

## UKLA Technical Note

### Sponsor notifications

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Ref: UKLA / TN / 711.1

LR 8.7.7R;  
LR8.7.8R

LR8.7.8R sets out a list of circumstances, some of them purposefully broad, which require notifications to be sent by a sponsor to the FCA. While explanations of the changes made are set out in CP12/2, the following points should be noted for practical purposes:

- 1.** Notifications (or other communications) in relation to matters set out in LR8.7.7R to LR8.7.22R must be sent to the Sponsor Supervision Team in the UK Listing Authority Department (LR8.7.10G). It is not enough for a sponsor to contact other FCA personnel about these matters. Notifications made under LR8.7 relate particularly to the approval the firm holds in order to act as sponsor.
- 2.** LR8.7.8R requires a high degree of self-monitoring by a sponsor. For instance, LR8.7.8R(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 LR8.6.5R. Sponsors are required to confirm compliance with LR8.6.5R 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 LR8.7.8R. 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 LR8.7.8R that a sponsor is in breach of LR8.6.6R. LR8.7.8AR requires any notification a sponsor makes to include a statement that it still complies with LR8.6.6R and to set out the basis of that opinion. Notifications are intended to trigger a dialogue between a sponsor and the Sponsor 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 LR8.7.21G, 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 LR8.7.8R to any situation, it is required to contact its relationship manager in the Sponsor Supervision Team as soon as possible.