

Consultation Paper **CP24/12*****

Consultation on the new Public
Offers and Admissions to Trading
Regulations regime (POATRs)

July 2024

How to respond

We are asking for comments on this Consultation Paper (CP) by **18 October 2024**.

You can send them to us using the form on our [website](#).

Or in writing to:

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Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Email:

cp24-12@fca.org.uk.



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When we make rules, we are required to publish:

- a list of the names of respondents who made representations where those respondents consented to the publication of their names,
- an account of the representations we receive, and
- an account of how we have responded to the representations.

In your response, please indicate:

- if you consent to the publication of your name. If you are replying from an organisation, we will assume that the respondent is the organisation and will publish that name, unless you indicate that you are responding in an individual capacity (in which case, we will publish your name),
- if you wish your response to be treated as confidential. We will have regard to this indication, but may not be able to maintain confidentiality where we are subject to a legal duty to publish or disclose the information in question.

We may be required to publish or disclose information, including confidential information, such as your name and the contents of your response if required to do so by law, for example under the Freedom of Information Act 2000, or in the discharge of our functions. Please note that we will not regard a standard confidentiality statement in an email message as a request for non-disclosure.

Irrespective of whether you indicate that your response should be treated as confidential, we are obliged to publish an account of all the representations we receive when we make the rules.

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Chapter 1

Summary

Why we are consulting

- 1.1** For capital markets to work well, investors need access to good quality information, which is essential for accurate price formation, market integrity and market effectiveness.
- 1.2** A company wishing to list or raise capital on a regulated market has typically been required to publish much of this information as a prospectus.
- 1.3** What we require in relation to prospectuses had been set through EU legislation and put in our Prospectus Regulation Rules (PRR) sourcebook. However, in January 2024, the new Public Offers and Admissions to Trading Regulations (POATRs) 2024 were made by Parliament. The POATRs provide a new framework to replace the UK Prospectus Regulation and give the FCA greater discretion to set new rules in this area.
- 1.4** This consultation paper sets out our proposed rules for companies seeking to admit securities to a UK regulated market or 'primary' multilateral trading facility (MTF) under the new POATR framework. We have engaged extensively with stakeholders to develop proposals in this area during 2023 through a series of [Engagement Papers](#). In line with the feedback we have received, we propose to combine significant continuity with existing UK PR requirements where companies are seeking to have their securities admitted to trading on a regulated market, with a bolder approach where companies seek to make further issuances of such securities.
- 1.5** Our proposals aim to reduce the costs of listing on UK markets, make capital raising easier on UK listed markets and remove barriers to retail participation. They dovetail with recent reforms we have undertaken of the listing regime, as set out in [PS24/6](#), which aim to encourage companies from around the world, many of which start up and are incubated in the UK, to list and raise capital here and to help UK-listed companies be more competitive globally.
- 1.6** Alongside this consultation paper, we have also published CP24/13 on our proposed rules for the new regulated activity of operating a public offer platform as a further feature of the new POATR framework. We also expect to undertake a follow up consultation later this year in relation to rules on low denomination retail bonds, certain transitional provisions, and minor changes to make the applications process for further issuances of securities more efficient.

What we are proposing

- 1.7** We propose to make rules regarding admissions of securities to UK regulated markets by creating a new Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM) and removing the PRR.
- 1.8** We are proposing to keep a large degree of consistency between the new and the current UK prospectus regime, in our approach to admissions to trading on regulated markets.
- 1.9** However, we propose also to make improvements where we consider that it is possible to retain the intended outcome of the regulation but to reduce costs for issuers, improve access to markets, or improve the quality of information available to investors.

With regards to more substantive changes, we are proposing as follows:

- 1.10** With regards to *when a prospectus may be required*, we propose:
- in relation to further issuances (of securities already admitted to trading on a regulated market), to increase the threshold for triggering a prospectus for further issuances from 20% (of existing fungible securities) to 75%. This change would be made across asset classes, including non-equity and funds, and
 - to still allow issuers to produce a voluntary prospectus approved by the FCA for issuances below this threshold, recognising different needs of different issuers, including those with a more global shareholder base
- 1.11** For *sustainability related disclosures in prospectuses*, we propose:
- to supplement existing minimum content requirements for issuers seeking admission of equity securities to a regulated market to include certain climate-related disclosures, where the issuer has identified climate-related risks as risk factors, or climate-related opportunities as material to the issuer's prospects. This may be complemented by further guidance, subject to views received
 - for general purpose non-equity securities, to retain the approach of using non-Handbook Technical Note guidance to clarify our expectations and to review the content of this guidance, and
 - to require issuers to disclose whether their debt instruments have been marketed as 'green', 'social' or 'sustainable' or issued under a bond framework or a similar document. Where that is the case, issuers would be prompted to disclose further information on their securities, depending on the type of bond being listed
- 1.12** For *protected forward looking statements (PFLS)*, which will be subject to an amended statutory liability threshold, we propose:
- to provide a clear framework to give issuers legal certainty on what information can be deemed PFLS and
 - to ensure investors can identify and assess such content

- 1.13** We consider there to be significant benefits to encouraging good quality forward looking information into prospectuses, both from an issuer and an investor perspective, to better inform valuation and pricing. Our approach to PFLS would also apply to prospectuses for admissions of securities to a primary MTF.
- 1.14** With respect to primary MTFs, FCA rules can only require an MTF admission prospectus where trading on the MTF is not intended to be limited only to Qualified Investors, ie where 'retail' investors typically participate in the market.
- 1.15** For such primary MTFs, we are proposing:
- to require an MTF admission prospectus for all initial admissions to trading in such markets, and reverse takeovers (with exceptions for existing simplified routes to admission), and
 - to set rules on certain rights and responsibility attaching to the production of an MTF admission prospectus
- 1.16** We propose to make these changes by adding a new Chapter to the Market Conduct (MAR) sourcebook.

Outcomes that we are seeking

- 1.17** In developing these proposals, we seek to ensure that:
- issuers can raise capital in an effective and efficient way
 - investors have sufficient, reliable information on companies' securities to make informed investment decisions
 - the regime is proportionate and minimises unnecessary costs
 - there are fewer barriers to participation for retail investors, and
 - consumer harm, including from fraud and misleading information, is mitigated
- 1.18** These objectives reflect and are aligned with our statutory duty to ensure markets work well, our operational objectives of ensuring market integrity and securing an appropriate degree of consumer protection, and our secondary international growth and competitiveness objective.

Summary of the cost benefit analysis of our proposals

- 1.19** As our proposals generally act to give issuers (and potential issuers) greater flexibility and to reduce requirements and, as issuers remain required to provide investors with the necessary information, we consider that there will be net benefits for our proposals.
- 1.20** We anticipate significant potential benefits in reducing the range of circumstances where a prospectus is required to be produced by issuers making further issuances. We estimate the potential net benefits from our proposals (over a ten year period) to be around £248m.

- 1.21** There is also a potential benefit for investors from reducing the time period where the prospectus is made available to retail investors prior to an offer closing. This may mean that issuers are more willing to include such investors in offerings, boosting their participation. This may then benefit issuers by widening the investor base for issuances. Whilst we understand that investors would have less time to review prospectuses under our proposals, we consider that (given the availability of prospectuses on-line) 3 working days should be sufficient.
- 1.22** There will be additional benefits for issuers in having more control over the timing of their capital raising to maximise the price and take up they achieve for their securities. Our analysis suggests also that our proposals can act to unlock additional potential benefits from our wider listings markets work related to issuers' ability to participate most effectively in global mergers and acquisitions.
- 1.23** Our proposed enhancements to disclosure on sustainability-related, and particularly climate-related, matters where financially material and relevant to an issuer should improve certainty for companies as to what they should consider disclosing in prospectuses and reduce risks of information asymmetry or inconsistency in disclosures for investors. We expect these proposals will not add material costs as they seek to 'codify' disclosures companies would either need to consider in any case under the necessary information test and / or are already making voluntarily (eg when issuing debt securities in accordance with industry-led standards for bond frameworks). We do, however, welcome further views from issuers and their advisors on the potential costs of these proposals and from investors on the importance they would place on these additional disclosures.
- 1.24** With regard to primary MTFs, we consider the impact of our proposals to be modest in CBA terms, as they would largely ensure consistency of disclosure and liability treatment around admission documents for those primary MTFs that allow broad investor participation.
- 1.25** Overall, we consider that our proposals may have significant potential longer-term benefits due to their positive effects in reducing costs for issuers on capital raising and on the attractiveness of the UK listings market.

Measuring success

- 1.26** In common with our listing reforms, the intention of these proposals is to facilitate capital raising for a range of issuers and to provide a wider range of opportunities for investment for investors. Given this and what we would expect to be shared positive effects in relation to international competitiveness and growth, several of the measures of success for these reforms will be shared with those for listing reforms.
- 1.27** The metrics for measuring success for our work on listings reform which will be relevant for monitoring and assessing these proposals include the number of companies and the total market capitalisation on UK listed markets, the number of IPOs and the amount of capital raised on UK markets via further issuances. We are also monitoring the development of relevant securities on the Official List.

- 1.28** While we would not expect to be able to accurately establish a direct causal relationship between our proposals in this CP and trends in this data, we will consider these trends carefully for evidence of the impact of our proposals.
- 1.29** We would also monitor the extent to which issuers take benefit from the greater flexibility under our proposals to raise capital under the revised threshold for a prospectus for further issuances, monitoring data on capital raising in general and as a proportion of existing share capital.
- 1.30** In common with our listing reforms, we also consider that our proposals may improve the ability of issuers to participate in global mergers and acquisitions. Given this, we will also consider the trends in global M&A data and the participation in this activity of UK listed companies.

Who should read this document

- 1.31** This document should be read by:
- issuers with securities admitted to trading to a UK regulated market or a primary MTF
 - prospective issuers considering submitting an application for admission of securities to trading on a UK regulated market or a primary MTF
 - investors in securities admitted to a UK regulated market or a primary MTF
 - investment advisors, brokers and other intermediaries
 - law firms advising on requirements for admission to a UK regulated market or a primary MTF
 - accountancy firms
 - investment banks and other companies involved in the process of admitting securities to a UK regulated market or a primary MTF
 - sponsors
 - relevant trade bodies, and
 - professional bodies, academics and other interested parties

Next steps

- 1.32** We encourage market participants to read this CP and consider our proposals and questions posed. We would be keen to engage further through roundtables, meetings or bilateral calls with interested groups following this publication to hear views ahead of the deadline for responses.
- 1.33** We welcome formal responses to the CP by 18 October 2024. Responses can be provided via the form on our website or via email to cp24-12@fca.org.uk. We are also happy for requests to engage with us to be sent to the above inbox.
- 1.34** Due to time constraints, a full appraisal of the cross-references, glossary terms and annexes in the draft instrument appended to this consultation has not been possible. We will address this, alongside any feedback, at the post-consultation stage.

- 1.35** We aim to finalise rules for the overall POATRs regime by the end of H1 2025, subject to CP responses and the FCA Board's final approval of rules. There would be a further period prior to new rules coming into force.

Confidentiality requirements

- 1.36** When we make rules, we are required to publish:

- a list of the names of respondents who made representations where those respondents consented to the publication of their names,
- an account of the representations we receive, and
- an account of how we have responded to the representations.

- 1.37** In your response, please indicate:

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- if you wish your response to be treated as confidential. We will have regard to this indication but may not be able to maintain confidentiality where we are subject to a legal duty to publish or disclose the information in question.

- 1.38** We may be required to publish or disclose information, including confidential information, such as your name and the contents of your response if required to do so by law, for example under the Freedom of Information Act 2000, or in the discharge of our functions. Please note that we will not regard a standard confidentiality statement in an email message as a request for non-disclosure.

- 1.39** Irrespective of whether you indicate that your response should be treated as confidential, we are obliged to publish an account of all the representations we receive when we make the rules.

- 1.40** Further information on how to respond is provided on Page 2.

Chapter 2

Background to this consultation

- 2.1** In this section we set out the background to this consultation and the context to our proposals. This includes consideration of the wider context of reform in this area, the main elements of the new POATRs framework and how our proposals act towards our statutory objectives.

The wider context of UK prospectus reform

UK Listing Review

- 2.2** In November 2020, the previous Government asked Lord Hill to conduct an independent review of the UK listing regime together with the prospectus regime ([the UK Listing Review](#)). The UK Listing Review obtained evidence that the existing prospectus regime slowed down capital raising, excluded retail investors, and discouraged the disclosure of meaningful forward-looking information.
- 2.3** The UK Listing Review's [Final Report](#), published in March 2021, recommended, among other things, that HM Treasury (HMT) conduct a review of the prospectus regime. The report emphasised that the prospectus regime should be appropriate to the breadth and maturity of UK capital markets and be able to cater to both existing market users as well as new entrants.
- 2.4** HMT was asked to consider, as a minimum:
- changing prospectus requirements so that admission to a regulated market and offers to the public are treated separately
 - changing how prospectus exemption thresholds function so that documentation is only required where it is appropriate for the type of transaction and the circumstances of the capital issuance, and
 - the use of alternative listing documentation where appropriate and possible, for example, in the event of a further issuance by an existing listed issuer on a regulated market
- 2.5** In terms of the structural approach to implementing change, the UK Listing's Review report recommended that the FCA's objectives be extended to cover the UK's attractiveness as a place to do business within the Future Regulatory Framework (FRF) review (now called the Smarter Regulatory Framework (SRF)). The FRF (and SRF) follows the existing approach under the Financial Services and Markets Act 2000 (FSMA 2000) of delegating responsibility for detailed rulemaking to financial regulators, like the FCA. This approach aims to create a more dynamic and adaptable system for setting requirements, which is particularly appropriate in the context of the prospectus regime where prescriptive rules set out in primary legislation make the regime inflexible and less able to respond to changing market conditions.

The Secondary Capital Raising Review (SCRR)

- 2.6** On 12 October 2021, the Treasury tasked the UK Secondary Capital Raising Review (SCRR) with making recommendations on how further capital raising processes by companies that are already listed could be made more efficient.
- 2.7** The final SCRR Report published on 19 July 2022, made a series of recommendations to the Government, the FCA and the Pre-Emption Group (PEG). The key recommendations most relevant to this CP relate to:
- Allowing additional flexibility for capital hungry companies. For high growth companies (eg tech and life sciences) the limit of raising 20% of their existing share capital non-pre-emptively should be raised to 75% as should the trading threshold for a prospectus (again to 75%). The possibility of this should be included in Initial Public offer (IPO) documentation and this capital raising should be subject to shareholder approval at Annual General Meetings.
 - Involving retail investors more fully. Companies should consider how to involve retail investors in the fundraising on the same terms and conditions. This could be done by having a separate retail offer following on from a placing. The FCA should also shorten the 6 working day period for which an IPO prospectus must be made available to retail investors to 3 working days.
 - Reducing regulatory involvement in fundraising. Remove duplicated information from the prospectus. The focus of the fundraise disclosure should be on new information about the company and the capital raise that is relevant for shareholders in deciding whether to invest more money in the company ie background to and reasons for the fundraise, the amount and use of proceeds and how the transaction will affect the company's strategy, financial viability and forward looking guidance. There should be no or at most very little FCA oversight of the secondary capital raising process. The review undertaken by the investment bank to give the current required confirmations to the FCA should also be considered as it is overly costly and time consuming. Sponsors should only need to be appointed if otherwise caught in relation to rules concerning an acquisition that is caught by significant transactions rules. Prospectuses should only be required for fundraisings that are at least 75% of the existing share capital.
 - Making existing pre-emptive fundraising structures quicker and cheaper. Documented fundraisings such as rights issues and open offers take too long and are too expensive. Offers should not need to be open for 10 business days - the period should be shortened to 7 days for rights issues and open offers. Further the minimum notice period for shareholder meetings that are not AGMs should be reduced from 14 days to 7 days.
 - Increasing the range of choice of available fundraising structures for companies. One option would be to develop accelerated fundraising structures such as those used in Australia such as the cleansing notice approach, the use of shorter offer documents that do not duplicate existing market disclosure, the ability to split the shareholder register to identify different shareholder types, lack of regulatory involvement and the use of market standard terms and conditions with institutional investors.

