

Primary Market Technical Note

Sponsor notifications

The information in this note is designed to help issuers and practitioners interpret our UK Listing Rules, Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules, and related legislation. The guidance notes provide answers to the most common queries we receive and represent FCA guidance as defined in section 139A FSMA

Rules and Guidance

UKLR 24.5.10R; UKLR 24.5.11R; UKLR 24.5.12R; UKLR 24.5.13R;
UKLR 24.5.14G; UKLR 24.5.15G; UKLR 24.5.18G

UKLR 24.5.12R sets out a list of circumstances, some of them purposefully broad, which require notifications to be sent by a sponsor to the FCA. The following points should be noted for practical purposes:

- 1.** Notifications (or other communications) in relation to matters set out in UKLR 24.5.10R to UKLR 24.5.15G must be sent to the Primary Market Specialist Supervision Team in the Primary Market Oversight Department (UKLR 24.5.15G). It is not enough for a sponsor to contact other FCA personnel about these matters.

Notifications made under UKLR 24.5 relate particularly to the approval the firm holds in order to act as sponsor.

- 2.** UKLR 24.5.12R requires a high degree of self-monitoring by a sponsor. For instance, UKLR 24.5.12R(1)(a) requires a sponsor to be aware of any matter that could have an effect on its ability to comply with the criteria for approval set out in UKLR 24.4.5R. Sponsors are required to confirm compliance with UKLR 24.4.5R on an annual basis although the obligation is ongoing. Therefore, it should be borne in mind that events, such as personnel changes or ad hoc changes to departmental procedures, may trigger a notification requirement.
- 3.** Given that some events requiring notification are likely to take place at a group level, such as a restructuring or a change in the financial position of the group of companies, it is important that employees responsible for the sponsor function within an integrated bank are receiving relevant information on a timely basis that allows them to consider the sponsor's compliance with UKLR 24.5.12R. Firms holding sponsor approvals should therefore review their operating and reporting structures to ensure that the flow of information is sufficient to ensure compliance.
- 4.** There is no assumption in UKLR 24.5.12R that a sponsor is in breach of UKLR 24.4.10R. UKLR 24.5.13R requires any notification a sponsor makes to include a statement that it still complies with UKLR 24.4.10R and to set out the basis of that opinion. Notifications are intended to trigger a dialogue between a sponsor and the Primary Market Specialist Supervision Team about the impact of the event on the ability of the sponsor to continue to offer sponsor services.
- 5.** In the event that a notification leads to a voluntary cancellation of approval by the sponsor pursuant to UKLR 24.5.18G, the name of the sponsor firm will be deleted from the list of sponsors on the effective date of cancellation.

Should any sponsor be unsure about applying UKLR 24.5.12R to any situation, it is required to contact its relationship manager in the Primary Market Specialist Supervision Team as soon as possible.