part of our reasoning in proposing a free float at 10% and why we decided not to change the composition of shares made public in ways recommended by the UK Listing Review.

We note the point raised about the FCA's view on where companies' free float may fall due to takeovers. We did not consult on this, although we would expect this issue to occur on fewer occasions as a result of our proposal to reduce free float to 10%. In cases where issuers fall below a free float of 10%, we would expect them to present us with a plan of how they intend to come back into compliance.

We note the comment about how we may in future facilitate direct listings. We did not specifically address direct listings (also known as 'introductions') in our consultation analysis of our proposals on free float. But in principle we see the potential benefit that our final rules to reduce free float could have for such listings. However, we would need to understand more about the specific mechanisms being used or proposed to offer direct listings and what, if any, barriers our rules may pose to such listings.

Responses on a potential disclosure requirement on free float

- 4.21** There were 22 responses to Question 26, which sought views on whether disclosing information about issuers' free float level may usefully inform investment decisions. 10 of the 22 respondents who commented on this issue supported the proposal to set a free float disclosure requirement, 2 had mixed views and 10 were opposed.
- 4.22** Those who supported this proposal considered it may be useful to give additional transparency for investors. But overall there was limited evidence or detail provided to suggest how important such information may be.
- 4.23** 5 of the respondents who opposed the proposal thought that such a requirement may be onerous for issuers or unnecessary due to considerable information already being available. A couple of these respondents also noted their concerns that such a disclosure may be misleading for investors if they directed their investments to companies with a higher free float due to concerns about liquidity, given that higher free float was not necessarily correlated with higher liquidity.

Our response

We have considered the mixed views on this issue and the comments from respondents that a requirement for free float disclosure could be onerous, duplicative and lead to potentially misleading information: we have decided against pursuing any policy change in this area. We note that respondents have stated that information on free float of listed companies that they can use is already publicly available, and so a regulatory requirement may have limited benefit.

5 Track record requirements

- 5.1** This chapter summarises the feedback we received to our request for views on whether there is a case for changes to our existing requirements for the financial track record of premium listed companies, and our proposed next steps.

Summary of proposals

- 5.2** In CP21/21, we explored the case for making changes to the existing requirements for the financial track of premium listed companies, noting that requirements for track record are also set as part of the prospectus regime and changes would require primary legislation. The Treasury has recently consulted on changes to this regime that may result in our being granted additional powers. Separately to the outcome of this consultation, we may therefore consider track record requirements as part of a wider review of the prospectus regime.
- 5.3** We also considered specific instances where our requirements under the Listing Rules go further than the requirements under the prospectus regime, and whether they constitute a significant barrier to listing.
- 5.4** We did not put forward specific proposals in CP21/21 but instead sought to clarify our willingness to provide flexibility on existing requirements.
- 5.5** Subject to responses to this consultation, we said we may seek to publish further guidance on whether we may consider waivers to the existing rules on track record, possibly in a Primary Markets Bulletin. We would base any assessment on the facts of each individual case.
- 5.6** We asked:

Q27: *Do you agree with our proposal to leave track record requirements as they are now, based on our assessment that this would only affect a small number of stakeholders? If you disagree, please provide further evidence or examples of the wider impact this has on prospective listing applicants and proposed amendments.*

Q28: *What types of companies struggle to meet the existing requirement in the premium segment for a 3-year revenue track record covering 75% of the business? What alternatives could be considered for these companies?*

Summary of feedback received

Whether track record requirement should be left unchanged

- 5.7** There were 27 respondents to question 27. Of these, 9 respondents supported our proposal to leave track record requirements as they are now, while 15 disagreed.
- 5.8** Generally respondents who supported the proposal commented that current requirements ensure provision of information which provides an important protection for investors. These respondents, also commented that any review should be made in conjunction with changes to prospectus requirements.
- 5.9** Those against the proposal included accountancy firms, trading venues and asset managers. They supplied examples of where current requirements are onerous, particularly to companies growing through acquisitions and where there are many small acquisitions.
- 5.10** One commented that in practice as it was difficult for some prospective issuers to understand how to comply with the current rules; these rules may seem to lead to anomalous results where the business has changed significantly since an acquisition. Another provided examples of where companies may experience problems. These included one where the information on an acquisition was provided purely for the purposes of compliance, one where an acquisition had to be included very early in the track record period and one where information gaps made it difficult to comply.
- 5.11** Other respondents also suggested that requirements under prospectus rules are sufficient.
- 5.12** Others also provided examples that suggested current track record requirements have resulted in some companies deciding not to list.

Types of companies that struggle to meet the track record rule

- 5.13** There were 12 respondents to Question 28 which asked respondents to provide specific examples of high-growth innovative companies who find meeting the requirements difficult. Examples provided by respondents included pre-revenue companies such as e-commerce and technology companies, acquisitive companies in the biotech, fintech and pharma sectors and other companies following a 'roll-up' acquisitive strategy.
- 5.14** But there was also some opposition to widening the scope of exemptions to include what may be high-risk companies from investor groups.

Our response

In light of the feedback, and the examples given by respondents of where compliance with current rules may be costly, difficult, or lead to provision of information which is not useful for investors, we accept that this is a more significant issue and will work to explore changes to our requirements.

We will consider track record requirements within our Listing Rules as part of our work next year on the structure of the listing regime with a view to consulting on them in due course. We will also maintain our approach of engaging with issuers and their sponsors to find acceptable and pragmatic ways to meet this rule in the interim where it may pose challenges for some companies.

6 Minor changes to the Listing Rules, Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules

- 6.1** This chapter gives a summary of the consultation feedback to the minor changes to ensure our rules remain up to date and reflect modern technology and business practices, proposed in CP21/21. In addition, we set out our response, including areas where we have made changes from the consultation proposals in the final rules.

Summary of proposals

- 6.2** We proposed a number of changes to:

- remove conflicting requirements, some of which result from changes to the Prospectus Regulation, made before EU withdrawal
- update for technological changes, for example by removing the need for multiple copies of documents, or to remove gender-charged terms

- 6.3** In summary we proposed:

Modernisations

- remove requirement for 2 copies of documents now that electronic copies are provided
- remove reference to Document Viewing Facility
- remove the option for full terms of certain documents to be available for physical inspection in the City of London

Duplication and clarifications

- remove competing rules in relation to share buyback exclusions
- update rules on the Notification of Shareholders about the start of the cancellation notice period for a takeover offer
- allow the use of links in circulars
- require Primary Information Providers (PIPs) under general notifications to notify us of a change of control
- updating rules on Class 2 thresholds
- only require issuers to provide submissions where a sponsor is appointed
- class 1 circulars: reconciling LR App 1 and PR App 1 where they have drifted apart
- profit forecasts and profit estimates

Glossary Changes

- use of the word 'Chair'
- updating the FCA Address
- clarifying the definition of 'electronic copy'
- removal of references to Short Names

- update references of 'UKLA' to 'Primary Markets'
- including a definition of 'trading day' where it has previously been deleted
- amending the definition of 'Public international body' to include the Asian Infrastructure Investment Bank
- option to be italicised in Handbook where applicable
- amend 'IAS' and 'transferable securities' so that they are relevant to the DTR

6.4 We asked:

Q29: *Do you foresee any unintended consequences of these changes intended to modernise the Listing Rules, Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules?*

Summary of feedback received

6.5 All of the respondents agreed with our proposals to simplify and modernise our Listing Rules. Respondents also agreed with the perception that the UK listing regime is burdensome and complex, affecting the openness and accessibility of the regime. However, there were some amendments proposed by respondents that would either provide clarity to the new rules or would help us better achieve our policy aims. These are detailed below.

Provide clarity to the new rules

6.6 We received feedback suggesting that the drafting of the below elements could be amended to provide clarity to the rules or to align them with other aspect of the listing framework:

- the definition of a trading day
- copies of documents in electronic form
- cancellation of a listing following a takeover
- the publication of regulated information (Disclosure and Transparency Rules)
- copies of documents on display in the City of London

6.7 Feedback suggests that the proposed definition of a trading day is not consistent with the rules of the London Stock Exchange who define "business day" as "any day on which the Exchange is open for dealing in securities".

6.8 Feedback also suggested that the changes to allow copies of documents in electronic form is inconsistent with section 417 FSMA (which provides that a "document" includes information recorded in any form), and as such the rule should refer to documents being recorded.