2.8 The Chancellor subsequently accepted all the recommendations made to the Government and appointed Sir Douglas Flint to chair a Taskforce to consider the digitisation of shareholdings.

HMT's Prospectus Regime Review

2.9 In July 2021, HMT published a consultation on the UK's Prospectus Regime, which addressed Lord Hill's recommendations and proposed repealing and replacing the UK Prospectus Regulation.

2.10 HMT's consultation set out the previous Government's intent to create a reformed prospectus regime as well as a public offer regime. Following the review outcome, in March 2022, the government committed to repealing and replacing the current Prospectus Regulation, with the aim of making rules in this area more agile and effective; facilitating wider participation in the ownership of public companies; and delegating a greater degree of responsibility for the regime to the FCA.

2.11 As noted in the consultation, the Government's 4 key objectives were:

- To facilitate wider participation in the ownership of public companies and to remove the disincentives that currently exist for those companies to issue securities to wider groups of investors.
- To improve the efficiency of public capital raising by simplifying regulation and removing the duplications that currently exist in the prospectus regime.
- To improve the quality of information investors receive under the prospectus regime.
- To make the regulation in this area more agile and dynamic, capable of being quickly adapted and updated as times change.

2.12 In July 2022, the Government confirmed that the reforms would be implemented using powers being taken forward in the Financial Services and Markets Bill, which later received Royal Assent on 29 June 2023, to become the Financial Services and Markets Act 2023 (FSMA 2023).

2.13 FSMA 2023 provides for HMT to repeal retained EU law on financial services so that it can be replaced with an approach that builds on the existing UK model principally set out in FSMA 2000. In addition, FSMA 2023 provides a series of powers and amendments to FSMA 2000 to allow HMT to provide for new regimes to be introduced to replace the retained EU regime that will be repealed. Under this approach, the FCA will make detailed regulatory requirements operating within a framework established by legislation. Adopting this model implements the outcomes of the Prospectus Regime Review.

2.14 Accordingly, the government can use powers in FSMA 2023 to commence the repeal of existing EU law and replace it with a regulatory framework, including using the new Designated Activities Regime (DAR) and the Regulated Activities Order (RAO).

2.15 The DAR is designed to provide a framework for regulating certain financial activities following the repeal of retained EU law. FSMA 2023 amended FSMA 2000 to give the government power to designate activities, bringing them into the DAR, to enable the regulation of these activities when retained EU law is repealed.

- 2.16** By designating certain activities under the DAR, HMT can make regulations relating to the performance of those activities including, where necessary, stipulating where the FCA can make rules that apply to the activities without persons carrying on the activity needing to be authorised under FSMA 2000. Regulating activities without requiring them to be authorised under FSMA 2000 ensures that such regulation is proportionate.

Public Offers and Admissions to Trading Regulations

Regulatory framework

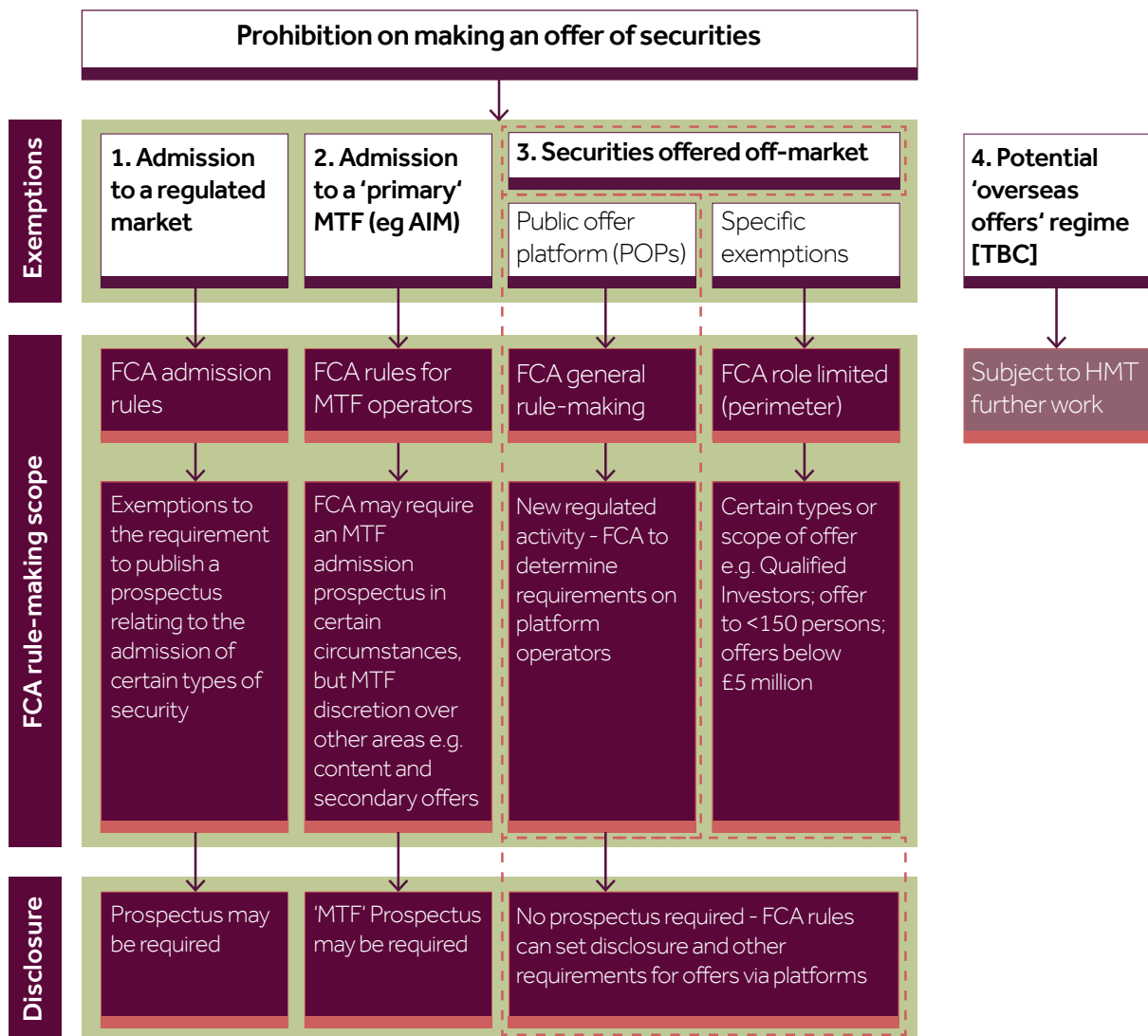
- 2.17** The DAR was used to create The Public Offers and Admissions to Trading Regulations 2024 (POATRs), which established in secondary legislation the regulatory framework for a new public offers regime and an admissions to trading regime to replace the current prospectus regime. The POATRs were made on 29 January 2024.
- 2.18** The detailed requirements for the new regimes are delegated to the FCA, including any requirement for a prospectus in connection with an admission to trading. Through the use of the DAR, the government gives the FCA powers to replace the detailed requirements currently contained in the UK Prospectus Regulation in a proportionate way.
- 2.19** Under the POATRs, the following main concepts and exemptions are set out:
- **Public offers:** There is a general prohibition on public offers of relevant securities. This is achieved by amending the criminal offence contained in section 85(1) FSMA 2000. There are exemptions to this prohibition, with the principal exemptions applying to offers where the securities are admitted to trading on UK markets or offered by means of a regulated platform. The FCA has rulemaking powers regarding certain aspects of permitted offers, including as regards advertisements and withdrawal rights.
 - **Admissions to trading on Regulated Markets:** The FCA has rulemaking responsibilities regarding admissions to trading on regulated markets. The FCA is able to specify when a prospectus is required, what a prospectus should contain, and the manner and timing of validation and publication, amongst other things. FCA rulemaking responsibilities also cover other matters that currently sit in the Prospectus Regulation.
 - **Admissions to trading on Primary MTFs:** The FCA has rulemaking powers to ensure that, (for markets that 'retail' investors can access), the rulebooks of MTFs operating as primary markets require an admission document to be published and treated as a prospectus. These MTF admission prospectuses will be subject to the same statutory responsibility and compensation provisions as apply to prospectuses.
 - **Forward-looking statements:** The UK Listing Review identified forward-looking statements as particularly useful information for investors to have when making investment decisions. The review concluded that companies are discouraged from including such information in their prospectuses because of the existing prospectus liability provisions. The new regime addresses this behaviour by

establishing a different recklessness/dishonesty liability threshold for certain categories of forward-looking statements in prospectuses and MTF admission prospectuses, to be specified by the FCA. Aside from this change, the new regime retains the existing negligence-based threshold for liability.

- Offers of securities not admitted to trading: The new regime will continue to allow companies to offer securities to the public without having them admitted to trading on a regulated market or primary MTF. The government reformed the requirements for such offers with the aim of making it easier for companies to raise larger amounts of capital while maintaining investor protection by:
 - Not retaining the requirement in the current regime that companies offering securities to the public of a value over €8 million must publish a prospectus. This has, in practice, acted as a cap on the size of deals, resulting in many companies issuing securities almost exclusively below the threshold or raising capital solely from institutional investors.
 - As an alternative, the government created a new regulated activity of operating a public offer platform, through which issuers can make offers of any size to the public. Companies will be required to use such a platform where the offer is not otherwise exempted from the prohibition on public offers, and where the total value of an offer is above a threshold of £5 million in a 12-month period.
 - Specific exemptions: Offers below the de minimis threshold of GBP 5 million, to only qualified investors or to less than 150 persons are exempt from the general prohibition on offers of relevant securities to the public.

2.20 The new regime for public offers and the principal exemptions from the general prohibition with applicable FCA rulemaking powers can be summarised as shown in Figure 1 below.

Figure 1: the new regime for permitted public offers of securities



The role of the FCA

2.21 The FCA has been working closely with the government to support the development of the new legislative framework. We have engaged extensively with stakeholders in developing our proposals in this area. This process of engagement has included:

- several events to launch our engagement process in May 2023
- publication of a series of Engagement Papers (EPs) on key issues in May and July 2023
- follow up bilateral industry meetings in summer and early autumn 2023, and
- publication of a summary of engagement in December 2023 setting out the feedback we have received on issues raised by the EPs

2.22 We recognise that there will be a significant role for our rules to support and further define the regulatory framework for public offers and admissions to trading. This will include:

- creating rules that implement a comprehensive prospectus regime for admissions to trading on regulated markets and regulate public offers of securities that are

proposed to be admitted, or are admitted, to trading on such markets, in place of the corresponding Prospectus Regulation requirements

- the necessary changes to facilitate the approach to admissions, or offers connected with admissions, on Primary MTFs
- a framework of rules for firms carrying on the new regulated activity intended to capture operating a public offer platform
- rules to define or set criteria for other aspects of the new regime, such as what can be considered "protected forward-looking statements" within a prospectus or MTF admission prospectus, which will be subject to a different liability treatment, and
- rules on the distribution and advertising of securities subject to public offers and admissions, to replace the corresponding provisions under the Prospectus Regulation

2.23 This CP and the consultation on public offer platforms also published today include proposals to make the changes listed above.

Listing Rules reform

2.24 Following the conclusion of the UK Listing Review, we launched a review of our Listing Rules to consider the recommendation made by Lord Hill's review. We have recently published our Policy Statement and final rules following extensive industry engagement. These rules will come into force on 29 July 2024.

2.25 We have taken the same general approach to our reform of listing rules and our implementation of the new regime for public offers and admissions to trading.

2.26 In both cases, we seek to ensure market effectiveness and market integrity, ensuring that regulation is proportionate for issuers and that investors have the information they need on the securities.

2.27 Requirements in the admissions to trading regime are interlinked with those set out in our Listings Rules in the following areas:

- financial information requirements at IPO and what were premium listing rules in relation to historical financial information requirements (including that for companies with complex financial histories)
- continuing obligations under the previous premium listing rules for issuers to hold shareholder votes and publish of circulars in relation to significant transactions and related party transactions, and
- financial information requirements also are related to the requirement to file annual financial reports in our Disclosure and Transparency Rules (see DTR 4.1)

2.28 The interlinkages with listings rules are discussed in more detail in Chapter 3 below.

How it links to our objectives

2.29 Our statutory objective is to make financial markets work well. The proposals we have set out seek to achieve this by balancing the information needs of investors and protection against fraudulent offers, with the ability of issuers to access public markets

and raise capital efficiently. In considering our own overarching objective, we will also seek where possible to promote the Government's own objectives for the POATRs, as set out in para 2.11 above. We assess our proposals against our operational objectives further below and noting the outcomes we seek to achieve.

Market integrity

- 2.30** Our proposals will act towards market integrity by ensuring appropriate and accurate information is available to investors, promoting efficient price discovery and allocation of capital in line with risk appetites. Specifically, our proposals in relation to protected forward-looking statements and sustainability-related disclosures may also increase the quality of information available to investors. More generally, by reducing disproportionate burdens, we hope to make the UK market more attractive to issuers and investors alike which we hope will improve market liquidity and function.

Consumer protection

- 2.31** Our proposals are consistent with our consumer protection objectives. We have considered carefully the impacts our proposals may have on consumers. As set out above, our approach to making changes to the regime for admissions to trading has been cautious. This has been guided, in part, by our concern that there may, otherwise, be potential harm for retail investors due to information asymmetry between issuers and investors about securities before they are admitted to trading.
- 2.32** In considering our proposals, we have looked at whether consumer testing may be appropriate eg of different prospectus summary requirements. However, given the complexity of the information included in the prospectus and the range of possible approaches to the prospectus document we did not consider that it would be possible to draw reliable conclusions from such testing.
- 2.33** The requirement that issuers provide investors with the 'necessary information' about the securities under the previous prospectus liability threshold is built into the POATRs regime where a prospectus is required. Further, the maintenance of the bulk of the prospectus requirements and the FCA approval process maintains consumer protections in this area.
- 2.34** As described above, we have set an objective of increasing participation in capital raising. Our proposal to change the 'six-day rule' is intended to remove an obstacle to issuers including retail investors in capital raising. Greater flexibility for issuers in relation to the summary may also allow them to make it more accessible for retail investors.
- 2.35** The proposed increase in the threshold for triggering a requirement for a prospectus for further issuances to 75% of existing share capital should also act to remove barriers to issuers including retail investors in these capital raisings. This should again increase participation of these investors.

Effective competition in the interests of consumers

- 2.36** Our proposals act to promote effective competition by proposing a large degree of consistency between the old and new regimes and by seeking to make changes where appropriate to make capital raising easier. In addition, we are promoting a level playing field through consistent rules and increased transparency in the market. This should allow investors to price securities more accurately.

Secondary international competitiveness and growth objective

- 2.37** Our proposals are consistent with our secondary international competitiveness and growth objective. As discussed above, we have inherited many of our current rules from EU legislation. In the main, we find that this regime works well and we have recognised calls from industry not to diverge unnecessarily due for example to the potential for higher costs to cross-border capital raising.
- 2.38** While the fundamental change in the POATRs should enable more proportionate regulation by allowing securities being admitted to public markets to be treated differently to public offers made outside markets, we continue to see benefits from having a prospectus, particularly for initial admissions to regulated markets. However, we have considered carefully where targeted adjustments could be made that would overall reduce costs for issuers (and in consequence investors) through the capital raising process while maintaining the high standards of the existing regime. For instance, our analysis suggests that there are opportunities to reduce our current requirements in relation to further issuances of securities already admitted to trading on a regulated market and that there may be ways to give issuers more flexibility in relation to working capital statement requirements.
- 2.39** We consider that these proposed changes would enhance the attractiveness of the UK's primary markets to issuers, enabling such issuers to more easily and efficiently raise capital, reducing the costs passed onto investors and further enabling growth in the UK financial markets and overall economy.
- 2.40** While we recognise that reducing costs is one aspect of promoting the market's attractiveness, we think international competitiveness can also be supported by maintaining our high standards. Well-regulated markets are necessary for investors to have confidence in the fairness and effectiveness of the market when choosing where to deploy their capital. We therefore have sought to maintain these key protections for investors through the high quality, comprehensive disclosure that is an integral feature of our current regime.

The consultation on the public offer platform

- 2.41** This consultation is linked with CP24/13 outlining our proposals in relation to the new public offer platform, which was also published today.

Environmental, social & governance considerations

- 2.42** In developing this Consultation Paper, we have considered the environmental, social and governance (ESG) implications of our proposals and our duty under s. 1B(5) and 3B(c) of FSMA 2000 to have regard to contributing towards the Secretary of State achieving compliance with the net-zero emissions target under section 1 of the Climate Change Act 2008 and environmental targets under s. 5 of the Environment Act 2021.
- 2.43** In this context, we consider that the sustainability-related disclosures in prospectuses for admission to a regulated market we are proposing under Chapter 6 may contribute to advancing the objectives referred to above above, by improving transparency of companies' climate-related risks and opportunities and supporting investors' ability to take this information into account in their investment decisions.

Equality and diversity considerations

- 2.44** We have considered the equality and diversity issues that may arise from the proposals in this Consultation Paper.
- 2.45** Overall, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010 (in Northern Ireland, the Equality Act is not enacted but other antidiscrimination legislation applies). But we will continue to consider the equality and diversity implications of the proposals during the consultation period and will revisit them when making the final rules.
- 2.46** We welcome your input to this consultation on our assessment.

The Consumer duty

- 2.47** The Consumer Duty will not apply to many primary market activities for the securities considered in this consultation. However, it will apply to some activities so, below, we set out some of the relevant considerations.
- 2.48** In relation to primary market activities:
- Institutions such as recognised investment exchanges, recognised clearing houses, settlement systems and trade repositories are not subject to the Consumer Duty where they are not authorised persons subject to our regulation.
 - Trading venues run by authorised persons are subject to the Consumer Duty unless an exemption applies. For example, there is an exemption in the retail market business definition that takes out of scope the offer and any associated promotional communications of securities meeting specified criteria.

- The Consumer Duty is likely to apply in relation to other activities for the same instruments. For example, a firm, such as a stockbroker, arranging transactions for retail customers would be subject to the Consumer Duty and would need to comply with the relevant rules.

2.49 In CP24/13, also published today, we have further discussion on the scope of the Consumer Duty in relation to the new regime for public offer platforms.

Chapter 3

Structure of the proposed sourcebook and requirements for admission to trading of securities on regulated markets

- 3.1** This Chapter sets out our proposed general approach to requirements for the admission to trading of securities on regulated markets and exemptions based on a starting point of requiring a prospectus in such cases. We also outline our proposals on the detailed content of prospectuses and rights and obligations related to producing a prospectus.

Structure and location of proposed rules

- 3.2** We set out our proposed rules in Appendix 1 of this CP. As stated earlier, we propose removing the Prospectus Regulation Rules sourcebook (PRR) from our Handbook and replacing it with a new 'Prospectus Rules: Admission to Trading on a Regulated Market' sourcebook (PRM). Rules for primary MTFs will be added as a new Chapter to our existing Market Conduct (MAR) sourcebook. The proposed rules for the new public offer platform, which were published today in CP24/13, are mostly in the Conduct of Business (COBS) sourcebook.
- 3.3** In implementing the new POATRs regime, we propose the following approach to the Handbook: that we set out our new rules in our Handbook in a new PRM sourcebook with detailed contents requirements set out as Annexes in the new PRM sourcebook, broadly similar to the current UK PR structure, although with the benefit of a more integrated single sourcebook versus separate assimilated regulations.
- 3.4** We consider that this structure will provide an easier way for stakeholders to understand applicable rules across each of the areas of the new regime.

Question 1: Do you agree with our proposed approach to the new Handbook as described above? Y/N. Please give your reasons.

Our general approach to admissions to trading on a regulated market

- 3.5** We set out below in detail our proposed requirements for admissions to trading of securities on regulated markets. Under Article 47 of the Markets in Financial Instruments Directive (2004/39/EC) the FCA was responsible for maintaining the list of regulated markets for which the UK is the Home Member State. A market may ask to be added to the list of regulated markets if it satisfies the requirements set out in Title III of MiFID. The list of UK regulated markets includes London Stock Exchange, Aquis

Stock Exchange, London Metal Exchange, ICE Futures Europe, CBOE Europe Equities Regulated Market with a focus on equities in some elements.

- 3.6** We note that the POATRs legislation retained and embedded the requirement that investors should be provided with 'necessary information' to make an investment decision by issuers who are seeking admission of securities to trading.
- 3.7** We recognise that there is well-established market practice, based on the existing regime, which uses the prospectus as the means by which the issuers provide this information. Industry feedback indicated that, in the main, there would be a strong preference to maintain this approach.
- 3.8** Therefore, we have started from a presumption that we will continue to require a prospectus for admissions to trading on regulated markets. We have then considered appropriate exemptions or amendments to disproportionate requirements related to the prospectus document thereafter.

The scope of exemptions in the new regime

- 3.9** Current exemptions to the requirement for a prospectus for admission to trading are set out in Article 1(5) of the Prospectus Regulation. Under the POATRs some of these exemptions are repurposed as exceptions to the prohibition on public offers.
- 3.10** However, the POATRs do not provide an exception to the requirement to produce a prospectus when securities are admitted to trading on a regulated market – the ability to specify those rules is delegated to the FCA by the POATRs. In our proposed rules, we will maintain those exceptions, for the most part, to remain consistent with the UK Prospectus Regulation.
- 3.11** These exceptions therefore include/ carry forward into the new regime the following:
- securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority [PR Art. 1(5)(c)]
 - shares issued in substitution for shares of the same class already admitted to trading on the same regulated market where the issuing of such shares does not involve any increase in the issued capital [PR Art. 1(5)(d)]
 - securities offered in connection with a takeover by means of an exchange offer, provided that a document is made available to the public containing information describing the transaction and its impact on the issuer [PR Art. 1(5)(e)] (see further question below about this exemption)
 - securities offered, allotted or to be allotted in connection with a merger or a division, provided that a document is made available to the public), containing information describing the transaction and its impact on the issuer [PR Art. 1(5)(f)] (see further question below about this exemption)
 - shares offered, allotted or to be allotted free of charge to existing shareholders, and dividends paid out in the form of shares of the same class as the shares in respect of which such dividends are paid, provided that the said shares are of the same class as the shares already admitted to trading on the same regulated

market and that a document is made available containing information on the number and nature of the shares and the reasons for and details of the offer or allotment [PR Art. 1(5)(g)]

- securities offered, allotted or to be allotted to existing or former directors or employees by their employer or an affiliated undertaking provided that the said securities are of the same class as the securities already admitted to trading on the same regulated market and that a document is made available containing information on the number and nature of the securities and the reasons for and detail of the offer or allotment [PR Art. 1(5)(h)]
- securities already admitted to trading on another regulated market, subject to certain conditions, principally that they have been admitted for 18 months or more on another regulated market and were subject to an approved prospectus or equivalent when admitted, ongoing obligations of that market have continued to be met and a further summary is provided to support the new admission [PR Art. 1(5)(j)] See further question below

3.12 Not included in the list above is the 20% exemption referred to in PR Art. 1(5)(a) relating to further issuances (including the exemption for the conversion or exchange of securities or the exercise of rights conferred by other securities below the threshold). This is discussed later in Chapter 4 of this document on further issuances.

Question 2: Do you agree with our proposed approach to maintaining the exemptions from the current regime in the future regime, as described above? Y/N. Please give your reasons.

Takeovers, mergers and acquisitions

3.13 Currently, in PR Art 1(5)(e) and (f), there is an exemption from the requirement to produce a prospectus for admission to trading where equity securities are offered in connection with a takeover, merger or division, provided that an exemption document describing the transaction and its impact on the issuer is made public.

3.14 There are no UK regulations about the content of these exemption documents. Therefore, when approving them, we have previously had regard to Commission Delegated Regulation (EU) 2021/528 of 16 December 2020. This provided that the exemption document must include the relevant information, which is necessary to enable investors to understand, amongst other things, the prospects of the issuer, and where relevant of the target, significant changes in the business and financial positions of specified entities since the end of the previous financial year, the rights attaching to the securities and a description of the transaction and its impact on the issuer. Going forward, we are considering providing guidance on what we consider to be the appropriate contents of an exemption document based as a starting point on the Commission Delegated Regulation (EU) 2021/528, through a Technical Note.

3.15 The disclosures in the exemption document can be largely the same as the information that must be included in a prospectus for the issue of equity securities, plus information on the target, the transaction and its effect on the issuer. The required disclosures are reduced where the securities are fungible with existing securities admitted to

a regulated market and the transaction is not a reverse. For example, only financial statements published over the previous 12 months need to be included. The required disclosures are reduced even further where the securities represent no more than 10% of existing securities admitted to a regulated market. In this case the information is limited to, amongst other things, a description of the transaction, the impact of the transaction on the issuer, business overview of the issuer and target and a working capital statement.

- 3.16** For a takeover, the exemption document must be approved by the FCA either if the securities are not fungible with securities already admitted to trading on a regulated market or the takeover is considered to be a reverse acquisition transaction within the meaning of paragraph B19 of International Financial Reporting Standard (IFRS) 3, as adopted through 'the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.
- 3.17** Under these arrangements the FCA does not consider whether or not an exemption should apply.
- 3.18** We propose to retain the exemption as set out above (under the UK Prospectus Regulation) as an exception under the new regime. However, we are interested in views on this and if we do seek to retain the exemption whether there are options for making the way in which it applies more effective.

Question 3: Do you agree with our proposed approach to the takeover exemption as described above? Y/N. Please give your reasons.

Question 4: Do you consider that we should publish guidance on what we consider should be the contents of exemption documents as described above in a Technical Note?

Transfers between regulated markets

- 3.19** Under the UK Prospectus Regulation Art. 1(5)(j), issuers are not required to publish a prospectus for transfers of securities between UK regulated markets, such as from the LSE Main Market to Aquis Stock Exchange Main Market.
- 3.20** We propose to retain this as an exemption under the new regime. However, we are interested in views on this and if we do seek to retain the exception whether there are options for making the way in which it applies more effective.

Question 5: Do you agree with our proposed approach to the exemption for transfers between regulated markets as described above? Y/N. Please give your reasons.

Exemption for credit institutions

- 3.21** We are also proposing to remove the exemption for non-equity securities issued in a continuous or repeated manner by credit institutions.

Excluded securities

- 3.22** Under the new regime, we have discretion as to whether or not to set requirements for a prospectus for the admission to trading of all transferable securities.

- 3.23** Under the UK Prospectus Regulation Art. 1(2), the securities listed below are excluded from the regulation.

- units issued by collective investment undertakings (other than closed-end ones)
- non-equity securities issued by regional or local authorities, by public international bodies of which a state is a member or by the Bank of England
- shares in the capital of the Bank of England
- securities unconditionally guaranteed by regional or local authorities government of any country or territory
- securities issued by non-profit associations, and
- non-fungible shares of capital whose main purpose is real estate

- 3.24** In the new regime, we have the power to make rules in connection with admission of all or some of those transferable securities – that is, we could make admission rules and require a prospectus with respect to the list of excluded securities above. Conversely, we can exclude the securities listed above from our requirements for a prospectus.

- 3.25** We are proposing to carry across all of the excluded securities into our new handbook rules, except for those issued by non-profit associations which we are proposing are not excluded securities.

- 3.26** The current prospectus regime exempts non-equity securities issued by any “public international bodies of which any state is a member” (PIBs). However, there is a misalignment with the Listing Rules, where Appendix 1 contains a definition of “public international bodies” that is simply a list of certain named entities.

- 3.27** We propose to remove the LR/UKLR Annex definition, and to reintroduce in the PRM a definition of “public international body”. We believe this would both provide clarity and remove the somewhat onerous process which PIBs that are not named in the LR definition currently must follow.

- 3.28** With regards to the non-profit associations, please see section below on the discussion on how this proposal will impact the requirement for a prospectus for non-profits going forward.

Question 6: Do you agree with our proposed approach to Public International Bodies as described above? Y/N. Please give your reasons.

Question 7: Do you agree with our proposed approach to the scope of excluded transferable securities as described above? Y/N. Please give your reasons.

Securities benefiting from government support equivalent to a guarantee

3.29 As noted above, currently, both non-equity securities issued by sovereigns and regional authorities, as well as securities unconditionally and irrevocably guaranteed by the government of a local or regional authority of any country or territory, are exempt from the UK Prospectus Regulation. Instruments of Islamic finance (sukuk) that benefit from the credit support of a sovereign but are issued by a special purpose vehicle are not exempt from the prospectus requirement, as they do not commonly benefit from an unconditional and irrevocable guarantee as prescribed in PR Art 1(2)(d). However, we have seen arrangements where there is a similar credit support arrangement compliant with Sharia law.

3.30 We are now proposing to expand the existing list of transferable securities exempt from our rules so that instruments of Islamic finance benefiting from an arrangement equivalent to a guarantee from a sovereign etc would also be exempt. We think that such an arrangement can only be said to have an equivalent effect (and thus result in the securities being exempt) if the economic effect of the structure is the same as that of an irrevocable and unconditional guarantee.

Question 8: Do you agree with our proposed approach to expand the currently exempted securities from UK PR Art 1(2) to include instruments of Islamic finance where an appropriate credit support arrangement exists? Y/N. Please give your reasons.