6.9 A respondent also suggested that when communicating the cancellation of a listing following a takeover it should be sufficient for the issuer to make an RIS (Regulatory Information Service) announcement. This should be done as shareholders will by then have received a copy of the offer document which will outline the bidder's intention once the 75% threshold, for approving the takeover, has been reached.

- 6.10** Another respondent proposed changes to the proposal regarding the publication of regulated information in unedited full text. They stated that our proposed new rule would require the RIS announcement to include, in relation to annual financial results, all the items of information specified in DTR 4.1 and, in relation to half-year results, all the items of information specified in DTR 4.2.
- 6.11** On the publication of documents on display in the City of London, we have received feedback that some companies are likely to be concerned that publishing such documents online would have the effect not just of making them accessible to members, but of putting their terms permanently into the public domain. It has been suggested that companies should be permitted, as an alternative, to make scheme rules available at the company's registered office.

Our response

We have carefully considered this feedback and have decided to amend final rules where appropriate to provide clarity to the new rules and make them consistent with other aspects of the Listing Rules.

On the definition of a trading day, we will not amend final rules to make them consistent with the definition used by the London Stock Exchange. This would have expanded our definition to include securities and well as equity trading.

When allowing copies of documents in electronic form, we will align the definitions in section 417 FSMA to allow for documents to be recorded.

When cancelling a listing following a takeover, we do not consider it sufficient to make an RIS announcement. We would expect an individual notification to each holder of shares or DRs through an individual notice sent electronically. The changes proposed are intended to clarify our policy intention to formally state when the notice period begins, it is not intended to make changes to notifications to shareholders.

On the publication of regulated information, it was our policy intention to include regulated information under DTR 6.3.5 including the exemptions when certain conditions are met.

On documents being made available for inspection in the City of London, we maintain that as information can now be made more easily available electronically, the current requirement is outdated. We will not amend final rules and maintain that full terms need to be available for inspection in the National Storage Mechanism.

Drafting clarifications regarding aggregation

- 6.12** In CP 21/21 we stated that the aggregation requirements under LR 10 for significant transactions may be unclear. We stated that a transaction for which shareholder approval has been obtained and which has subsequently completed, does not need to be further aggregated under LR 10.2.10R (1). Additionally, we clarified that any transactions that are aggregated with a class 2 transaction will still be subject to notification requirements in LR 10.4.
- 6.13** It was brought to our attention that the changes we have proposed to the aggregation rules may not work as fully intended and that further simplifications can be made. These changes relate to aggregation of T3 transactions (where the transaction is completed on a T+3 basis), when treated as a class 2 transaction, and changes we had made to 'wiping the slate clean' for aggregation purposes.
- 6.14** One respondent stated that under proposed new LR 10.2.10A, T3 must be treated as a class 2 transaction and therefore details of T3 must be announced. They questioned whether this information would be useful for investors where T3 is a very small transaction – for example, where each percentage ratio is 0.25% or less (so that in the context of LR 11 it would be treated as a "small transaction"). They suggested that where T3 is "de minimis" (for example, 0.25% or below on each percentage ratio), it should count for aggregation purposes, but details of the transaction should not have to be announced.
- 6.15** They also stated that it should not be necessary for a class 1 transaction to have completed before the "slate is wiped clean" for aggregation purposes (as we put it above). If shareholders have approved a class 1 transaction, in the respondents view this should be sufficient even if the transaction does not in fact complete.
- 6.16** This is consistent with the aggregation rule in LR 11.1.11R (1), which says "If a listed company enters into transactions or arrangements with the same related party (and any of its associates) in any 12 month period and the transactions or arrangements have not been approved by shareholders the transactions or arrangements, including transactions or arrangements falling under LR 11.1.10 R, or small related party transactions under LR 11 Annex 1.1R (1), must be aggregated."

Our response

Having considered feedback, we have not accepted the feedback on the changes to the aggregation rules.

By allowing changes to the T3 transactions we create a risk that companies would arbitrage our aggregation rules by dividing transactions into smaller, de minimis' transactions, this bypassing the aggregation rules. This is not our policy intention and therefore we will not be making changes.

Further, our aggregation rules are premised on completed transactions so these changes would materially affect our current rules. We also have rules (LR 10.5.2) that require second votes to take place where there are material changes (i.e. amongst other things a change of more than 10% of the value of the transaction).

Annex 1

List of non-confidential respondents

Aberdeen Standard Investments

The Association of Investment Companies

Aquis Stock Exchange

BDO LLP

BNY Mellon

British Private Equity and Venture Capital Association

City of London Law Society

The Coalition for Digital Economy

Coca Cola Europacific Partners plc

Council of Institutional Investors

Deloitte LLP

Ernst and Young LLP

Federation of European Securities Exchanges

Fladgate LLP

GC100 Group

Gowling WLG (UK) LLP

Herbert Smith Freehills LLP

The Institute of Chartered Accountants England and Wales

International Capital Market Association

Investment Association

Innovate Finance

The Investment Association

The Investor Relations Society

Jardine Matheson Ltd

McCarthy Denning

Norges Bank Investment Management

Novum Securities Ltd

Pensions and Lifetime Savings Association

Personal Investment Management and Financial Advice Association

Principles for Responsible Investment Association

PricewaterhouseCoopers plc

Quoted Companies Alliance

RPMI Railpen

Roliscon Ltd

SAAS Global Ltd

Scale Up Institute

Share Plan Lawyers Group

The Share Republic

Schroder Investment Management Ltd

Universities Superannuation Scheme Ltd

UK Equity Markets Association

UK Finance & Association for Financial Markets in Europe

UK Individual Shareholders Society

The World Federation of Exchanges

The 100 Group

Several individual respondents

Annex 2

Abbreviations used in this paper

Abbreviation	Description
AIM	Alternative Investment Market
AQSE	Aquis Stock Exchange
CBA	Cost Benefit Analysis
DCSS	Dual Class Share Structure
DTRs	Disclosure Guidance and Transparency Rules
ESG	Environmental, Social and Governance
EU	European Union
IAS	International Accounting Standard
IPO	Initial Public Offering
LR	Listing Rule
MiFID	Markets in Financial Instruments Directive
PIP	Primary Information Provider
PRR	Prospectus Regulation Rules
RIS	Regulatory Information Service
RNS	Regulatory News Service
SPAC	Special Purpose Acquisition Company
UK	United Kingdom
UKLA	UK Listing Authority

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Appendix 1

Made rules (legal instrument)

LISTING RULES (PRIMARY MARKET EFFECTIVENESS) (DUAL CLASS SHARE STRUCTURE) INSTRUMENT 2021

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 96 (Obligations of issuers of listed securities);
 - (3) section 101 (Listing rules: general provisions);
 - (4) section 137A (The FCA’s general rules);
 - (5) section 137T (General supplementary powers); and
 - (6) section 139A (Power of the FCA to give guidance).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 3 December 2021.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Listing Rules sourcebook (LR) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Listing Rules (Primary Market Effectiveness) (Dual Class Share Structure) Instrument 2021.

By order of the Board
25 November 2021

Annex A**Amendments to the Glossary of definitions**

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

*specified
weighted
voting rights
shares* has the meaning given to it in *LR 9.2.22CR*.

*weighted
voting rights
shares* *shares* that carry more than one vote on one or more matters to be decided at a general meeting.

Annex B

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

6 Additional requirements for premium listing (commercial company)

...

6.9 Constitutional arrangements

...

6.9.1A R Where the *applicant* will have *specified weighted voting rights shares* in issue following *admission*, the *applicant* must have in a place a constitution that ensures that:

- (1) the only shareholders other than *premium listed* shareholders who may participate in the shareholder votes referred to in LR 9.2.21R(1) are holders of *specified weighted voting rights shares* in accordance with LR 9.2.22AR; and
- (2) the voting rights attached to *specified weighted voting rights shares* may only count towards the shareholder votes referred to in LR 9.2.21R(1) for the period stated in LR 9.2.22AR(3) or, where applicable, LR 9.2.22AR(4).

...

9 Continuing obligations

...

9.2 Requirements with continuing application

...

Voting on matters relevant to premium listing

- 9.2.21 R (1) ~~Where~~ Subject to LR 9.2.22AR, where the provisions of LR 5.2, LR 5.4A, LR 9.4, LR 9.5, LR 10, LR 11, LR 12 or LR 15 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *listed company's shares* that have been *admitted to premium listing*.
- (2) Where the provisions of LR 5.2.5R(2), LR 5.4A.4R(3)(b)(ii), LR 5.4A.4R(3)(c)(ii) or LR 9.2.2ER require that the resolution must in addition be approved by *independent shareholders*, only *independent*

shareholders who hold the listed company's shares that have been admitted to premium listing can vote.