Further exceptions: non-profit making bodies

3.31 Currently, the UK Prospectus Regulation does not apply to securities issued by “non-profit making bodies, recognised by a state, for the purposes of obtaining the funding necessary to achieve their non-profit-making objectives”.

3.32 However, in the UK, under LR 4 / UKLR 23, these entities must publish listing particulars instead if they apply for their securities to be admitted to the Official List. The listing particulars must be in the format and contain the same minimum content as a prospectus. As a result, under the current regime, in order to have their securities listed, these issuers are required to publish a prospectus in all but name.

- 3.33** As part of the feedback to EP4, we have had requests that this obligation should be removed and non-profit-making bodies should be fully exempt from publishing any type of admission document (like eg sovereigns), whether prospectus or listing particulars.
- 3.34** As a starting point, to further regulatory clarity and simplicity, it seems desirable to align the prospectus and listing regimes in this regard: non-profit making bodies should either be required to publish a prospectus, or no admission document at all (neither a prospectus nor listing particulars) for admissions to regulated markets. However, this leaves the question of whether an admission document of some description should continue to be required.
- 3.35** At present we see no obvious reason why non-profit making bodies, which can have similar risks to commercial entities and can raise significant capital, should not be subject to the prospectus obligations which provide information to investors. We note that this would also be consistent with current market practice.
- 3.36** We therefore propose that not-for-profits admitted to a regulated market should be subject to the prospectus requirement and thereafter aligning the prospectus rules and Listing Rules so that no listing particulars are separately required.
- 3.37** If we proceeded with this approach, we would look to delete UKLR 23 - Listing particulars for professional securities market and certain other securities as a consequential change and make other amendments as necessary elsewhere in the UKLRs to reflect the discontinuation of Listing Particulars, although we have not provided the drafting for this change at this stage.

Question 9: Do you agree with our proposed approach of removing the exception for not-for profit making bodies? Y/N. Please give your reasons.

Contents requirements for a prospectus for admission to trading on a regulated market

Requirements for a summary

- 3.38** Feedback during our engagement process supported a less prescriptive approach to the detailed requirements for a summary set out in the prospectus regulation.
- 3.39** We have considered carefully how we might do this recognising that the summary may be important in making prospectuses accessible for retail investors and that there is a core of information that we would expect issuers to include in the summary. We also understand that in practice the market may seek to have a standard document which can provide comparability across prospectuses.
- 3.40** We also propose reducing the prescribed contents requirements from those previously set out in our rules by removing the requirement for detailed financial information in the summary and allowing issuers to include cross referencing and incorporation by

reference into the prospectus. Details of these proposed requirements can be seen in Appendix 1.

- 3.41** While we propose to continue to set a mandatory page limit to the summary, we propose increasing this limit from 7 pages to 10 pages.

Question 10: Do you agree with our proposed approach to revising the requirements for a summary as described above? Y/N. Please give your reasons.

Incorporation by reference

- 3.42** We have considered whether or not to make incorporation by reference mandatory in order to reduce the size of the prospectus. However, feedback from stakeholders was overwhelmingly against this proposal.
- 3.43** Therefore, we have decided to propose to continue to allow discretionary incorporation by reference and cross referencing, but not to make it mandatory.

Question 11: Do you agree with our proposed approach to incorporation by reference? Y/N. Please give your reasons.

Financial information requirements

Financial information requirements

- 3.44** In our Listing Rules reform Policy Statement in Chapter 3 we confirmed that we have removed premium listing requirements for historical financial information and for a 3-year revenue earning track record and for an unqualified working capital statement from the reformed Listing Rules.
- 3.45** This decision followed feedback which was supportive of removing the premium listing requirements subject to our retention of financial information requirements in the prospectus. Respondents to our Consultation Paper CP23/31 also requested that we publish additional guidance on the information which companies with a complex financial history (eg those with an acquisitive business model) should provide to the FCA in submitting prospectus applications. Please see Paragraph 3.66 for further details on this.
- 3.46** Historical financial information requirements set out in Item 18.1.1 to the PR Regulation require that issuers include 'audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation)' and the audit report in respect of each year for the last 3 years for issuances of equity securities and 2 years for issuers of non-equity securities in the summary. Further detailed requirements are as follows.
- Where the audited financial information is prepared according to national accounting standards, include at least the following: (a) the balance sheet; (b) the

income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes.

- If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.
- The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document; (b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document. This difference in timing reflects the additional assurance that investors get from the auditing of the financial statements and gives issuers additional time for this audit process.
- If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, include these in the registration document.
- The historical annual financial information must be independently audited.
- In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of pro forma financial information.
- A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement. The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.
- Information on any governmental, legal or arbitration proceedings during a period covering at least the previous 12 months which may impact on the group's financial position or profitability.
- Any significant change in the issuer's financial position.
- Share capital information.
- Information on material contracts

3.47 We propose to carry forward these financial information requirements into the new regime however we propose to consider further our requirements in relation to the working capital statement as described later in this section.

3.48 With respect to the requirements relating to the auditing of historical annual financial information, we propose to clarify that any material uncertainty relating to going concern, or any other matters reported on by exception, be reproduced in full.

Question 12: Do you agree with our proposed approach to carry forward financial information requirements? Y/N. Please give your reasons.

Question 13: Do you agree with our proposal to clarify requirements relating to material uncertainty regarding going concern and other matters reported on by exception? Y/N. Please give your reasons

Inclusion of quarterly financial information

3.49 In EP 1 we sought feedback on whether we should require issuers to include quarterly financial information in the prospectus for admission to trading on a regulated market.

3.50 In light of feedback that was heavily against this we have decided not to proceed with a proposal on this.

The working capital statement

3.51 We have considered whether to take forward requirements for a working capital statement into our new rules.

3.52 Article 12 (Annex 11, Item 3.1), Article 13 (Annex 12, Item 3.3), Article 14 (Annex 13, Item 1.1) and Article 30 (Annex 26, Item 2.1) of the PR Regulation stipulate that the working capital statement can either reflect that the issuer has sufficient working capital to meet its present requirements or that it does not have sufficient working capital to do so, read in light of the duration of the validity of the prospectus established in Article 12 of the Prospectus Regulation.

3.53 Technical Note 619.1 provides guidelines on how issuers may follow these requirements including that issuers should consider a worst-case scenario and whether the issuer has sufficient financial headroom to finance its activities under this scenario.

3.54 The Secondary Capital Raising Review was critical of how these requirements (eg for a worst case scenario) may lack clarity and that they may impose additional costs and time delays on issuers seeking to raise capital on UK markets.

- 3.55** Other stakeholders have said that certain costs imposed on issuers preparing working capital statements are unnecessary. Additional costs are incurred because issuers cannot rely on due diligence undertaken to prepare viability and going concern disclosures as the basis for working capital statements. This is because working capital statements prepared under current FCA guidance often require due diligence exercises to be carried out under a different basis of preparation and with different inputs and assumptions to the exercise carried out for viability and going concern disclosure purposes.
- 3.56** We have had feedback that the statements without accompanying disclosures which set out the assumptions on which those statements are based are less useful for investors than statements which do contain such disclosures. They are also different than viability and going concern disclosures prepared for the purpose of annual financial statements, which include disclosures on areas of significant judgement as required under IAS 1.
- 3.57** We understand that issuers often seek to secure additional finance facilities early in the process of capital raising in order to be able to provide a clean working capital statement in a prospectus. This also increases the costs for issuers of publishing a prospectus. A working capital statement accompanied by disclosures on assumptions could reduce the need to incur such costs by increasing the transparency of the basis on which the working capital statement is made. During the Covid period, we allowed issuers to include disclosures detailing assumptions relating to the Covid pandemic alongside working capital statements and we are not aware of any major concerns raised by investors as a result.
- 3.58** However, we have had other feedback that working capital statements are an important component of the necessary information that investors need to make an informed assessment of the securities. By aligning the working capital due diligence exercise and disclosure more closely with that currently associated with viability and going concern, the level of investor protection provided by the working capital statement will be reduced. This is because increased responsibility will be placed on investors to assess the appropriateness of the significant judgements made in preparing the working capital statement, instead of investors being able to rely solely on the confirmation as to the adequacy of the issuer's working capital position provided by the directors of the issuer.
- 3.59** In light of this feedback, we would like to consider in more depth the potential impact of changes to the working capital statement requirement before proposing any changes in this area. We are interested in views about potential changes in this area - particularly more detail on the cost of preparation for issuers or the costs/risks or benefits for investors if alternative practices were adopted.
- 3.60** We propose to retain the current requirement to include a working capital statement in a prospectus, but we are seeking views whether or not we should allow issuers to disclose significant judgements made in preparing the working capital statement, including the assumptions the statement is based on and the sensitivity analysis which has been performed. We also seek views on whether issuers should be able to base the working capital statement on the underlying due diligence performed for the purposes of viability and going concern disclosures in its annual financial statements.

Question 14: Do you agree that we should retain the current requirement for a working capital statement in a prospectus? Y/N. Please give your reasons.

Question 15: Do you consider that we should allow issuers to disclose significant judgements made in preparing the working capital statement, including the assumptions the statement is based on and the sensitivity analysis which has been performed? Y/N. Please give your reasons.

Question 16: Do you agree that we should allow issuers to base the working capital statement on the underlying due diligence performed for the purposes of viability and going concern disclosures in its annual financial statements? Y/N. Please give your reasons.

Pro forma requirements and recency of financial information

- 3.61** Under current rules, pro forma financial information is required where a significant gross change would take place due to the transaction being made. We propose to retain the requirements for pro forma information as set out in Annex 20 of the UK PR Regulation.
- 3.62** Feedback to our consultation on CP23/31 on our listing rules proposals also suggested that some respondents considered that we should include requirements related to the age of financial information which had been included in premium listings rules in our prospectus requirements. These requirements which were that information on the balance sheet had to be no more than six months before the date of the prospectus or listing particulars for the relevant shares; and nine months before the date the shares are admitted to listing. They have now been removed from our listing rules but we are interested in views on whether or not they should be put into our rules in the new public offers and admissions to trading regime.

Guidance for companies with complex financial histories

- 3.63** In providing feedback to our engagement papers a number of stakeholders have requested that we publish additional guidance for companies with complex financial histories on the financial information they need to provide the FCA in the prospectus.
- 3.64** Feedback suggests that this guidance may save issuers costs and time in the preparation of the prospectus and in the process of FCA approval of it.
- 3.65** We have had similar feedback when consulting on our proposals in relation to primary market effectiveness. While stakeholders supported our proposal to remove requirements for 3 years of historical financial information, which had been set in premium listing rules, some caveated their support that we should also provide this guidance as well as maintain financial information requirements set in the Prospectus Regulation in our new rules.

3.66 In light of the feedback from stakeholders, and to assist issuers in their applications we have provided draft guidance as an annex to this CP. We are interested in the views of stakeholders on this guidance.

Question 17: Do you agree with our proposed approach to give additional guidance for companies with a complex financial history? Y/N.

Question 18: How far do you consider the draft guidance attached to this CP would be useful for companies and their advisors? Y/N.. Please give your reasons including any proposals you may have to change the draft guidance.

Question 19: Do you consider that we should include requirements related to the age of financial information in prospectus requirements? Y/N. Please give your reasons.

Responsibility in the new regime

3.67 We propose to carry across the responsibility from the existing prospectus regime in PRR 5.3 to our draft rules in the new PRM sourcebook, where appropriate. For example the responsibility of not only the issuer but, in the case of equity securities where the issuer is a body corporate, directors and senior executives of any executive management company of the issuer, and anyone who accepts responsibility for the prospectus. There is no change to the current regime that directors and senior managers are not responsible for non-equity prospectuses.

3.68 Under the POATRs, the obligation to produce a prospectus relates only to admissions to trading. Therefore, we do not propose retaining the provisions in PRR 5.3 that relate to an offeror who is not the issuer. Similarly, we do not envisage a scenario where someone other than the issuer will be requesting admission and accordingly we do not propose retaining the provisions in PRR 5.3 that relate to this scenario.

Question 20: Do you agree with our proposal to largely retain the responsibility regime from the existing provisions? Y/N. Please give your reasons including any proposals.

The 'six-day' rule

3.69 Under the UK Prospectus Regulation, Article 21 as currently reproduced in PRR 3.2.1 of our rules states:

'Once approved, the prospectus shall be made available to the public by the issuer, the offeror or the person asking for admission to trading on a regulated market at a reasonable time in advance of, and at the latest at the beginning of, the offer to the public or the admission to trading of the securities involved.'

In the case of an initial offer to the public of a class of shares that is admitted to trading on a regulated market for the first time, the prospectus shall be made available to the public at least six working days before the end of the offer.'

- 3.70** We have considered carefully whether the 6 working days as required should be 3 working days as recommended by the SCRR.
- 3.71** The SCRR analysis suggested that the current 'six-day rule' rule is a significant barrier to issuers involving retail investors in capital raising as issuers. This is because of the delay that this rule imposes on these issuers and the loss of control of the exact timing of the issuance.
- 3.72** As stated above, promoting greater participation is one of our aims in implementing the new regime.
- 3.73** Further, our analysis of the costs and benefits of our proposals also suggests that issuers' control of the timing of their issuances is important for maximising the price and take up of the issuance.
- 3.74** We consider also that, given changes in technology, 3 working days should now be sufficient time for investors to review the prospectus, which is available online and that a change to this rule will not create risks for investors.
- 3.75** In light of analysis above, we propose that there should now be 3 working days required for a prospectus to be made public before shares can be admitted to trading at initial public offer.

Question 21: Do you agree with our proposal to change the requirement that a prospectus be made available to the public for 6 working days for admissions of securities at IPO to 3 working days? Y/N. Please give your reasons.

Chapter 4

Further issuances of equity securities already admitted to trading on a regulated market

- 4.1** In this Chapter we set out our proposed approach to requirements for further issuances of equity securities. These are issuances by issuers who already have equity securities admitted to trading on regulated markets. We address non-equity securities in the following chapter.

Feedback to previous engagement

- 4.2** We received feedback during our engagement process that we should be bold and consider significantly reducing the disclosure requirements for further issuances of equity securities already admitted to trading. The argument was made that there was substantial information in the market for securities already trading on the market and therefore there was less likely to be information asymmetry between issuers and investors which needed to be addressed through further disclosure in a prospectus.
- 4.3** Suggestions varied on how to achieve a suitable outcome but a key one was to raise the threshold of issuance size above which a prospectus was required for further issuances. Engagement was mixed about this and no clear consensus around the level of that threshold was reached.
- 4.4** Some larger issuers voiced concerns about setting a threshold too high, although this appeared to be linked to wanting to retain the ability to have an FCA approved prospectus which may be useful when offering securities into US markets. Some issuers stated that, if a higher threshold were agreed, they wanted the option to continue to publish a voluntary prospectus which would be approved by the FCA for similar reasons.
- 4.5** However, others, often representing smaller issuers, were more supportive of a more radical increase to the threshold.