...

Voting on matters relevant to premium listing by holders of specified weighted voting rights shares

- 9.2.22A R (1) Holders of specified weighted voting rights shares may participate in a vote on matters falling within the provisions referred to in LR 9.2.21R in accordance with the voting rights attached to those shares.
- (2) LR 9.2.22AR(1) only applies with respect to issuers:
- (a) to which the condition in LR 6.9.1AR applied on the first occasion they made an application for shares to be admitted to premium listing; and
- (b) which have had no class of weighted voting rights shares in issue other than specified weighted voting rights shares since the issuer first had a class of shares admitted to premium listing.
- (3) Subject to paragraph (4), the exception to LR 9.2.21R in paragraph (1) applies for a period of 5 years beginning with the date on which the issuer first had a class of shares admitted to premium listing.
- (4) Where an admission of shares to premium listing is connected with a transaction or arrangement of the kind listed below in relation to a listed company (A), the exception to LR 9.2.21R in paragraph (1) applies for a period of 5 years beginning with the date on which A first had a class of shares admitted to premium listing:
- (a) an acquisition of A;
- (b) a reorganisation or restructuring of A's group;
- (c) the listing of a new holding company of A;
- (d) a reverse takeover in connection with A;
- (e) a merger involving A's business;
- (f) any transaction or arrangement having similar effect to those set out in (a) to (e).
- 9.2.22B G The purpose of LR 9.2.22AR(4) is to ensure that holders of specified weighted voting rights shares only participate in the shareholder votes referred to for 5 years from the date of company A's initial listing, and not, for example, 5 years from the date of any new holding company's admission to listing. A group restructuring or a reverse takeover or another similar transaction should not have the effect of artificially extending the period within which holders of A's specified weighted voting rights shares may

exercise voting rights on the matters relevant to *premium listing* referred to in LR 9.2.21R(1).

9.2.22C R *Specified weighted voting rights shares are weighted voting rights shares of a class which meet the following conditions:*

- (1) *subject to paragraph (2), each share carries the same number of votes on matters at a general meeting of the company as a share in the class admitted to premium listing;*
- (2) *in relation to the following matters only, each share may carry up to 20 times the votes carried by a share in the class admitted to premium listing:*
 - (a) *the removal of the holder as a director whether under section 168 of the Companies Act 2006 or otherwise; and*
 - (b) *following a change of control in the issuer, any matter; and*
- (3) *the shares may only be held by a director of the issuer or, following the death of a director, a beneficiary of the director's estate.*

9.2.22D R (1) *For the purposes of LR 9.2.22CR(1)(b), (subject to paragraph (2)) a change of control is the acquisition by any person of an interest in shares in a listed company that, taken together with shares in which that person and any persons acting in concert with them are interested, results in that person being entitled to exercise or control the exercise of more than 50 per cent of the votes able to be cast on all or substantially all matters at general meetings of the company.*

(2) *There is no change of control for the purposes of LR 9.2.22CR(1)(b) where the person acquiring an interest in shares is a holder of specified weighted voting rights shares or any person acting in concert with that person.*

(3) *Without prejudice to the generality of paragraph (1), if such an acquisition is effected by means of:*

- (a) *a scheme of arrangement under Part 26 of the Companies Act 2006, a change of control occurs when the scheme of arrangement becomes effective;*
- (b) *a takeover offer under Part 28 of the Companies Act 2006, a change of control occurs when the takeover offer becomes unconditional in all respects.*

9.2.22E G *The effect of LR 9.2.22AR(1) and LR 9.2.22CR is that:*

- (1) *the holder of specified weighting voting rights shares may vote on matters otherwise reserved to holders of premium listed shares under*

LR 9.2.21R(1) on the same basis as those shareholders, subject to LR 9.2.22AR(2) to (4); and

- (2) if there is a change of control, the holder of a *specified weighted voting rights share* may then vote on such matters on the basis of weighted voting rights of up to 20 times the votes attaching to a *premium listed share*, subject to LR 9.2.22AR(2) to (4) and LR 9.2.22CR.

9.2.22F G The FCA may modify the operation of LR 9.2.21AR to LR 9.2.21DR 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.

Notifications to the FCA: notifications regarding continuing obligations

9.2.23 R A *listed company* must notify the FCA without delay if it does not comply with any continuing obligation set out in LR 9.2.2AR, LR 9.2.2ABR, LR 9.2.2ADR, LR 9.2.2ER, LR 9.2.2FR, LR 9.2.15R₂ or LR 9.2.21R or LR 9.2.22AR.

...

15 **Close-Ended Investment Funds: Premium listing**

...

15.4 **Continuing obligations**

...

Investment policy

...

15.4.1C R LR 9.2.22AR to LR 9.2.22FG do not apply to a *close-ended investment fund*.

...

16 **Open-ended investment companies: Premium listing**

...

16.4 **Requirements with continuing application**

...

16.4.1A R LR 9.2.22AR to LR 9.2.22FG do not apply to an *open-ended investment company*.

...

21 Sovereign Controlled Commercial Companies: Premium listing

...

21.4 Continuing obligations: Equity shares

...

21.4.1A R LR 9.2.22AR to LR 9.2.22FG do not apply for the purposes of LR 21.4.1R.

...

21.4.4 R For the purposes of LR 21.4.1R(1):

- (1) in the second sentence of ~~LR 2.2.21R~~ LR 9.2.21R(2) the reference to the provisions of LR 5.4A.4R(3)(b)(ii) and LR 5.4A.4R(3)(c)(ii) must be read as a reference to the provisions of LR 5.4A.4R(3)(d)(ii);

...

...

21.8 Continuing obligation: Certificates representing shares

Compliance with LR 9 (Continuing obligations)

21.8.1 R A *listed company* must comply with LR 9 (Continuing obligations) except:

...

- (4) LR 9.2.21R to ~~LR 9.2.22G~~ LR 9.2.22FG; and

...

...

App 1.1 Relevant definitions

Note: the following definitions relevant to the listing rules are extract from the *Glossary*.

App
1.1.1 R ...

...	
-----	--

<i>specified investment</i>	...
<u><i>specified weighted voting rights shares</i></u>	<u>has the meaning given to it in LR 9.2.22CR.</u>
...	
<i>warrant</i>	...
<u><i>weighted voting rights shares</i></u>	<u>shares that carry more than one vote on one or more matters to be decided at a general meeting.</u>

**LISTING RULES (PRIMARY MARKETS EFFECTIVENESS) (MINIMUM
MARKET CAPITALISATION) INSTRUMENT 2021**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 96 (Obligations of issuers of listed securities);
 - (3) section 137A (The FCA's general rules); and
 - (4) section 137T (General supplementary powers).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 3 December 2021.

Amendments to the Handbook

- D. The Listing Rules sourcebook (LR) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Listing Rules (Primary Markets Effectiveness) (Minimum Market Capitalisation) Instrument 2021.

By order of the Board
25 November 2021

Annex

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

2 Requirements for listing: All securities

...

2.2 Requirements for all securities

...

Market capitalisation

- 2.2.7 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) ~~£700,000~~ £30 million for *shares*; and
 - (b) £200,000 for *debt securities*.
- (1A) 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~~ Paragraphs (1) and (1A) ~~does~~ do not apply if *securities* of the same *class* are already *listed*. [**Note:** articles 43 and 48 CARD]
- ...

After LR TR 15 (Transitional Provisions for a prospectus approved before IP completion day), insert the following new TR 16 (Transitional Provisions in relation to market capitalisation under LR 2.2.7 R(1)). The text is not underlined.