The analysis contained in the Secondary Capital Raising Review (SCRR)

- 4.6** The SCRR made a number of recommendations (set out in Chapter 2 of this CP) to facilitate secondary capital raising. It made the following specific recommendation with regards to further issuance:

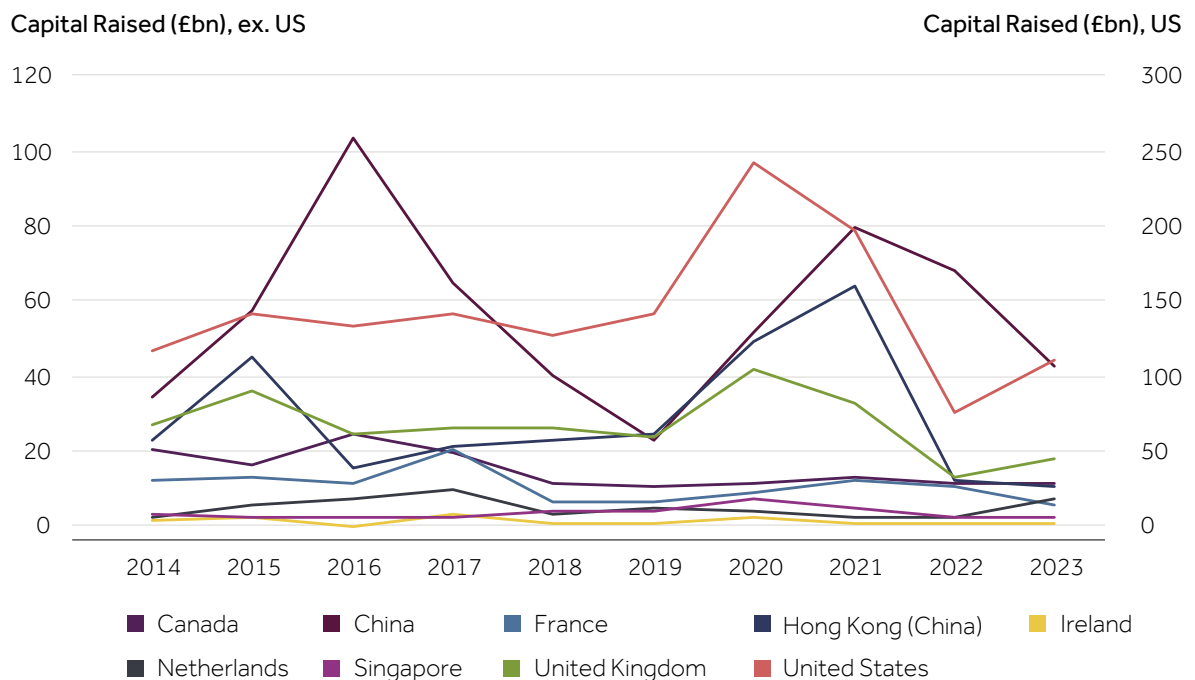
“Reduce regulatory involvement in larger fundraisings ... the threshold at which a prospectus should be required for an admission of shares to trading should be raised materially from the current 20% threshold, meaning that prospectuses that are

inherently duplicative of a company's existing market disclosure should not be needed on most fundraisings. It is recommended that the threshold should be linked to where an issue of shares of at **least 75%** of the existing share capital is involved."

Relevant data on further issuances

- 4.7** To develop our policy in this area further we have considered relevant data including that on further issuances, on the number of prospectuses and exemptions used by issuers.
- 4.8** Capital raised by further issuances in the UK and in comparative jurisdictions is shown in Figure 2 below:

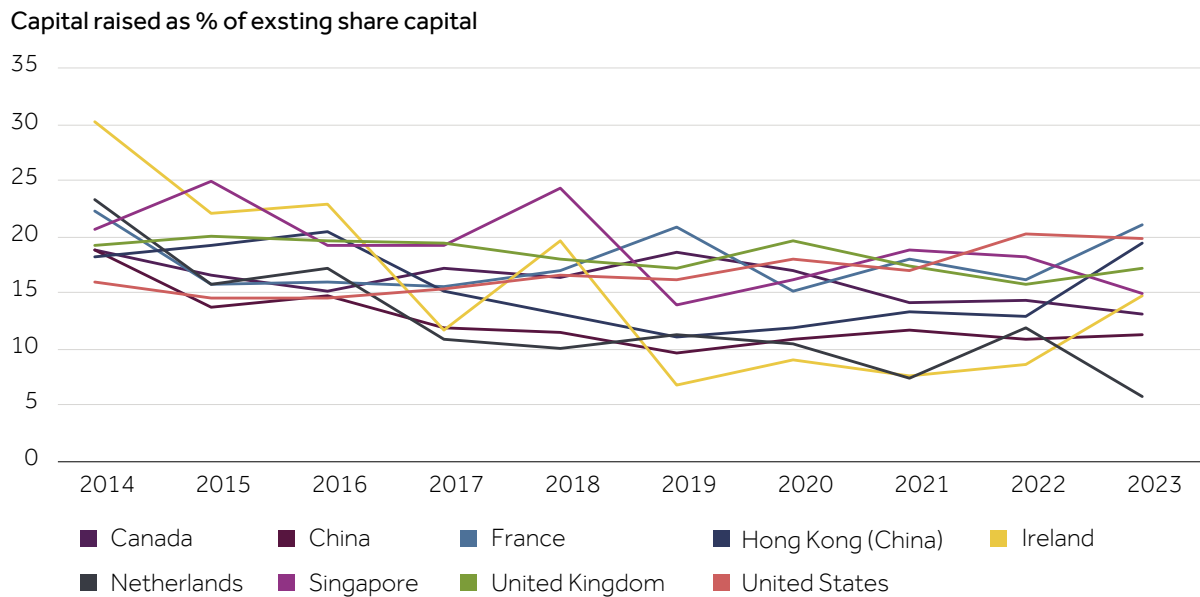
Figure 2: Further issuance capital raising by country 2014-2023



Source: LSE data

- 4.9** This shows that over this period the UK market has continued to be the largest market for further capital raising in Europe although this differential reduced from 2019 onwards apart from the period of the covid pandemic during which further capital raising rose significantly. Looking at the proportion of capital raising through further issuance as a % of company existing share capital we see the following as in Figure 3 below:

Figure 3: further issuance capital raising as a proportion of existing share capital



Source: LSE data

- 4.10** From this data we can see that UK further issuances averaged between 15-20% of company share capital between 2014-2023 with the highest proportions of 20% in 2015 and of 19.6% in 2020 during the covid pandemic. In 2023 this was lower than the proportion in the US, Hong Kong and France.
- 4.11** At first glance this could suggest some grouping at the largest amount of capital raising possible below the threshold for a prospectus of 20%.
- 4.12** Anecdotally we are aware that issuers have tended to use exemptions (such as being below the 20% threshold) rather than publish a prospectus.
- 4.13** There were exemptions used 6,071 times between September 2018 and 22 December 2022. Whereas from 2015 to 2024 there were 4,155 prospectuses published related to further issuances.
- 4.14** Our data suggests that the associated costs of publishing an equity further issuance prospectus could be in the region of £500k for a smaller issuance to approaching £1m (or over) for larger issuances. We have estimated that the average costs of such a prospectus would be around £200k for an issuance by closed ended investment funds that they could be up to £500k for more complex documents and also where there are other factors at play (which are not just costs of the prospectus itself).

Our proposed approach for commercial companies with regards to further issuance

- 4.15** As set out in EP 2, we have considered that there are less likely to be concerns about information asymmetry where securities are already admitted to trading on a regulated market. This is due to the information already available to the market on these securities

through other regulation such as the disclosure and transparency rules and the market abuse regulation.

- 4.16** Given this, we do not consider that there is a strong rationale for retaining prospectus requirements for further issuances unless these issuances are of a scale or nature that means that existing continuous obligations for disclosures by issuers may not give investors clear information about their current situation and potential prospects. This could occur if the capital raising was intended for rescue financing or transformation purposes by the issuer eg a major acquisition which could impact the core business of the issuer.
- 4.17** We note the points made by the SCRR about the impact of prospectus requirements both on issuers' costs of further issuances, on their control over the capital raising process and on their involvement of retail investors in capital raising.
- 4.18** However, we note that some larger issuers have asked that we retain the possibility that they can publish a voluntary prospectus in order to demonstrate a level of compliance with US requirements where they are also issuing the securities in the US.
- 4.19** Further we note that our proposals here will also interact with issuers' Companies Act requirements and the Investment Association's Share Capital Management Guidelines, where it is stated that Members will regard as routine an authority (to Directors) to allot up to two-thirds of the existing issued share capital.
- 4.20** Given the above, and the results of our cost-benefit analysis on this issue, which points to potential costs savings in relation to raising the threshold and other benefits for issuers in making their capital raising easier, we propose the following:
- raising the threshold from the current 20% of existing share capital (for additional securities fungible with securities already admitted to the same regulated market) for triggering the requirement for a prospectus to a new threshold of 75% as recommended by the SCRR, and
 - continuing to allow issuers to publish a voluntary prospectus for approval by the FCA
- 4.21** Under our proposals, issuers would still be able to use a simplified or full prospectus for further issuances below the threshold which would still be considered and approved by the FCA.

Question 22: Do you agree with our proposal to raise the threshold for triggering the requirement to publish a prospectus for further issuances of securities already admitted to trading on a regulated market to 75% of existing share capital? Y/N. Please give your reasons.

Question 23: Do you agree with our proposal to retain the requirement to use a simplified or full prospectus for further issuances of securities already admitted to trading on a regulated market, where not exempt or if issuers wish to produce a voluntary prospectus? Y/N. Please give your reasons.

Possible supplementary approach to further issuances by companies in financial difficulty

- 4.22** While we are consulting on draft rules based on the above threshold, which has the advantage of simplicity and sets an objective metric, we recognise there may be instances where further issuances may be raising funds for rescue financing, even if an issuer seeks to raise less than 75%. Such cases may pose heightened risks for investors, which may warrant regulating to require a prospectus document in such cases to provide comprehensive information and liability. At the same time, it would impose extra cost and time delay on an issuer faced with a potentially urgent situation, and, in most cases, they may be raising 75% or more anyway.
- 4.23** We would be interested to seek views on whether a rule whereby we would require issuers to notify us in certain cases such as rescue financings, based on which we would also have discretion to require them to publish a prospectus, may be appropriate. Alternatively, if a clear definition of such capital raisings could be created, we could look to set a further qualitative basis for requiring a prospectus for exceptional capital raisings below 75%.
- 4.24** Given the potential ambiguity of defining, or leaving to issuers to assess, whether a situation is one of financial difficulty, we have not proposed any specific rule(s) at this stage. However, we welcome further views on this in response to this CP, including on any potential definition of financial difficulty or similar terms we could use to establish this type of requirement while giving reasonable certainty as to its scope for market participants.

Question 24: Do you agree with a potential proposal to require issuers to notify us if the further issuance relates to rescue financing even if below the 75% threshold, based on which we may also require a prospectus? Y/N. Please give your reasons or provide any alternative approaches we could consider.

Applications to list further issuances of securities

- 4.25** We also plan to consult later on proposals to make minor adjustments to our Listing Rules to improve the applications process. This will include consideration of a proposal to remove from the listing regime the requirement for an application to the FCA for listing in relation to list further issues of securities.

Our proposed approach for further issuances by funds

Feedback to previous engagement

- 4.26** We have received mixed views on fund-specific disclosures. Some respondents favour a more bespoke approach to funds due to their specificities.

- 4.27** Respondents suggested a range of approaches from an exemption from publishing a prospectus to setting a higher threshold for a requirement to publish a prospectus. Other respondents favour keeping the existing requirements, despite suggesting some targeted amendments (eg, modification of simplified prospectus contents and format and of that of universal registration documents, etc).
- 4.28** Overall, respondents representing the funds sector tended to support a higher threshold for the purposes of further issuances of shares in investment companies, versus the more mixed views received from stakeholders representing commercial companies.
- 4.29** We understand that the costs of publishing a prospectus for a further issuance by funds are lower than those for commercial companies publishing an equity prospectus as described above. Typically, a closed-end investment fund (CEIF) would have a recent prior prospectus to leverage. There is also less likely to be a requirement for a reporting accountant to undertake work needed to add financial disclosure to the document (eg no pro forma required for CEIFs and a more limited scope of engagement for working capital statements).
- 4.30** According to our data, there are around 50 prospectuses for further issuances by funds each year.
- 4.31** Feedback has also suggested that some issuers such as Venture Capital Trusts (VCTs) value the ability to publish a prospectus which they consider provides valuable information for their (predominately retail) investor base. We understand also that the average costs for VCTs publishing a prospectus may be lower at around £100K per prospectus than typically for commercial companies publishing a simplified prospectus.
- 4.32** Therefore, we propose to retain the requirement for funds to publish a prospectus for further issuances of securities already admitted to trading on a regulated market. However, we propose to raise the threshold for prospectuses for further issuances by equity funds to 75% of the existing share capital of the fund. We propose to continue to allow funds to publish a voluntary prospectus below this threshold.

Question 25: Do you agree with our proposal to retain the requirement to publish a prospectus for further issuances of funds already admitted to trading on a regulated market? Y/N. Please give your reasons.

Question 26: Do you agree with our proposal to raise the threshold for triggering the requirement to publish a prospectus for further issuances of securities by closed-ended investment funds already admitted to trading on a regulated market to 75% of existing share capital and to allow these funds the options to publish a voluntary prospectus? Y/N. Please give your reasons.

Chapter 5

Requirements for admission to trading of non-equity securities on regulated markets

- 5.1** This Chapter outlines our proposals related to more specific aspects of prospectus obligations for non-equity securities that are being admitted to a regulated market.
- 5.2** We intend to bring forward a separate CP in late Q4 2024 on proposals to make it easier to include retail investors in non-equity fund raising by removing barriers to issuance of low denomination bonds.

Feedback to previous engagement

- 5.3** In EP 4, we asked stakeholders for feedback on how we may improve the regime for admissions of non-equity securities to regulated markets and related prospectus requirements under the new POATR framework. Among other things, we asked for views in relation to the following matters:
- We asked for stakeholders' views on the exemptions from the requirement for a prospectus in the context of wholesale debt capital markets.
 - Whether the current UK prospectus regime broadly works well in the context of wholesale, debt capital markets and whether there are any areas that work less well and that we should consider amending?
 - Whether disclosure requirements for secondary issuances of non-equity securities should be revised?
- 5.4** The feedback we received on these questions and our resulting proposals are discussed below.

Making debt programmes more effective

Forward incorporation by reference of historical financial information

- 5.5** As noted in EP4, under the current regime, an issuer can incorporate by reference certain previously published regulated information in its prospectus. We suggested that the rules could be amended to permit "forward incorporation" of historical financial information: that is, a prospectus could include a statement that specific named items of financial information are deemed to be incorporated by reference into the prospectus if and when those items are published.
- 5.6** Under the current regime, this is not possible. Instead, an issuer that wishes to update its prospectus by incorporating newly published financial information needs to prepare

a supplementary prospectus which must be approved by the FCA and published. As a result, issuers that maintain base prospectuses that allow them to issue bonds on an ad hoc basis over the course of the base prospectuses' 12 months validity will tend to produce at least one supplementary prospectus during that time. Allowing future financial information to be incorporated without the need for a supplementary prospectus is our preferred outcome of minimising costs for issuers. As the information in question is also predictable and accessible, we do not see any additional cost or loss of information for investors.