TR 16 Transitional Provisions in relation to market capitalisation under LR 2.2.7 R(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.	LR 2.2.7 R(1)	R	These transitional provisions apply to an <i>applicant</i> for the <i>admission of shares</i> :	3 December 2021 Indefinite	3 December 2021
			(a) that has made a complete submission to the <i>FCA</i> for an eligibility review for <i>listing</i> by 4:00pm on 2 December 2021;		
			(b) whose submission for an eligibility review for <i>listing</i> has not been withdrawn or lapsed;		
			(c) that makes an application for <i>listing</i> in accordance with <i>LR</i> 3 on or before 2 June 2023; and		
			(d) whose overall business proposition has not materially changed between its submission in (a) and when it applies for <i>listing</i> in (c).		
			[Note: guidance on submissions for an eligibility review for <i>listing</i> can be accessed on the <i>FCA</i> 's Knowledge Base at https://www.fca.org.uk/markets/primary-markets/knowledge-base .]		
2.	LR 2.2.7 R(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.	3 December 2021 Indefinite	3 December 2021

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.	LR 2.2.7 R(1)	R	These transitional provisions apply to a <i>shell company</i> :		3 December 2021	3 December 2021
			(a)	that had a <i>listing</i> of <i>shares</i> or <i>certificates representing equity securities</i> immediately before 3 December 2021; and	Indefinite	
			(b)	that makes complete submissions to the <i>FCA</i> 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 <i>LR 5.6.21R</i> by 4:00pm on 1 December 2023; and		
			(c)	whose submissions for an eligibility review for <i>listing</i> and a <i>prospectus</i> review have not been withdrawn or lapsed.		
			[Note: guidance on submissions for an eligibility review for <i>listing</i> and a <i>prospectus</i> review can be accessed on the <i>FCA</i> 's Knowledge Base at https://www.fca.org.uk/markets/primary-markets/knowledge-base .]			
2.	LR 2.2.7 R(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.		3 December 2021 Indefinite	3 December 2021

Transitional provisions for issuers of listed shares

(1)	(2) Material to which the transition al provision applies	(3)	(4) Transitional provision		(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 2.2.7 R(1)	R	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:		3 December 2021 Indefinite	3 December 2021
			(a)	had at least one <i>class</i> of <i>listed shares</i> immediately before 3 December 2021;		
			(b)	continues to have at least one <i>class</i> of <i>listed shares</i> ; and		
			(c)	is applying for another <i>class</i> of <i>shares</i> to be <i>listed</i> .		
2.	LR 2.2.7 R(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.		3 December 2021 Indefinite	3 December 2021

LISTING RULES (PRIMARY MARKETS EFFECTIVENESS) (SHARES IN PUBLIC HANDS) INSTRUMENT 2021

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 96 (Obligations of issuers of listed securities);
 - (3) section 101 (Listing rules: general provisions);
 - (4) section 137A (The FCA’s general rules);
 - (5) section 137T (General supplementary powers); and
 - (6) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 3 December 2021.

Amendments to the Handbook

- D. The Listing Rules sourcebook (LR) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Listing Rules (Primary Markets Effectiveness) (Shares in Public Hands) Instrument 2021.

By order of the Board
25 November 2021

Annex

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

5 **Suspending, cancelling and restoring listing and reverse takeovers: All securities**

...

5.2 **Cancelling listing**

...

Examples of when the FCA may cancel

5.2.2 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) ...

(2) the *issuer* no longer satisfies its continuing obligations for *listing*, for example if the percentage of *shares* in public hands falls below ~~25%~~ or such lower percentage as the *FCA* may permit 10% (the *FCA* may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or

(3) ...

...

...

6 **Additional requirements for premium listing (commercial company)**

...

6.14 **Shares in public hands**

...

6.14.2 R For the purposes of *LR* 6.14.1R:

(1) [deleted]

(2) a sufficient number of *shares* will be taken to have been distributed to the public when 25% 10% of the *shares* for which application for *admission* has been made are in public hands; and

(3) ...

...

6.14.5 G (1) The *FCA* may modify *LR 6.14.1R* to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public.

~~[Note: article 48 of the *CARD*]~~

(2) ~~In considering whether to grant a modification, the *FCA* may take into account the following specific factors:~~

(a) ~~{deleted}~~

(b) ~~the number and nature of the public shareholders; and~~

(c) ~~in relation to *premium listing (commercial companies)*, whether the expected market value of the *shares* in public hands at *admission* exceeds £100 million. [deleted]~~

...

...

9 Continuing obligations

...

9.2 Requirements with continuing obligation

...

Shares in public hands

...

9.2.15A G ~~Where the *FCA* has modified *LR 6.14.1R* to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the *FCA* considers that in practice the market for the *shares* is not operating properly, the *FCA* may revoke the modification in accordance with *LR 1.2.1 R* (4). [deleted]~~

...

14 Standard listing (shares)

...

14.2 Requirements for listing

...

Shares in public hands

14.2.2 R (1) ...

...

- (3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when ~~25%~~ 10% of the *shares* for which application for *admission* has been made are in public hands.

...

14.2.3 G ~~The FCA may modify LR 14.2.2 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public.~~

~~[Note: Article 48 CARD] [deleted]~~

...

14.3 Continuing obligations

...

Shares in public hands

...

14.3.2A G ~~Where the FCA has modified LR 14.2.2 R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the FCA considers that in practice the market for the *shares* is not operating properly, the FCA may revoke the modification in accordance with LR 1.2.1 R (4). [deleted]~~

...

18 Certificates representing certain securities: Standard listing

...

18.2 Requirements for listing

...

Certificates representing equity securities of an overseas company

18.2.8 R (1) ...

...

- (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when ~~25%~~ 10% of the certificates for which application for *admission* has been made are in public hands.

...

18.2.9 G ~~The FCA may modify LR 18.2.8 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of certificates of the same class and the extent of their distribution to the public.~~

~~[Note: Article 48 CARD] [deleted]~~

...

21 Sovereign Controlled Commercial Companies: Premium listing

...

21.6 Requirements for listing: Certificates representing shares

...

Certificates in public hands

21.6.18 R (1) ...

...

- (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when ~~25%~~ 10% of the certificates for which application for *admission* has been made are in public hands.

...

21.6.19 G (1) ~~The FCA may modify LR 21.6.18R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of certificates of the same class and the extent of their distribution to the public.~~

~~[Note: Article 48 of CARD]~~

- (2) ~~In considering whether to grant a modification, the FCA may take into account the following specific factors:~~

...

- (b) ~~the number and nature of the public holders of certificates; and~~
- (c) ~~in relation to *premium listing (sovereign controlled commercial company)* whether the expected market value of the certificates in public hands at *admission* exceeds £100 million. [deleted]~~

...

21.8 Continuing obligations: Certificates representing shares

...

Additional requirements: certificates in public hands and admission to trading

...

- 21.8.19 G ~~Where the *FCA* has modified *LR 21.6.18R* to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the *FCA* considers that in practice the market for the *certificates representing shares* is not operating properly, the *FCA* may revoke the modification in accordance with *LR 1.2.1R(4)*. [deleted]~~

LISTING RULES (PRIMARY MARKETS EFFECTIVENESS) (REFORM AND MODERNISATION) INSTRUMENT 2021

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 84 (Matters which may be dealt with by prospectus rules);
 - (3) section 88 (Sponsors);
 - (4) section 89A (Transparency rules);
 - (5) section 89C (Provision of information by issuers of transferable securities);
 - (6) section 89O (Corporate governance rules);
 - (7) section 89P (Primary Information Providers);
 - (8) section 96 (Obligations of issuers of listed securities);
 - (9) section 96A (Disclosure of information requirements);
 - (10) section 137A (The FCA’s general rules);
 - (11) section 137T (General supplementary powers); and
 - (12) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 10 January 2022.

Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Listing Rules sourcebook (LR)	Annex B
Prospectus Regulation Rules sourcebook (PRR)	Annex C
Disclosure Guidance and Transparency Rules sourcebook (DTR)	Annex D

Citation

- E. This instrument may be cited as the Listing Rules (Primary Markets Effectiveness) (Reform and Modernisation) Instrument 2021.

By order of the Board
25 November 2021

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>IAS</i>	(in <i>LR</i> and <i>DTR</i>) International Accounting Standards.
<i>national storage mechanism</i>	(in <i>LR</i> , <i>PRR</i> and <i>DTR</i>) the system identified by the <i>FCA</i> on its website as the national storage mechanism for regulatory announcements and certain documents published by <i>issuers</i> .

Amend the following definitions as shown.

<i>admission or admission to listing</i>	(in <i>LR</i>) <i>admission</i> <u><i>admission</i></u> of securities to the official list.
<i>list of sponsors</i>	(in <i>LR</i>) the list of sponsors <u>sponsors</u> maintained by the <i>FCA</i> in accordance with section 88(3)(a) of the <i>Act</i> .
<i>listed</i>	(1) (except in <i>LR</i>, <i>SUP</i> 11, <i>INSPRU</i> and <i>IPRU(INS)</i>) included in an official list. (2) (in <i>SUP</i> 11, <i>INSPRU</i> and <i>IPRU(INS)</i>): (a) included in an official list; or (b) in respect of which facilities for <i>dealing</i> on a regulated market have been granted. (3) (in <i>LR</i>) admitted to the official list <u>official list</u> maintained by the <i>FCA</i> in accordance with section 74 of the <i>Act</i>.
<i>long-term incentive scheme</i>	(in <i>LR</i>) any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive <i>director's</i> remuneration package) which may involve the receipt of any asset (including cash or any security <u>security</u>) by a <i>director</i> or <i>employee</i> of the <i>group</i>: (a) which includes one or more conditions in respect of service and/or performance to be satisfied over more than one financial year; and

- (b) pursuant to which the *group* may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.

*proven
reserves*

(in *LR*):

- (a) in respect of *mineral companies* primarily involved in the *extraction* of oil and gas resources, those reserves which, on the available evidence and taking into account technical and economic factors, have a better than 90% chance of being produced; and
- (b) in respect of *mineral companies* other than those primarily involved in the *extraction* of oil and gas resources, those ~~measured~~ measured *mineral resources* of which detailed technical and economic studies have demonstrated that *extraction* can be justified at the time of the determination, and under specified economic conditions.

*public
international
body*

(in *LR* ~~and DTR~~) the African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Caribbean Development Bank, the Council of Europe Development Bank, the European Atomic Energy Community, the European Bank for Reconstruction and Development, the European Company for the Financing of Railroad Stock, the *EU*, the European Investment Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, the Nordic Investment Bank.

trading day

- (1) [deleted]
- (2) [deleted]
- (3) (in *FINMAR*) as defined in article 2(1)(p) of the *short selling regulation*, in relation to a trading venue, means a day during which the trading venue concerned is open for trading.
- (4) (in *LR* and *DTR*) any day of normal trading in a share on a regulated market or MTF in the United Kingdom for this share.

*transferable
security*

- (1) (in *PRR*, ~~and LR~~ and DTR) (as defined in section 102A of the *Act*) anything which is a transferable security for the purposes of *MiFIR*, other than money-market instruments for the purposes of *MiFIR* which have a maturity of less than 12 months.

...

Delete the following definitions. The text is not shown struck through.

<i>Company Announcements Office</i>	the Company Announcements Office of the London Stock Exchange, the information dissemination provider approved by the <i>UKLA</i> .
<i>document viewing facility</i>	(in <i>LR</i>) a location identified on the <i>FCA</i> website where the public can inspect documents referred to in the <i>listing rules</i> as being documents to be made available at the document viewing facility.
<i>UKLA</i>	the <i>FCA</i> acting in its capacity as the <i>competent authority</i> for the purposes of Part VI of the <i>Act</i> (Official Listing).

Annex B

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Preliminary: All securities

1.1 Introduction

...

1.1.1 R *LR* applies as follows:

...

Note: ~~when exercising its functions under *Part VI* of the Act, the *FCA* may use the name: the UK Listing Authority.~~

...

1.2 Modifying rules and consulting the FCA

...

Early consultation with the FCA

...

1.2.6 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

Note: The FCA's address for correspondence is:

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

~~www.fca.org.uk/markets/ukla~~ <https://www.fca.org.uk/markets/primary-markets/contact/request-individual-guidance>

...

1.4 Miscellaneous

...

Electronic Communication

...

- 1.4.9A** **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*.

...

3 Listing applications: All securities

...

3.3 Shares

...

Documents to be provided 48 hours in advance

- 3.3.2** **R** The following documents must be submitted, in final form, to the *FCA* by midday two *business days* before the *FCA* is to consider the application:

(1) ...

...

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA Primary Markets section of the *FCA* website.

...

Documents to be provided on the day

- 3.3.3** **R** The following documents signed by a *sponsor* (if a *sponsor* is required under *LR 8*) or by a duly authorised officer of the *applicant* (if a *sponsor* is not required under *LR 8*) must be submitted, in final form, to the *FCA* before 9 a.m. on the day the *FCA* is to consider the application:

(1) ...

...

Note: The Shareholder Statement and the Pricing Statement forms can be found on the ~~UKLA~~ Primary Markets section of the *FCA* website.

...

3.4 Debt and other securities

...

Documents to be provided 48 hours in advance

3.4.4 R An *applicant* must submit, in final form, to the *FCA* by midday two *business days* before the *FCA* is to consider the application;

(1) ...

(2) the *prospectus* or *listing particulars* that has been approved by the *FCA*;

(3) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable; ~~and~~

...

Note: The Application for Admission of Securities to the Official List form can be found on the ~~UKLA~~ Primary Markets section of the *FCA*'s website.

...

Exempt public sector issuers

3.4.9 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 ~~UKLA~~ Primary Markets section of the *FCA*'s website.

...

3.5 Block listing

...

When a block listing can be used

...

3.5.4 R An *applicant* applying for *admission* to listing by way of a block listing must submit in final form, at least two *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 ~~UKLA~~ Primary Markets section of the *FCA* website.

...

- 3.5.6 R Every six *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 six *months*, using the Block Listing Six Monthly Return.

Note: A copy of the Block Listing Six Monthly Return can be found on the ~~UKLA~~ Primary Markets section of the *FCA* website.

...

5 Suspending, cancelling and restoring listing and reverse takeovers: All securities

...

5.2 Cancelling listing

...

Cancellation in relation to takeover offers: offeror interested in 50% or less of voting rights

...

- 5.2.11 R ~~The~~ Where LR 5.2.10R applies, the *issuer* must notify shareholders and, in the case of *certificates representing shares*, holders of certificates:

(1) by stating:

- (a) that the ~~required 75% has been obtained and~~ offeror has reached the threshold described in LR 5.2.10R(2);
- (b) that the notice period has therefore commenced; and
- (c) ~~of~~ the anticipated date of cancellation, or

(2) by stating in the explanatory letter or other material accompanying the section 979 notice:

- (a) ~~must state~~ 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

...

5.2.11C R ~~The~~ Where LR 5.2.11AR applies, the issuer must notify shareholders and, in the case of *certificates representing shares*, holders of certificates;

(1) by stating:

(a) that the relevant thresholds described in LR 5.2.11AR(2) to (3) have been ~~obtained and~~ reached;

(b) that the notice period has therefore commenced; and ~~of~~

(c) the anticipated date of cancellation, or

(2) by stating in the explanatory letter or other material accompanying the section 979 notice: ~~must state~~

(a) that the notice period has commenced; and

(b) the anticipated date of cancellation.

...

8 Sponsors: Premium listing

...

8.4 Role of a sponsor: transactions

...

New applicants: procedure

8.4.3 R A sponsor must:

(1) ...

...

[**Note:** the Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the UKLA Primary Markets section of the *FCA's* website.]

...

Application for admission: further issues

...

- 8.4.8 R A *sponsor* appointed in accordance with *LR 8.2.1R* must not submit to the *FCA* an application on behalf of an *applicant*, in accordance with *LR 3* (Listing applications), unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

(1) ...

...

Further issues: procedure

- 8.4.9 R A *sponsor* must:

(1) ...

...

[**Note:** The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the ~~UKLA~~ Primary Markets section of the *FCA*'s website.]

...

Circulars: procedure

- 8.4.13 R A *sponsor* acting on a transaction falling within *LR 8.4.11R* must:

(1) ...

...

[**Note:** The Sponsor's Declaration for the Production of a Circular and the Pricing Statement forms can be found on the ~~UKLA~~ Primary Markets section of the *FCA*'s website.]

Applying for transfer between listing categories

- 8.4.14 R In relation to a proposed transfer under *LR 5.4A*, if a *sponsor* is appointed in accordance with *LR 8.2.1AR*, it must:

(1) ...

...

[**Note:** The Sponsor's Declaration for a Transfer of Listing can be found on the ~~UKLA~~ Primary Markets section of the *FCA*'s website.]

...

Reverse takeovers

- 8.4.17 R A *sponsor* acting on a *reverse takeover* where the *issuer* decides to make a disclosure announcement under LR 5.6.15G must:

(1) ...

...

[**Note:** The Sponsor's Declaration for a Reverse Takeover Announcement can be found on the ~~UKLA~~ Primary Markets section of the *FCA's* website.]

...

8.6 Criteria for approval as a sponsor

...

Application for approval as a sponsor

- 8.6.2 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 ~~Sponsor Supervision~~ Primary Market Specialist Supervision Team at the *FCA's* address:

...

[**Note:** The Sponsor's Firm Application Form can be found on the ~~UKLA~~ Primary Markets section of the *FCA's* website.]

...

8.7 Supervision of sponsors

...

Annual notifications

...