5.7 This proposal was generally supported by stakeholders in the engagement process.

5.8 Based on the reasons above and the feedback received, we therefore now propose to permit issuers to include language in their base prospectuses whereby certain future financial information is deemed incorporated by reference if and when this information is published through a regulatory information service (RIS). We consider that this should be on voluntary basis, that is, we should permit issuers to use supplementary prospectuses instead if they prefer. When future financial information is incorporated by reference in this way, investors will not be entitled to mandatory withdrawal rights under our rules (unlike when issuers amend prospectuses via supplementary prospectuses). However, issuers remain free to grant withdrawal rights voluntarily.

Question 27: Do you agree with our proposed approach to permit issuers to use future incorporation by reference of financial information, including the option for issuers to use supplementary prospectuses for this purpose? Y/N. Please give your reasons.

Supplementary prospectuses

5.9 Under the current regime, whilst the information in a prospectus can (and in some instances must) be updated by means of a supplementary prospectus, that route is not available in all situations and for all types of updates. Rather, there are limits as to when and for what kinds of revisions and amendments a supplementary prospectus may be used. For other updates, a so-called drawdown prospectus must be produced (ie a full prospectus), or the prospectus must be updated in its entirety. This applies for instance where issuers seek to add a new class of security to a base prospectus; currently, supplementary prospectuses may not be used for this purpose.

5.10 As part of the engagement process, we have been asked to allow for a more flexible supplement regime for base prospectuses to ensure that issuers have flexibility and to prevent the need for having a drawdown prospectus where it does not add value. This would include the ability to add a new type of security to a base prospectus via a supplementary prospectus (rather than drawdown prospectus).

5.11 We propose changing the rules around supplementary prospectuses to make them more flexible, subject to certain limitations. We think this flexibility may be appropriate to supplement base prospectuses for certain purposes, eg for issuers to add the ability to issue green bonds. By contrast, we do not think it should be used to add the ability to issue asset-backed securities or securities with a derivative element to a prospectus,

due to these securities' inherent complexity and the amount of additional information required. In this situation, we would still want a full prospectus to be published to ensure the prospectus contains all the information necessary for the investor, presented in a way that is clear and can be easily understood by investors.

Question 28: Do you agree with our proposed approach to give issuers of non-equity securities more flexibility in relation to supplementary prospectuses? Y/N. Please give your reasons.

Further issuances

- 5.12** We asked if disclosure requirements for secondary issuances should be revised, and for feedback on the options discussed in EP1.
- 5.13** Most respondents doubted the utility of a bespoke simplified disclosure document when issuers are able simply to use base prospectuses together with final terms.
- 5.14** In view of this feedback and the lack of utilisation of the current option to produce a simplified prospectus for further issuances of non-equity securities, the proposed new rules do not include an option to use a, simplified document for secondary issuances of non-equity securities. Base prospectuses are the preferred option for stakeholders and so there is no need to increase regulatory complexity by adding or keeping additional options that may well never (or hardly ever) be used.
- 5.15** We consult above on allowing further issuances of fungible securities without a prospectus for up to 75% of securities already admitted to trading. We propose that the same threshold apply for further issuances of fungible non-equity securities albeit recognise it is unlikely that this will apply in practice for non-equity where other exceptions are likely to be relied on.

Question 29: Do you agree with us not carrying over the option to produce a simplified prospectus for further issuance of non-equity securities? Y/N. Please give your reasons.

Question 30: Do you agree with our proposed approach raise the threshold to 75% for further issuances of non-equity securities already admitted to trading? Y/N. Please give your reasons.

Chapter 6

Sustainability related disclosures in prospectuses for admission to trading on a regulated market

- 6.1** This Chapter outlines our proposals for the disclosure of sustainability-related information in the prospectuses of issuers of securities admitted to trading on a regulated market.
- 6.2** This includes updates to our rules and guidance to apply to issuers of equity securities, as well as specific proposals for issuers of sustainability-labelled debt instruments, such as Use of Proceeds (UoP) bonds and Sustainability-Linked Bonds (SLBs). We also include a section seeking initial views on whether we should further clarify our expectations for specialist issuers such as mineral companies.

Background to our proposals in this area

- 6.3** Companies raising capital may face a wide range of sustainability-related risks and opportunities that affect their future prospects, such as the effects of climate change and biodiversity, or the impact of labour and human rights issues. Disclosure of consistent, reliable, sustainability-related information in the prospectus is important to ensure that investors have a full understanding of the prospects of the companies in which they invest and can make decisions aligned with their risk appetite and capital allocation preferences. In turn, this can support market functioning by enabling more accurate pricing. It may also benefit issuers by enabling them to access a deeper pool of capital or gain better funding terms based on their sustainability profile.
- 6.4** The FCA has previously provided guidance on the circumstances under which an issuer may need to disclose sustainability-related information in Technical Note 801.2 (TN 801.2). This includes a high-level expectation that issuers disclose information under the necessary information test, as well as specific references to risk factors and annexes of the PR Regulation – covering areas such as the regulatory environment and the impact of environmental issues on tangible fixed assets.
- 6.5** However, as set out in Engagement Papers 1, 3 and 4, we believe as part of the new regulatory framework there are opportunities for us to update our expectations to reflect the development of new disclosure standards such as the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, the International Sustainability Standards Board (ISSB) Standards and the Transition Plan Taskforce (TPT) Disclosure Framework. We are also proposing to update our rules to reflect the increasing use of sustainability-labelled debt instruments such as UoP bonds and SLBs.

Feedback to previous engagement

- 6.6** In Engagement Papers (EP) 1, 3 and 4 we asked for views on the inclusion of sustainability-related information in the prospectus.
- In EP 1 we asked whether we should provide further direction on the appropriate sustainability-related information to be disclosed in the prospectus either through rules or guidance. We also asked about what form this should take including whether we should aim to align requirements or guidance with wider frameworks such as the TCFD, the ISSB Standards and the TPT Disclosure Framework, and whether to differentiate between issuers of different instruments and across sectors in our requirements.
 - In EP 3 we asked whether we should allow sustainability-related disclosures to be designated as protected forward-looking statements (PFLS) and, if so, what types should be included.
 - In EP 4 we asked for feedback on how to best bridge the gap between the prospectus of green, social or sustainability debt instruments and other relevant documents (the so-called 'bond frameworks') and what kind of additional disclosures in prospectuses may be useful to investors. We also asked stakeholders whether they would favour a more high-level type of regulatory intervention between the two types of documents or if they preferred more specific disclosures, and how different types of sustainability-labelled debt instruments could affect their preferences.
- 6.7** As set out in our [summary of engagement feedback](#) we received 20 written responses which addressed at least one of these areas. Most of the 15 respondents to EP 1 agreed that further measures would be helpful to provide greater clarity to issuers over what sustainability-related information should be included within the prospectus. Responses were split evenly as to whether this was best achieved through disclosure requirements or guidance. Only 4 responses specifically addressed the issue of whether the requirements or guidance should extend beyond equity to debt prospectuses – there were 3 in favour and one against. Few responses specifically addressed the question of whether requirements should be tailored to different industries; however, we received 2 responses arguing that the FCA should introduce additional requirements for mineral companies, including recommendations for changes to the expectations for specialist issuers and the Competent Person's Report.
- 6.8** Most of the 15 responses to EP 3 supported the inclusion of sustainability-related information within the scope of PFLS. Responses generally favoured allowing sustainability-related information to be eligible to be PFLS, subject to the same requirements for other types of forward-looking information. In line with this feedback, we have proposed including sustainability-related information within PFLS subject to the wider PFLS criteria, as set out below and in Chapter 7.
- 6.9** For EP 4, we received 6 responses. The most important common theme from written feedback was that respondents generally agreed with a greater alignment between prospectuses and bond frameworks for green, social, sustainability or sustainability-linked debt instruments. In the engagement paper, we set out two approaches to framing potential new requirements: either a high-level requirement on whether and how the bond has been issued in line with a bond framework and the industry standards

it had been aligned with, or more detailed requirements tailored to UoP and SLB bonds specifically. We received mixed views on the level of detail we should require. Three of the 6 respondents favoured a more granular approach to aligning prospectuses with bond frameworks for both UoP bonds and SLBs, one favoured higher level requirements for both, and one favoured more detailed requirements for UoP bonds but not for SLBs arguing that the UoP bond market is more established. The final respondent did not express a preference.

Our proposed approach

General requirements for sustainability disclosures in prospectuses

- 6.10** Companies that are required to produce a prospectus are subject to the necessary information test, which could include the disclosure of material sustainability-related information. Our proposals aim to supplement the general content requirements with specific minimum expectations around the presentation of material sustainability-related information. We expect that this will lead to more transparency and consistency in reporting of sustainability-related information and provide issuers with clarity on the information which they are expected to disclose.
- 6.11** We are proposing these requirements at a time when the reporting landscape for sustainability disclosures is continuing to evolve. In particular, the Listing Rules currently include requirements referencing the TCFD Recommendations and Recommended Disclosures and we have indicated our intention to consult on updating these rules to refer to the ISSB standards (IFRS S1 and S2) in due course, following the conclusion of the Government's endorsement process for the standards. In May 2024, the previous Government published Sustainability Disclosure Requirements: Implementation Update 2024 which set out that the endorsement process is expected to conclude in Q1 2025. Subject to the outcome of this process, there would subsequently be a period for the FCA to consult on referencing any endorsed standards in the Listing Rules, and for issuers to begin preparing to report.
- 6.12** Considering this timeframe and the importance of providing clarity to issuers and investors, we have taken this into account in our proposals. Our proposed approach consists of three parts:
- A climate-related disclosure rule, which applies to issuers of equity securities or depositary receipts when an issuer has identified climate-related risks as risk factors, or climate-related opportunities as material to the issuer's prospects.
 - Minimum information requirements set out in Annex 1 of the PRM (and cross-referred to in Annexes 2 and 5) to outline the areas of climate disclosure expected, aligned with the high-level categories common to the TCFD and ISSB standards: governance, strategy, risk management and metrics and targets. We propose to include in Handbook guidance that in meeting the minimum information requirements for climate-related information, the TCFD Recommendations and IFRS S2 (Climate-related disclosures) may be of assistance in identifying risks and opportunities, and relevant disclosures.

- Updating the Prospectus-related content in [TN 801.2](#). We are seeking high-level views on content for this Technical Note at this stage and will consult on the Technical Note text at a later date.

- 6.13** As the ISSB Standards have not yet been through the UK endorsement process and there are no specific requirements in the Listing Rules comparable to the TCFD Recommendations and Recommended Disclosures for climate, we are not proposing additional minimum disclosures for wider sustainability-related information at this time. However, issuers are still subject to the necessary information test, and we propose to update our Technical Note to indicate that the ISSB Standards may be useful guidance in identifying disclosure topics and related information to disclose.
- 6.14** We expect to keep our rules under review and may revisit these requirements at a later stage once a decision on the UK endorsement of the ISSB Standards and their application to the Listing Rules has been taken and industry practice has developed.

Climate-related disclosure rule

- 6.15** We recognise that climate-related risks and opportunities may not be of equal importance for all issuers. We want to preserve the responsibility of issuers for identifying the risks that are material to disclose to their investors. However, where the issuer has identified climate-related risks or opportunities as material, we want to prompt them to provide more detailed disclosure on these areas.
- 6.16** We have therefore framed our proposed rule around a trigger that where the issuer has identified climate-related risks as risk factors to disclose in the prospectus, or where climate-related opportunities are material to their prospects, they must disclose sufficient supporting climate-related information to allow investors to make an informed assessment of that risk or opportunity. Issuers that fall in this group would be expected to meet the minimum information requirements set out in Annexes 1, 2 and 5 of the PRM as applicable.
- 6.17** We have proposed introducing a guidance provision that where issuers are preparing their content in line with the minimum reporting requirements set out in the Annexes to the PRM, they may refer to the TCFD Recommendations and Recommended Disclosures or IFRS S2. It is not our expectation that issuers will need to disclose all information under these frameworks in all circumstances, and it remains the issuers' responsibility to determine the information to disclose in line with the necessary information test. We believe this strikes the correct balance between providing flexibility for the issuer to determine the correct information to include in their prospectus, while encouraging greater use of the TCFD and ISSB materials.
- 6.18** As set out in Chapter 7 on PFLS, we are proposing that disclosures which are mandatory and required by the Annexes to the PRM should generally not be considered eligible to be PFLS, with specific exceptions. Given the feedback received on the value of the PFLS status for encouraging more transparent disclosure about the forward-looking aspects of sustainability-related disclosures, we propose that climate-related disclosures relating to strategy (Item 5.8.2), transition plans (5.8.3) and metrics and targets (5.8.5) should be eligible to be counted as PFLS, subject to the criteria for PFLS for financial or operational

information as appropriate to the type of disclosure. As they tend to be less forward-looking and more process-focused, disclosures on governance and risk management would not be eligible to be designated as PFLS. We consider this provides an appropriate balance, but would welcome views on whether we should be more permissive or more restrictive in our application of the PFLS status to climate-related disclosures.

6.19 While we consider these proposals are proportionate and appropriate given the materiality of these climate-related risks for issuers and investors, we do appreciate that they may require additional time and resources from prospective issuers. However, we note that under Listing Principle 1, listed companies are already expected to take reasonable steps to establish and maintain adequate procedures, systems and controls to enable them to comply with their obligations, including the requirement to include within their annual financial report a statement on whether they have made disclosures consistent with the TCFD Recommendations and Recommended Disclosures. We are also aware that, in the absence of international consistency on expectations, introducing additional requirements on new issuers may impact their choice of which markets they apply to for admission.

6.20 We would like to understand more from issuers and their advisors on the potential costs from these proposals and impact on UK market attractiveness. Equally, we would very much welcome insights from investors on the importance they would place on these additional disclosures or if this information could be obtained in other ways.

Question 31: Do you agree with the proposed climate disclosure rule to prompt relevant and financially material information to be included in prospectuses? Y/N. Please give your reasons. If not, what should be done differently?

Question 32: How do you consider our proposed requirements on sustainability-related disclosures could affect the cost of producing a prospectus?

Question 33: Do you have any views on the importance that investors and other readers of prospectuses would place on the additional climate-related information disclosed under the proposed climate disclosure rule?

Scope of the rule

6.21 We propose to apply our rule to issuers of equity securities and depositary receipts representing equity shares. This reflects the categories of issuers that will be subject to further ongoing requirements in the Listing Rules.

6.22 We are not proposing to apply the climate-related disclosure rule and minimum information requirements to listed investment entities. It is our view that the more appropriate way to introduce sustainability reporting requirements for these vehicles is through requirements applicable to the investment manager, as with our existing TCFD rules for UK-authorized firms.

- 6.23** We also do not propose to apply our rule and minimum information requirements to issuers of general purpose debt securities at this time (our proposals for issuers of sustainability-labelled debt instruments are covered separately below). Unlike issuers of equity securities, issuers of debt securities are not currently subject to our climate disclosure requirements in the Listing Rules. Introducing new requirements could have the effect of substantially increasing costs on those companies. While we recognise that information on issuers of debt securities may be of interest to some investors, the wider variety of issuers and securities in this market means that these issues may vary in importance and disclosure of this information may not be relevant in all cases.
- 6.24** While we do not intend to set minimum information requirements, issuers of debt securities will continue to have the obligation to report information in line with the necessary information test. To encourage issuers that are reporting this information to make greater use of TCFD and the ISSB Standards, we will consider including references to these in our revisions to TN 801.2.
- 6.25** Similarly, we do not expect to apply the handbook requirements to issuers of asset-backed securities. Instead, we will address this through changes to the prospectus-related content in TN 801.2.
- 6.26** We plan to keep these proposed rules under review and may revisit the appropriateness of these requirements once a decision on the UK endorsement of the ISSB standards and application to the Listing Rules has been reached.

Question 34: Do you agree that our proposed climate disclosure rule should apply to issuers of equity securities and issuers of depositary receipts only, with other securities addressed through the Technical Note? Y/N. Please give your reasons.

Minimum climate-related disclosures in the Annexes to the PRM

- 6.27** To support the high-level rule requiring disclosure of climate-related risks and opportunities, we propose to introduce new requirements in Annex 1 to the PRM (and cross-references in Annexes 2 and 5 as applicable) that issuers of equity securities subject to the rule are expected to provide information relating to their management of these risks and opportunities.
- 6.28** We propose to align these requirements with the high-level categories that are common to the TCFD Recommendations and the ISSB Standards, ie, governance, strategy, risk management and metrics and targets:
- A description of the issuer's governance arrangements for assessing and managing climate-related risks and opportunities.
 - A description of the actual and potential impacts of climate-related risks and opportunities on the issuer's businesses, strategy, and financial planning.
 - A description of how the issuer identifies, assesses, and manages climate-related risks.
 - If material, a description of the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

6.29 As industry practice is developing and the UK endorsement process for the ISSB standards is not yet complete, we do not intend to require the use of a specific standard for producing these disclosures. Instead, we will reference the ISSB standards and TCFD Recommendations and Recommended Disclosures in the Handbook Guidance as sources of guidance that may be of assistance in identifying risks and opportunities, as well as relevant disclosures.

Question 35: Do you agree with the proposed minimum climate-related disclosures in the Annexes to the PRM? Y/N. Please give your reasons. If not, what should be changed?

Transition plans

- 6.30** A climate-related transition plan is an aspect of an entity's overall strategy that sets out the entity's targets, actions and resources for its transition towards a lower-carbon economy, including actions to reduce its greenhouse gas emissions. For investors in companies facing material climate-related risks and opportunities, information about a company's transition plan is relevant to understand the organisation's strategy, including how risks will be mitigated and opportunities will be realised.
- 6.31** Where issuers have disclosed a transition plan, information about this plan could be relevant information to include in the prospectus. For the purpose of ensuring that prospectus disclosures are consistent with other documents, we propose to include within the Annexes to the PRM a requirement that, where issuers have published a transition plan and where the contents are financially material, the issuer should provide in the prospectus a summary of key information about this transition plan and where it may be located and inspected.
- 6.32** Our policy intention is that where companies have already produced these plans and have them in the public domain and where this information is material, we would expect it to be reflected in the disclosures provided in the prospectus about the organisation's future strategy.
- 6.33** We consider that a summary is appropriate as transition plans may be long documents and it will not always be appropriate for issuers to include the full details on the transition plan in their prospectus. Any prospectus disclosures should also remain focused on financial materiality and what is necessary for investors to make an informed decision. Issuers would continue to have the option to reference or link to a more detailed transition plan published elsewhere.
- 6.34** We have considered that, as transition plans are primarily forward-looking in nature, there may be concerns about subjecting this information to the stricter liability standard contained within the prospectus and this in turn could limit the level of detail provided about issuers' transition plans. We therefore propose that information provided about transition plans should be eligible to be considered as protected forward-looking statements, subject to the criteria for this information proposed in Chapter 7. We consider that this would be a proportionate approach to encouraging greater disclosure at this time and would welcome stakeholder views on this.

6.35 As issuers are developing their disclosure in this area, we also do not propose at this stage to require that transition plans are produced in line with a specific framework, such as the TPT Disclosure Framework. However, we regard the TPT Disclosure Framework and related guidance materials as a useful source of information on the types of disclosures that it may be relevant to provide to investors. We therefore propose to include in Annex 1 to the PRM a guidance note that the TPT Disclosure Framework and related materials may be a source of guidance that issuers may wish to refer to.

6.36 We think that this is the appropriate level of specificity at this time, although we expect that we will review these requirements in future as market practice and expectations develop.

Question 36: Do you agree with our proposed approach to transition plans? Y/N. Please give your reasons. If your reasons relate to cost or other concerns, please provide further detail.

Question 37: Do you have any other comments on the design of our proposed climate disclosure rule?

Sustainability-related information beyond climate

6.37 Separately from climate-related risks and opportunities, there are a range of other sustainability-related risks and opportunities that may be material for issuers to disclose. For example, issuers may face risks from changes to biodiversity, or social issues such as human rights. The ISSB Standard, IFRS S1, is intended to consider the full range of sustainability-related risks and opportunities relevant to an issuer, and to disclose these when material. However, as with IFRS S2 on climate-related disclosures, the UK is currently going through a process to consider the standards for endorsement in the UK.

6.38 We therefore consider it premature to introduce any minimum content requirements for issuers on sustainability-related information beyond climate at this time. However, we still regard the international version of the ISSB standards as useful source material to which issuers may wish to refer when identifying the types of sustainability-related risks and opportunities their organisation may face and which disclosures it is appropriate to provide to investors.

6.39 We therefore propose to update the content on sustainability-related information beyond climate in our revised Technical Note and reference the ISSB standards as a source of guidance to which issuers may refer. We may revisit this in the future if the ISSB standards are endorsed in the UK.

Question 38: Do you agree with our proposed approach to addressing sustainability-related information beyond climate through the Technical Note?

Sustainability-related disclosures – Technical Note content

- 6.40** In support of the measures above, we propose to update TN 801.2, which among other areas outlines how sustainability-related matters, including climate change, should be considered in the prospectus. This would include replacing references to the EU prospectus rules and ESMA materials, as well as adding references to our new PRM rules. In addition, we expect that the revisions to the Technical Note content would cover the following areas.
- 6.41** *Sustainability-related risks and opportunities other than climate change:* While we do not propose introducing minimum expectations predicated on ISSB standards in this area at this time, the Technical Note would indicate that issuers may wish to refer to them in identifying relevant sustainability-related risks and opportunities, as well as related disclosures. As noted above, sustainability-related risks and opportunities should be disclosed if they are material and considered by the issuer to be necessary information, even in the absence of topic-specific disclosure requirements.
- 6.42** *Non-equity securities:* We have not set out specific requirements for issuers of non-equity securities at this time. However, the existing necessary information requirements remain in place. Regulation 23 (3) of the POATRs 2024 specifies that for debt securities references to the prospects of the issuer and any guarantor are to be read as a reference to the creditworthiness of the issuer and of any guarantor. Similarly, Regulation 23 (5) states that issuers of certain non-equity securities must consider including necessary information relating to the creditworthiness of the obligor of the underlying assets, or where the underlying assets are shares or securities equivalent to shares, the prospects of the issuer of the underlying assets. The Technical Note would remind issuers of the requirement to consider this in determining the information that must be disclosed in the prospectus. In particular, issuers of long-dated non-equity securities should consider how sustainability-related risks and opportunities may affect the ability of the issuer to continue to meet its obligations.
- 6.43** *Industry specific disclosures:* As set out in Regulation 23 (2) of the POATRs 2024, the necessary information to disclose in a prospectus may vary for reasons including the nature and circumstances of the issuer. This is relevant in the context of sustainability disclosures where the nature of sustainability-related risks and opportunities will vary considerably by industry. In the Technical Note, we therefore intend to highlight that issuers should disclose information relevant to their company and industry. In identifying appropriate disclosure topics and metrics to disclose for their industry, issuers may wish to refer to the SASB Standards to identify relevant topics and metrics.

Question 39: Do you agree with the proposed areas for revision of the Technical Note in relation to sustainability-related disclosures? Y/N. Are there any other areas that we should seek to address?

Discussion: Specialist issuers – mineral companies

- 6.44** Under the current prospectus regime, Technical Note 619.1 (TN 619.1) identifies categories of specialist issuers which are subject to additional disclosure guidance: property companies, mineral companies, scientific research-based companies, start-up companies, and shipping companies. The guidance derives from the ESMA update of

the CESR Recommendations. We consulted on bringing this into FCA guidance materials through Primary Market Bulletin 34, finalising our position in Primary Market Bulletin 40.

- 6.45** The guidance for mineral companies sets out various areas of disclosure that certain issuers should provide on their mining and oil and gas projects. The recommended disclosures cover matters such as their resources, reserves, exploration results, mine life, licences/concessions, exploration progress and exceptional factors affecting these areas (TN 619.1 III.2 paragraph 132). The guidance also identifies a series of Acceptable Internationally Recognised Mineral Standards which should be used in preparing this information (TN 619.1 Appendix I). In addition, for issuers of equity securities and depositary receipts over shares with a denomination per unit of less than EUR 100,000, the recommendations set out that issuers should provide a competent persons report (TN 619.1 III.2 paragraph 133 (i)) in line with the recommended content in Appendix II (mining) and Appendix III (oil & gas), unless subject to the exemptions listed in paragraph 133(ii).
- 6.46** In response to our engagement papers, we received two submissions which argued that the FCA should review the requirements for specialist issuers with a specific focus on disclosures by companies operating oil, gas or coal projects. These responses argued that current disclosures do not sufficiently address the impact that extracting and consuming these resources would have on the climate and how government policy may change in order to meet national and international climate goals, and that this could lead to investors facing the risk of 'stranded assets'.
- 6.47** The responses included specific proposals for changes including that beyond the current criteria for technical and commercial viability of reserves, issuers' competent persons reports should be required to meet a new 'atmospheric viability' requirement to state that the company considers consumption of the reserves to be consistent with remaining carbon budgets and a 1.5 degree-aligned pathway. The submissions argue that this should be supported by a scientific appraisal by a qualified climate expert in line with a range of three scenarios, and that issuers with high risk should be required to include a warning in the prospectus.
- 6.48** In addition, the responses made further recommendations including that issuers should be required to address the impact of climate factors on a company's reserves and resources under paragraph 132 and Appendices II and III should be amended to require an explanation of the assumptions on climate-related factors in the valuation of reserves, to require valuation sensitivity analysis with reference to a range of climate scenarios, to require "special factors" to reference climate-related matters or to add a freestanding requirement for the company to disclose its key climate-related assumptions and dependencies.
- 6.49** We recognise the importance of investors having sufficient information in prospectuses to assess the company's prospects and that this could include the impact of future climate scenarios and policy trajectories on the ability to extract resources in a financially sustainable manner. We would, however, like to understand a wider range of views on these matters to determine whether further action is needed and what may be appropriate.
- 6.50** Specifically, we would welcome views on:

- Whether additional disclosures relating to climate-related matters for mining and/or oil and gas companies are needed, or whether the proposed wider climate-related reporting requirements provide sufficient transparency.
- Whether we should seek to introduce climate-related factors as recommended content to be considered as part of the Competent Person's Report in TN 619.1 Appendices II and III.
- Whether current requirements lead to sufficient transparency about the assumptions underlying specialist issuers' and competent persons' assessments of the viability of reserves, including the impact of future climate scenarios.
- Whether the assumptions and analysis presented in the Competent Persons Report is usually consistent with information provided in wider prospectus disclosures, as required by TN 619.1 III.2 paragraph 133 iii, and with wider climate reporting such as TCFD disclosures or climate scenario analysis presented by the company.
- The potential costs associated with introducing new requirements for enhanced disclosures in this area, and in particular what costs would be associated with the use of a qualified climate expert as part of the CPR process, as proposed in the responses to our engagement papers.

Question 40: Should we provide additional guidance relating to climate disclosures for mineral companies (including mining and oil and gas)? Please give your reasoning, and if so, how should we do so?

Sustainability-labelled debt instruments

- 6.51** As discussed in [EP 4](#), we are aware that sometimes prospectuses and bond frameworks (as well as other communications that may be advertisements for the purposes of the prospectus regime) are not fully consistent in terms of the information they present to investors in green, social, sustainable and sustainability-linked debt securities.
- 6.52** This makes the investor journey more challenging, as prospective bondholders need to rely on different sources of information, sometimes drafted to different standards, to achieve a sufficient understanding of the sustainability considerations attached to a given debt security.
- 6.53** Currently, we address this under [Primary Market Bulletin 41](#) (June 2022) in the context of advertisements. At that time, we indicated that bond frameworks that form part of communications relating to public offers or admissions to trading of securities were likely to be advertisements for the purpose of the prospectus regime, thus requiring consistency vis-à-vis the prospectus.
- 6.54** Since then, the issuance of sustainability-labelled debt has increased, and standards and societal expectations have evolved. In this context, we see benefits in clarifying our expectations in this area and room for improvement in the level of transparency provided by issuers of labelled debt securities.
- 6.55** In particular, we consider there to be scope to make corporate issuers more accountable for their sustainability commitments when they publish bond frameworks (or similar

documents) so that their prospectuses more clearly reflect those commitments. We think there is merit in encouraging better disclosures in prospectuses of ESG-labelled debt securities for investors to better understand the nature and level of commitment of an issuer's plans and strategy.

- 6.56** We also consider that a policy intervention of the type described below could incentivise issuers to adhere to baseline standards (eg, as regards transparency, conduct and use of proceeds) that investors would reasonably expect when acquiring a green, social, sustainable or sustainability-linked debt instrument.
- 6.57** At the same time, and for the avoidance of doubt, we note that we do not intend to create a bond standard for green, social or sustainability-labelled debt at this time. Instead, we want to prompt issuers that are marketing their securities in this way to consider whether to bring more of the content of their bond framework documents into the prospectus. By not mandating these requirements, we hope to preserve some of the flexibility for issuers as these markets continue to grow and new products are developed. Given investor interest in these areas, issuers should still have strong incentives to provide this information in prospectuses and our proposals will encourage this disclosure to be presented in a more consistent manner.
- 6.58** We therefore propose a new disclosure requirement that all issuers of debt securities would have to comply with to meet the necessary information test. Issuers will be required to state in the prospectus whether their bonds have been marketed as 'green', 'social', 'sustainable' or 'sustainability-linked' and / or issued under a bond framework or similar document published by the issuer, any of its subsidiaries or any entity belonging to the group of the issuer.
- 6.59** Issuers that meet that condition would then need to consider whether to provide information on a complementary set of disclosures items. It would be the issuer's choice to do so, but if they did, we set out the nature of the disclosure we would like to see. These new proposed voluntary disclosures are aimed at corporate issuers. Other types of non-equity securities, including those issued by firms manufacturing certain investment products structured as debt instruments (eg, ETNs, ETCs) are not the target of these measures. Their issuers should consider these proposals only insofar as relevant to them as corporate issuers.
- 6.60** We propose that these items should generally include the kind of information that is normally contemplated under reasonably detailed bond frameworks.
- 6.61** Under our proposal, issuers would be prompted (but not mandated) to include both a set of more 'general' disclosures ie, applicable to both UoP bonds and SLBs, as well as more specific disclosures, depending on the type of security they are issuing, as set out in the sections below.
- 6.62** The specific disclosures we are proposing are, broadly, those that we discussed in our EP 4 and which we consider to be aligned with best international practices (such as the ICMA Principles) and stakeholders' expectations.
- 6.63** In particular, we are proposing a set of common disclosures for all types of bonds in scope as follows:

- availability and location of any bond framework (or similar document)
- whether any standards or principles have been followed in developing the framework, and
- details of any external review(s) (typically a second party opinion) on the degree of alignment between the bond framework (or similar document) and the relevant standards or principles

Question 41: Do you agree with the proposed new disclosure requirement and set of voluntary additional disclosures we are proposing to mitigate information gaps between bond frameworks (or similar documents) and prospectuses? Are there other disclosures that you think we should consider?