- 8.7.7A R Written confirmation must be provided by submitting a completed Sponsor Annual Notification Form to the *FCA* at the *FCA's* address.

[**Note:** A copy of the Sponsor Annual Notification Form can be found on the ~~UKLA~~ Primary Markets section of the *FCA* website.]

General notifications

...

- 8.7.10 G Written notifications should be sent to the ~~Sponsor Supervision~~ Primary Market Specialist Supervision Team at the *FCA's* address.

...

9 Continuing obligations

...

9.2 Requirements with continuing obligation

...

Disclosure of rights attached to equity shares

...

9.2.6F R The documents in LR 9.2.6ER must be forwarded to the *FCA* for publication by uploading them to the ~~system identified by the *FCA* on its website as the national storage mechanism~~ national storage mechanism.

...

9.2.6H R A *listed company* is exempt from LR 9.2.6ER where:

(1) ...

...

(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 ~~the document viewing facility~~ 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 ~~system identified by the *FCA* on its website as the national storage mechanism~~ national storage mechanism.

...

9.4 Documents requiring prior approval

...

Discounted option arrangements

9.4.4 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~~ option to subscribe, ~~warrant~~ 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~~ option, ~~warrant~~ warrant or other right if the price per *share* payable on the exercise of the ~~option~~ option, ~~warrant~~ warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:

(a) ...

...

...

9.6 Notifications

Copies of documents

- 9.6.1 R A *listed company* must forward to the *FCA* for publication ~~through the document viewing facility, two copies~~ a copy of all ~~circulars~~ 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.
- 9.6.2 R A *listed company* must forward to the *FCA*, ~~for publication through the document viewing facility, two copies~~ 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.

...

Notification of board changes and directors' details

- 9.6.11 R A *listed company* must notify a *RIS* of any change to the board including:
- (1) the appointment of a new *director* stating the appointees name and whether the position is executive, non-executive or ~~chairman~~ chair and the nature of any specific function or responsibility of the position;
- (2) ...

...

...

...

10 Significant transactions: Premium listing

10.1 Preliminary

...

Meaning of “transaction”

- 10.1.3 R In this chapter (except where specifically provided to the contrary) a reference to a transaction by a *listed company*:
- (1) ...
 - (2) includes the grant or acquisition of an ~~option~~ option as if the ~~option~~ 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~~ option will be classified on the grant or acquisition;
 - ...
 - (4) excludes 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*; ~~and~~
 - (5) excludes any transaction between the *listed company* and its wholly-owned *subsidiary undertaking* or between its wholly-owned *subsidiary undertakings*; ~~and~~
 - (6) excludes a transaction where the *listed company* purchases its own equity shares.

...

10.2 Classifying transactions

...

Aggregating transactions

- 10.2.10 R (1) ...
- ...
- (4) Paragraph (1) does not apply to a transaction where:
- (a) the *listed company* has obtained shareholder approval for it; and
 - (b) it has been completed.
- 10.2.10 G One effect of LR 10.2.10R(1) is that if a transaction is aggregated with a
A class 2 transaction completed during the 12 months before the date of the
latest transaction, the latest transaction must (depending on the aggregated
percentage ratios) be classified as either:
- (1) a class 2 transaction, in which case the *listed company* must comply
with the requirements in LR 10.4 (Class 2 requirements); or

- (2) a class 1 transaction, in which case the listed company must comply with the requirements in LR 10.5 (Class 1 requirements).

...

12 Dealing in own securities and treasury shares: Premium listing

...

12.5 Purchase of own securities other than equity shares

...

Warrants and options

- 12.5.7 R Where, within a period of 12 months, a *listed company* purchases ~~warrants~~ warrants or ~~options~~ 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~~ warrants and ~~options~~ options;
 - (2) the number and terms of the ~~warrants~~ warrants or ~~options~~ options acquired and to be acquired and the method of acquisition;
 - (3) where ~~warrants~~ warrants or ~~options~~ 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

...

...

13 Contents of circulars: Premium listing

...

13.2 Approval of circulars

...

Approval procedures

...

- 13.2.5 R ~~Two copies~~ A copy of the following documents in draft form must be submitted at least 10 clear *business days* before the date on which ~~it is intended~~ the listed company intends to publish the *circular*:

(1) ...

...

...

- 13.2.7 R If a *circular* submitted for approval is amended, ~~two copies~~ 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

...

- 13.2.9 G The *FCA* will only approve a *circular* between 9a.m. and 5.30p.m. on a *business day* (unless alternative arrangements are made in advance).

Note: ~~LR 9.6.1R~~ LR 9.6.1R requires a *company* to forward to the *FCA* ~~two copies~~ a copy of all *circulars* issued (whether or not they require approval) for publication ~~on the document viewing facility, by uploading it to the~~ national storage mechanism.

...

13.5 Financial information in Class 1 Circulars

...

Profit forecasts and profit estimates

- 13.5.32 R If a *listed company* includes a *profit forecast* or a *profit estimate* in a *class 1 circular* it must:
- (1) comply with the requirements for a *profit forecast* or *profit estimate* set out in item 11.2 of Annex 1 of the *PR Regulation*; and
 - (2) include a statement confirming that the *profit forecast* or *profit estimate* has been ~~properly compiled and prepared on the basis of assumptions stated and that the basis of accounting is~~ a basis which is both:
 - (a) comparable with the historical financial information; and
 - (b) consistent with the accounting policies of the *listed company*.

...

13.6 Related party circulars

Related party circulars

- 13.6.1 R A *related party circular* must also include:

(1) ...

(2) ...

Paragraph of Annex 1 of the *PR Regulation*:

(a) ...

(b) Annex 1 item 15.2 – Shareholdings and stock ~~options~~ options;

...

...

...

13.7 Circulars about purchase of own equity shares

Purchase of own equity shares

13.7.1 R (1) A *circular* relating to a resolution proposing to give the *company* authority to purchase its own *equity securities* must also include:

(a) ...

...

(f) the total number of ~~warrants~~ warrants and ~~options~~ 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 they represent at that time and will represent if the full authority to buyback *shares* (existing and being sought) is used; and

...

...

...

13.8 Other circulars

...

Amendments to constitution

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

(1) ...

- (2) either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:
 - (a) ~~from the date of sending the circular until the close of the relevant general meeting at a place in or near the City of London or such other place as the FCA may determine; and [deleted]~~
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting; and
 - (c) on the national storage mechanism from the date of sending the circular.

Employees' share scheme etc

13.8.11 R A circular to shareholders about the approval of an *employee's share scheme* or *long-term incentive scheme* must:

- (1) ...
- ...
- (5) if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:
 - (a) ~~from the date of sending the circular until the close of the relevant general meeting at a place in or near the City of London or such other place the FCA may determine; and [deleted]~~
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting; and
 - (c) on the national storage mechanism from the date of sending the circular.

...

Amendments to employees' share scheme etc

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

- (1) ...
- (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.

...

13 Class 1 circulars

Annex 1

13 R ...
Annex
1

LR 13 Annex 1.1			
1	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 18.7.1 (significant changes in the issuer's financial position) <u>and Annex 1 item 10.1(b) (trend information):</u>	
		(a)	...
		...	
	(2)	the information required by Annex 11 item 3.1 (working capital statement) and, if relevant Annex 1 section 10 <u>items 10.1(a) and 10.2</u> (trend information):	
		(a)	...
		...	
	...		

14 Standard listing (shares)

...

14.3 Continuing obligations

...

Copies of documents

14.3.6 R A company must forward to the FCA, ~~for publication through the document viewing facility, two copies for publication, by uploading to the national storage mechanism, a copy of:~~

(1) ...

...

...

Disclosure of rights attached to shares

14.3.11 R Unless exempted in *LR 14.3.11DR*, a *company* must:
A

(1) ...

...

14.3.11 R The documents in *LR 14.3.11AR* must be forwarded to the *FCA* for
B publication by uploading them to the ~~system identified by the *FCA* on its website as the national storage mechanism~~ *national storage mechanism*.

...

14.3.11 R A *company* is exempt from *LR 14.3.11AR* where:
D

(1) ...

...

(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 ~~the document viewing facility~~ 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 ~~system identified by the *FCA* on its website as the national storage mechanism~~ *national storage mechanism*.

...

15 Closed-Ended Investment Funds: Premium listing

...

15.2 Requirements for listing

...

Independence

...

15.2.12 R For the purposes of LR 15.2.11R:
-A

- (1) the ~~chairman~~ chair of the board or equivalent body of the *applicant* must be independent; and
- (2) ...

...

17 Debt and debt-like securities: Standard listing

...

17.3 Requirements with continuing application

Copies of documents

- 17.3.1 R (1) An issuer must forward to the FCA, ~~for publication through the document viewing facility, two copies for publication a copy of any~~ document required by LR 17.3 or LR 17.4 at the same time the document is issued, by uploading it to the national storage mechanism.

...

Amendments to trust deeds

- 17.3.10 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) ...
 - (2) either the full terms of the proposed amendments, or a statement that they will be available for inspection:
 - (a) ~~from the date the circular is sent until the close of the relevant general meeting at a place in or near the City of London or such other place as the FCA may determine; and [deleted]~~
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting; and
 - (c) on the national storage mechanism.

...

19 Securitised derivatives: Standard listing

...

19.5 Disclosures

- 19.5.1 R An *issuer* must submit to the *FCA* ~~two copies~~ a copy of any document required by *LR* 19.5.2R to *LR* 19.5.10R at the same time as the document is issued, by uploading it to the *national storage mechanism*.

...

20 Miscellaneous Securities: Standard listing

...

20.5 Disclosures

- 20.5.1 R An *issuer* must submit to the *FCA* ~~two copies~~ a copy of any document required by *LR* 20.5.2R to *LR* 20.5.3R at the same time as the document is issued, by uploading it to the *national storage mechanism*.

...

21 Sovereign Controlled Commercial Companies: Premium listing

...

21.8 Continuing obligations: Certificates representing shares

Compliance with *LR* 9 (Continuing obligations)

...

- 21.8.9 R In addition to complying with *LR* 9.6.2R, a *listed company* must also forward to the *FCA*, ~~for publication through the document viewing facility,~~ ~~two copies~~ for publication a copy of all resolutions passed by the holders of the *listed certificates representing shares*, by uploading it to the *national storage mechanism*. It must also comply with the notification requirements set out in *LR* 9.6.3R in relation to such resolutions.

...

Appendix 1 Relevant definitions

App 1.1 Relevant definitions

App 1.1.1 ...

...	
<i>class 1 transaction</i>	a transaction classified as a class 1 transaction under LR <u>LR</u> 10.
<i>class 2 transaction</i>	a transaction classified as a class 2 transaction under LR <u>LR</u> 10.
...	

<i>designated professional body</i>	a professional body designated by the Treasury under section 326 of the Act <u>Act</u> (Designation of professional bodies) for the purposes of Part XX of the Act <u>Act</u> (Provision of Financial Services by Members of the Professions); as at 21 June 2001 the following professional bodies have been designated in the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001 (SI 2001/1226), the <u>Financial Services and Markets Act 2000 (Designated Professional Bodies) (Amendment) Order 2004 (SI 2004/3352)</u> and the <u>Financial Services and Markets Act 2000 (Designated Professional Bodies) (Amendment) Order 2006 (SI 2006/58)</u>: (a) The Law Society of (England and Wales); (b) The Law Society of Scotland; (c) The Law Society of Northern Ireland; (d) The Institute of Chartered Accountants in England and Wales; (e) The Institute of Chartered Accountants of Scotland; (f) The Institute of Chartered Accountants in Ireland; (g) The Association of Chartered Certified Accountants; (h) The Institute of Actuaries; <u>(i) The Council for Licensed Conveyancers; and</u> <u>(j) The Royal Institution of Chartered Surveyors.</u>	
...		
<i>document viewing facility</i>	a location 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.	
...		
<i>ESMA Prospectus Recommendations</i>	the ESMA update of the CESR recommendations <u>CESR recommendations</u>: The consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (ESMA/2013/319).	
...		
<i>guidance</i>	guidance given in the <u>FCA Handbook</u>, by the FCA under the Act.	
<i>Handbook</i>	the FCA's Handbook of rules and guidance <u>FCA Handbook</u>.	
...		
<i>investment trust</i>	a company which:	
	(a)	is approved by the Commissioners for HM Revenue and Customs under sections 1158 and 1159 of the Corporation Tax Act

		2010 (or, in the case of a newly formed <i>company</i> , has declared its intention to conduct its affairs so as to obtain such approval); or
	(b)	(for the purposes of <u>COBS 4.14</u> and the definitions of <i>non-mainstream pooled investment</i> and <i>packaged product</i> only) is resident in an <i>EEA State</i> and would qualify for such approval if resident in the <i>United Kingdom</i> .
...		
LR		the <u>Listing Rules</u> sourcebook containing the listing rules .
...		
member		(as defined in section 325(2) of the Act (FCA's general duty)) (in relation to a profession) a <i>person</i> who is entitled to practise that profession and, in practising it, is subject to the rules of the relevant <i>designated professional body</i> , whether or not he is a member of that body.
...		
<u>national storage mechanism</u>		<u>the system identified by the FCA on its website as the national storage mechanism for regulatory announcements and certain documents published by issuers.</u>
...		
option		the <i>investment</i> , specified in article 83 of the <i>Regulated Activities Order</i> (Options), which is <u>in summary</u> an option to acquire or dispose of:
	(a)	a <i>designated investment</i> (other than a <i>P2P agreement</i> , an option <u>or one to which (d) or (e) applies</u>); or
	(b)	currency of the <i>United Kingdom</i> or of any other country or territory; or
	(c)	palladium, platinum, gold or silver; or
	(d)	<u>a commodity to which article 83(2) and (4) of the Regulated Activities Order applies; or</u>
	(e)	<u>a financial instrument in paragraph 10 of Section C of Annex 1 to MiFID to which article 83(3) and (4) of the Regulated Activities Order applies; or</u>
	(f)	an option to acquire or dispose of an option specified in (a), (b), (c) , (d) or (e).
		<u>but so that for the purposes of calculating capital requirements for BIPRU firms it also includes any of the items listed in the table in BIPRU</u>

	7.6.18R (Option PRR: methods for different types of option) and any cash settled option.	
...		
<i>Part 6 rules</i>	(in accordance with section 73A(1) of the Act) rules made for the purposes of Part 6 of the Act.	
...		
<i>PD regulation</i>	the United Kingdom version of the Prospectus Directive Regulation (No 2004/809/EC), which is part of United Kingdom law by virtue of EUWA.	
...		
<i>public international body</i>	the African Development bank <u>Bank</u> , the Asian Development Bank, <u>the Asian Infrastructure Investment Bank</u> , the Caribbean Development Bank, the Council of Europe Development Bank, the European Atomic Energy Community, the European Bank for Reconstruction and Development, the European Company for the Financing of Railroad Stock, the <i>EU</i> , the European Investment Bank, the Inter-American Development bank <u>Bank</u> , the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, the Nordic Investment bank <u>Bank</u> .	
...		
<i>rule</i>	(in accordance with section 417(1) of the Act (Definitions)) a rule made by the <i>FCA</i> <u>or the PRA</u> under the Act (<u>including as applied by the <i>Payment Services Regulations</i> and the <i>Electronic Money Regulations</i></u>), including:	
	(a)	a <i>Principle</i> ; and
	(b)	an <i>evidential provision</i> .
...		
<i>share</i>	(in accordance with section 540(1) of the Companies Act 2006) a share in the share capital of a <i>company</i> , and includes:	
	(a)	stock (except where a distinction between shares and stock is express or implied); and
	(b)	<i>preference shares</i> ; <u>and</u>
	(c)	<u>in chapters 4, 5, 6 and 7 of <i>DTR</i> a convertible share.</u>
...		
<i>specified investment</i>	any of the following <i>investments</i> specified in Part III of the <i>Regulated Activities Order</i> (Specified Investments):	

	(a)	<i>deposit</i> (article 74);	
	(aa)	<i>electronic money</i> (article 74A);	
	(b)	<i>contract of insurance</i> (article 75); for the purposes of the permission <u>permission</u> regime, this is sub-divided into:	
		(i)	<i>general insurance contract</i> ;
		(ii)	<i>long-term insurance contract</i> ;
		and then further sub-divided into classes of <i>contract of insurance</i> ;	
	...		
	(i)	<i>stakeholder pension scheme</i> (article 82);	
	(ia)	{deleted} <i>personal pension scheme</i> (article 82(2));	
	(iab)	<u>pension scheme which provides safeguarded benefits (article 82(3)) (but only in relation to advising on conversion or transfer of pension benefits)</u> ;	
	...		
	(oe)	<i>emissions auction product</i> (article 82A);	
	(of)	<u>credit agreement</u> (article 88D) for the purposes of <u>the permission regime with respect to the regulated activities of entering into a regulated credit agreement as lender and exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement, this is sub-divided into:</u>	
		(i)	<u>a credit agreement (excluding high-cost short-term credit, a home credit loan agreement and a bill of sale loan agreement)</u> ;
		(ii)	<u>high-cost short-term credit</u> ;
		(iii)	<u>a home credit loan agreement</u> ;
		(iv)	<u>bill of sale loan agreement</u> ;
		<u>and this has effect as if the reference to a credit agreement includes a reference to an article 36H agreement within the meaning of article 36H (4) of the Regulated Activities Order</u> ;	
	(og)	<i>consumer hire agreement</i> (article 88E);	
	(p)	<i>rights to or interests in investments</i> (article 89).	

...	
<i>summary</i>	(in relation to a <i>prospectus</i>) the <i>summary</i> <u>summary</u> included in the <i>prospectus</i> .
...	
<i>trading day</i>	a day included in the calendar of trading days published by the FCA at www.fca.org.uk. <u>any day of normal trading in a share on a regulated market or MTF in the United Kingdom for this share.</u>

Annex C

Amendments to the Prospectus Regulation Rules sourcebook (PRR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

3 Approval and publication of prospectus

...

3.1 Approval of prospectus

...

Timeframe for submission

3.1.6 R (1) The *applicant* must submit to the *FCA* by the date specified in paragraph (2):

(a) a completed Form A.

[**Note:** Article 42(2)(j) of the *PR Regulation*. This form is available on the *FCA* website, see ~~<https://www.fca.org.uk/markets/ukla/forms>~~ <https://www.fca.org.uk/markets/primary-markets/forms>.]

(b) ...

...

...

...

3.2 Publication of prospectus

...

Publication by the FCA

...

3.2.6 G The *FCA* will upload documents to the ~~system identified by the *FCA* on its website as the national storage mechanism for regulatory announcements and certain documents published by issuers~~ *national storage mechanism*. The *FCA* will upload *prospectuses* and related documents it approves after 6 p.m. on the *working day* following the *day* on which it approved the document.

...

Appendix 1 Relevant definitions**App 1.1 Relevant definitions**

App 1.1.1 ...

...	
<i>applicant</i>	an applicant <u>applicant</u> for approval of a <i>prospectus</i> or <i>supplementary prospectus</i> relating to <i>transferable securities</i> .
...	
<i>PD Regulation</i>	Regulation number 809/2004 of the European Commission <u>the Prospectus Directive Regulation (No 2004/809/EC)</u> .
...	
<i>rule</i>	(in accordance with section 417(1) of the Act (Definitions)) a rule made by the <i>FCA</i> or the <i>PRA</i> under the Act (<u>including as applied by the <i>Payment Services Regulations</i> and the <i>Electronic Money Regulations</i></u>), including:
	(a) <u>a Principle; and</u>
	(b) <u>an evidential provision.</u>

Annex D

Amendments to the Disclosure Guidance and Transparency Rules sourcebook (DTR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

1 Introduction

...

1.2 Modifying rules and consulting the FCA

...

Early consultation with the FCA

...

- 1.2.5 G Where a the disclosure requirements and the *disclosure guidance* ~~refers~~ refer to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency.

Address for correspondence

Note: The *FCA*'s address for correspondence in relation to the *disclosure requirements* and the *disclosure guidance* is:

Primary Market Monitoring
Enforcement and Markets <u>Market</u> Oversight Division
The Financial Conduct Authority
12 Endeavour Square
London, E20 1JN
https://www.fca.org.uk/markets/primary-markets/contact/request-individual-guidance

...

1A Introduction (Transparency rules)

...

1A.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

...

1A.2.2 R (1) ...

(2) The application must:

(a) ...

...

(e) include copies of all documents relevant to the application.

[Note: the application may meet this requirement with copies of documents produced, recorded or stored using *electronic means*].

...

Early consultation with FCA

...

1A.2.5 G Where a *transparency rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency.

Address for correspondence

Note: The *FCA*'s address for correspondence in relation to the *transparency rules* is:

Primary Market Monitoring

Enforcement and Markets Market Oversight Division

The Financial Conduct Authority

12 Endeavour Square

London, E20 1JN

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

...

1C Introduction (Primary information providers)

...

1C.2 Modifying rules and consulting the FCA

...

Modifying or dispensing with rules

...

1C.2.2 R (1) ...

(2) The application must:

(a) ...

...

(e) include copies of all documents relevant to the application.

[Note: the application may meet this requirement with copies of documents produced, recorded or stored using *electronic means*].

...

Early consultation with FCA

...

1C.2.5 R Where a requirement in *DTR 8* refers to consultation with the *FCA*, submissions must be made in writing other than in circumstances of exceptional urgency.

Address for correspondence**Note:** The *FCA*'s address for correspondence in relation to *DTR 8* is:~~Primary Market Monitoring~~~~Markets Division~~~~The Financial Conduct Authority~~~~12 Endeavour Square~~~~London~~~~E20 1JN~~~~Fax: 0207 066 8349.~~Primary Market MonitoringEnforcement and Market Oversight Division

The Financial Conduct Authority

12 Endeavour Square

London, E20 1JN

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

...

4 Periodic Financial Reporting

...

4.3A Reports on payments to governments

...

Filing of reports on payments to governments

4.3A.10 R (1) ...

(2) The report in (1) must be filed by uploading it to the ~~system identified by the FCA on its website as the national storage mechanism for regulatory announcements and certain documents published by issuers~~ national storage mechanism.

(3) ...

The technical requirements in respect of the XML data schema are specified on the ~~UKLA~~ Primary Markets section of the FCA's website at ~~<https://www.the-fca.org.uk/markets/ukla>~~ <https://www.fca.org.uk/markets/primary-markets>.

...

5 Vote Holder and Issuer Notification Rules

...

5.8 Procedures for the notification and disclosure of major holdings

...

5.8.9 G ~~The FCA provides a link to a calendar of trading days through its website at <http://www.fca.org.uk> which applies in the United Kingdom for the purposes of this chapter.~~

[Note: article 7 of the TD implementing Directive] [deleted]

...

6 Continuing obligations and access to information

...

6.3 Dissemination of information

...

- 6.3.5 R (1) ~~Regulated information, other than regulated information described in paragraph (2), must be communicated~~ Subject to (1A), an issuer or person must communicate regulated information to the media in unedited full text.

[**Note:** article 12(3) of the *TD implementing directive*]

(1A) An issuer or person who discloses regulated information is exempt from paragraph (1) if:

- (a) the regulated information in unedited full text has been filed with the FCA by uploading it to the national storage mechanism;
 - (b) the regulated information has been communicated to the media; and
 - (c) the communication contains a statement that the regulated information is available in unedited full text on the national storage mechanism.
- (2) (a) ~~An annual financial report that is required by DTR 4.1 to be made public is not required to be communicated to the media in unedited full text except for the information described in paragraph (b). [deleted]~~
- (b) ~~If information is of a type that would be required to be disseminated in a half-yearly financial report then information of such a type that is contained in an annual financial report must be communicated to the media in unedited full text. [deleted]~~
- (3) Where (1A) applies, The the announcement relating to the publication of the following regulated information must also include an indication of the website on which the relevant documents are available:

...

...

7 Corporate governance

7.1 Audit committees

Audit committees and their functions

...

7.1.2A R The ~~chairman~~ chair of the relevant body must be:

...

...

8 Primary Information Providers

...

8.4 Continuing obligations

...

Disseminating regulated information: format

...

8.4.23 R *Regulated information* disseminated to a *media operator* by a *primary information provider* must contain the following:

(1) ...

...

(6) ~~the FCA short name of the issuer or organisation concerned;~~ [deleted]

...

...

Changes in ownership or company structure

8.4.33A R A primary information provider must notify the FCA as soon as practicable of any intended changes to its ownership or control.

General notifications

...

8.4.38 R (1) Notifications must be made in writing.

(2) Notifications to the *FCA* must be sent to the following address:

~~Sponsor Supervision~~ Primary Market Specialist Supervision

Enforcement and Market Oversight Division

The Financial Conduct Authority

12 Endeavour Square

London, E20 1JN

Fax: 020 7066 8349

Email: pmss@fca.org.uk

...

8 **Headline codes and categories**

Annex
2

8
Annex
2

R

Headline code	Headline Category	Description
Urgent priority		
...		
NOT	Official List Notice (UKLA FCA use only)	Submitted to indicate that a security has been admitted to/cancelled from the Official List