6.64 In the case of UoP bonds, the proposed additional disclosures would focus on:

- project selection: details of the projects that will be funded (or refinanced) through the proceeds raised. Issuers should consider clarifying whether the proceeds can be used for refinancing existing commitments and add details on:
 - the maximum proportion of proceeds that will/could be used for refinancing transactions (and the percentage expected to be allocated to new ones), and
 - the look-back period (ie, the maximum time period that the issuer will look back to identify projects for the purpose of capital deployment)
- the process and standards through which the issuer has satisfied itself that the projects to be financed fit within the categories of eligible projects described in the bond framework or similar document, or, in the absence of such document, the criteria used to determine eligibility of the projects as green, social or sustainable
- third party certifications or second party opinions on the alignment between the bond (ie, the relevant projects) and the bond framework/criteria
- information on whether the projects align to official or market-based taxonomies, related eligibility criteria, including if applicable, exclusion criteria; any green standards or certifications
- any potential risks to social and/or environmental objectives arising from the projects and related mitigants
- rationale for the approach and methods for the management of proceeds (including those relevant in the context of temporary management of proceeds)
- information on post-issuance performance, in particular whether the issuer has arranged or intends to arrange a post-issuance assessment of the impact or effectiveness of the project(s) being financed or refinanced, where that information will be found and how often it will be updated. We propose this disclosure could cover:
 - the main elements that will be assessed
 - the relevance of the assessment in the light of the 'green', 'social' or 'sustainability' characteristics of the securities, and
 - the person(s) responsible for such assessment.

Question 42: Do you agree with the additional voluntary disclosures we are proposing to introduce in prospectuses for UoP bonds? Are there other disclosures that you think we should consider?

6.65 In the case of SLBs, we are proposing disclosure requirements that we consider relevant to these securities. We are not seeking to duplicate disclosures that should already be included in the contractual terms of the bond, including baselines, fallbacks, verification etc. We propose focussing instead on items that can provide a more rounded understanding of how an SLB fits in the issuer's strategy and sustainability aspirations. We propose to focus on the following aspects.

- Selection of KPIs: the Key Performance Indicators ('KPIs') and relevant performance metrics, including information on:
 - the process and rationale for their selection
 - how they are calculated/estimated
 - their measurability and verifiability, and
 - how they will be benchmarked, if relevant
- Selection of the SPTs: details of the baseline and level of ambition of the targets in light of the strategy of the issuer and its 'business as usual' trajectory; issuers should seek to include details of how they intend to achieve their SPTs, where possible, and set out any uncertainties and risks to their plans.
- An explanation of why the financial consequences of failing to meet or, vice versa, meeting the intended SPTs are deemed by the issuer to provide adequate incentives to the issuer to effect the necessary changes to achieve the agreed SPTs, including, for example, in relation to how material any step-up or step-down is for the company in the context of their interest costs.

6.66 We consider this approach to be flexible but effective in bridging the gap between prospectuses and bond frameworks or specific marketing practices on a voluntary basis by issuers. Moreover, we consider that our proposals are broadly in line with the approaches taken in other jurisdictions (in particular, the EU), which should go some way towards enabling a level of international interoperability between different markets.

Question 43: Do you agree with the additional voluntary disclosures we are proposing to introduce in prospectuses for SLBs? Are there other disclosures that you think we should consider?

Chapter 7

Protected forward-looking statements

7.1 This Chapter outlines our proposals for rules defining and setting certain safeguards around protected forward-looking statements (PFLS), which will be relevant to both regulated market and primary MTF prospectuses. We seek views on whether our proposals provide clarity and sufficient legal certainty over what can constitute PFLS and how it should be presented within a prospectus. The proposed draft rules relating to PFLS for both regulated market and primary MTF prospectuses can be found in PRM 8 in Appendix 1.

Background to our proposals in this area

UK Listing Review and HMT's Prospectus Regime Review

- 7.2** Forward-looking statements, such as profit forecasts, are useful for investors when making investment decisions. The existing prospectus regime, however, has a negligence liability standard and reverse burden of proof that may deter issuers from including forward-looking statements in their prospectuses. As outlined in Chapter 2, the UK Listing Review recommended changing the prospectus liability standard with respect to forward-looking statements to encourage the disclosure of such information to help investors make better informed investment decisions.
- 7.3** HMT's subsequent review of the UK prospectus regime agreed with the recommendation of the UK Listing Review, and the POATRs created the concept of PFLS.
- 7.4** PFLS are a type of forward-looking statement, specified by our rules, that are subject to a statutory liability standard set out in the POATRs, in which a person responsible for a prospectus will be liable to pay compensation to an investor claiming a loss in relation to PFLS only if the person responsible:
- knew the statement to be untrue or misleading,
 - was reckless as to whether it was untrue or misleading, or
 - in the case of an omission, knew the omission to be a dishonest concealment of a material fact.
- 7.5** Under this liability standard, the investor claiming a loss in relation to PFLS has the burden of proof.
- 7.6** The liability standard for PFLS reduces the risk to issuers of successful investor claims compared with the existing prospectus liability regime. Investors are expected to benefit from this change if it leads to the inclusion of more forward-looking statements in prospectuses because investors can use the information to inform their own valuation models.

Scope of our powers

- 7.7** The POATRs give us powers to make rules relating to PFLS. In accordance with the POATRs a forward-looking statement is PFLS if it is:
- of a kind specified by us in the “*appropriate rules*”, and
 - accompanied by a statement, in such form as may be required by the “*appropriate rules*”, which identifies the statement as PFLS.
- 7.8** The “*appropriate rules*” are our rules for admissions to trading on regulated markets and our rules relating to admissions to trading on Primary MTFs.
- 7.9** In 2023, we published an engagement paper (EP 3) which set out our initial policy thinking in relation to how we might define PFLS and the requirements we could set for the form of the accompanying statement.

Feedback in response to our engagement paper

- 7.10** In response to EP 3, there was almost unanimous support for a definition of PFLS that encompasses various types of information (eg, financial, operational, sustainability-related).
- 7.11** Respondents were also in favour of a definition that provides legal certainty so that issuers know whether a particular disclosure will be subject to the PFLS liability standard. Some respondents favoured a narrowly prescribed definition, but most wanted a framework (or guidance) with illustrative examples. There was general support for the use of qualitative criteria where appropriate, with some respondents preferring guidance instead.
- 7.12** Finally, there was almost unanimous support for specific exclusions to ensure that certain types of forward-looking statements do not benefit from the PFLS liability standard.
- 7.13** With respect to the form of the accompanying statement, there were no objections to requiring a statement that identifies a disclosure as PFLS and that draws an investor’s attention to the inherent uncertainty of forward-looking statements and the different liability standard for PFLS. There was general support for requiring warnings about specific factors that could affect the accuracy of the statement and for including assumptions where relevant.

Policy objectives

- 7.14** One of our objectives for the new regime is to ensure that investors have sufficient reliable information on companies’ securities. The proposal described below is intended to promote this objective.

Our proposed approach

Specification of the kinds of statements that can be PFLS

- 7.15** To specify the kinds of statements that can be PFLS, our proposal is to use:
- a general definition that will apply to all PFLS disclosures,
 - category-specific criteria, and
 - specific exclusions
- 7.16** We propose that PFLS can be divided into two categories: either financial or operational information. We consider that sustainability-related disclosures can fit into either of these two categories depending on the nature of the information.
- 7.17** We propose applying different criteria to the two categories of information. The criteria relate to the type of information and how it is prepared, which will have the effect of excluding both (i) overly aspirational targets and (ii) disclosures that are expressed in narrative form.
- 7.18** Finally, we propose using specific exclusions for forward-looking statements that we consider should remain subject to the existing prospectus liability standard and which are not excluded by the category-specific criteria.

Question 44: Do you agree with our overall approach to specifying the kinds of statements that can be protected forward-looking statements? Y/N. Please give your reasons.

General definition

- 7.19** The proposed general definition includes several criteria that will need to be satisfied for a forward-looking statement to be considered PFLS. One such requirement is that PFLS can relate only to future events or sets of circumstances. Specifically, we propose that a forward-looking statement can only be considered PFLS if the verification as to the truth, correctness, and completeness of the statement can only be carried out by reference to an event or set of circumstances that occurs after the forward-looking statement has been published. The reference to "truth, correctness, and completeness" is intended to mirror the liability provisions in the POATRs.
- 7.20** Therefore, instead of relying on the tense of the statement, or other linguistic cues, we consider that a statement relates to the future if its veracity can only be determined by events that occur at a later date.
- 7.21** Relatedly, we also propose that a forward-looking statement can only be considered PFLS if it includes an estimate as to when the event or set of circumstances to which the statement relates is expected to occur. Investors will therefore have an expectation as to when they will be able to evaluate the veracity of the statement and any impact on their investment.

- 7.22** The proposed general definition also limits the types of statements that can be considered PFLS to those which are likely to be useful to investors. To achieve this outcome, we propose incorporating the reasonable investor test into the general definition of PFLS. Given that issuers routinely apply this test to ensure compliance with their continuing disclosure obligations, eg, under the Market Abuse Regulation (MAR), we expect that the application of the reasonable investor test to forward-looking statements in a prospectus will involve processes that are already familiar to issuers and their advisers.
- 7.23** Although the reasonable investor test is used in identifying inside information, our proposal is not intended to limit PFLS disclosures to information that could be considered inside information. Because forward-looking statements are inherently uncertain, we expect that PFLS disclosures at the time of publication will not satisfy the precision element in the definition of inside information.
- 7.24** We also expect the use of the reasonable investor test to result in subsequent updates in accordance with MAR, thereby ensuring the proper functioning of the liability regime. The mechanism by which we expect such updates to be made is as follows: When the outcome of the event or set of circumstances that is the subject of the PFLS are reasonably expected to occur, or have occurred, then the issuer will presumably have information that is both precise and that satisfies the reasonable investor test. This information will then need to be announced as soon as possible if it is not already public information.
- 7.25** The proposed general definition is designed to operate in conjunction with proposed category-specific criteria that will apply to either financial or operational information. We consider operational information to be statements relating to a company's activities, which could include information about its products, services, and the facilities that support the company's business.

Question 45: Do you agree with our proposed general definition for protected forward looking statements? Y/N. Please give your reasons.

Financial information criteria

- 7.26** The criteria we are proposing for financial information that can be PFLS are based on the existing definition of profit forecast combined with established accounting principles:
- the statement expressly states or by implication indicates a figure or a minimum or maximum figure for the financial information or contains data from which a calculation of such a figure may be made, and
 - is prepared in a manner that is:
 - understandable
 - reliable, and
 - comparable with the actual future result and prepared on a basis consistent with any corresponding historical financial information in the prospectus, MTF admission prospectus, or supplementary prospectus

7.27 We propose that a forward-looking statement relating to financial information should benefit from the PFLS liability standard only if it provides a figure or sufficient information from which a figure can be calculated or estimated. This requirement, which is modelled on the existing definition of profit forecast, is intended to encourage issuers to disclose information that is more precise than the narrative statements that are often included in prospectuses under the existing regime.

7.28 The proposed qualitative criteria will be set out in more detail in related guidance, and we intend for the criteria to be based on well understood accounting practices and concepts, like those used by the Institute of Chartered Accountants of England and Wales for the preparation of prospective financial information. The use of such criteria should ensure that the methodology used for preparing financial information is robust, which will promote investor confidence.

Question 46: Do you agree with our proposed criteria for financial information that can be considered to be protected forward looking statements? Y/N. Please give your reasons.

Operational information criteria

7.29 As with financial information, we propose that forward-looking statements relating to operational information can benefit from the PFLS liability standard if they provide a figure or sufficient information from which a figure can be calculated or estimated. For example, statements relating to productivity or number of customers. In addition, because certain types of operational information cannot be expressed numerically, we also propose that statements containing objectively verifiable information (eg, achieving a milestone by a certain date) should also be included in the definition of PFLS.

7.30 Specifically, we propose that a forward-looking statement containing operational information is PFLS if the operational information is:

- prepared in a manner that faithfully represents the issuer's actual and expected performance, strategies, plans, and risk analysis
- comparable with the actual future result, and
- is either:
 - i.** information that expressly states or by implication indicates a figure or a minimum or maximum figure for the operational information or contains data from which a calculation of such a figure may be made;
 - ii.** information that cannot be expressed in numerical terms but can be confirmed empirically through direct observation or objective measurements;
or
 - iii.** a combination of (i) and (ii).

7.31 With respect to the first criterion, the concept of 'faithfully' is being proposed to ensure that the PFLS represents the actual expectations and assumptions of the business and are not created purely for the purpose of a PFLS disclosure.

7.32 Finally, the operational information should be comparable with the actual future result to ensure that the truth, correctness, and completeness of the PFLS can be verified when the event or set of circumstances to which the statement relates occurs. For example, if the forward-looking statement relates to the issuer's sales conversion rate, then the parameters used for preparing the PFLS should be the same parameters for measuring the actual conversion rate.

Question 47: Do you agree with our proposed criteria for operational information that can be protected forward looking statements? Y/N. Please give your reasons.

Exclusions

7.33 The liability standard for PFLS is intended to encourage the inclusion of forward-looking statements in prospectuses. Although investors will have a reduced chance of success in any legal claims relating to losses caused by omissions or untrue or misleading statements in PFLS disclosures, they will benefit from the inclusion of additional information in prospectuses.

7.34 Consequently, we consider that disclosures made under the existing regime should not be considered PFLS because that would shift the liability treatment more favourably towards issuers without any corresponding change to the information being provided to investors.

7.35 The category-specific criteria described above will exclude aspirational targets and purely narrative statements.

7.36 However, for regulated market issuers, there are mandatory disclosures relating to future events that may not be excluded by the criteria for financial and operational information. For example, statements relating to use of proceeds would be considered operational information that is objectively verifiable. However, given that disclosing such information is currently required, there is no benefit to investors by allowing statements relating to use of proceeds to be included within the scope of PFLS. Indeed, less stringent liability would undermine existing protections on certain key information for investors.

7.37 Accordingly, we propose that almost all mandatory disclosures that are required by the annexes to PRM should not be considered be PFLS.

7.38 For some mandatory disclosures, however, we consider that issuers and investors can benefit from the protection provided by the PFLS liability threshold. Specifically, in relation to the registration document, we propose that the information required by the annexes to PRM in relation to selected items in the Business Overview (including certain climate-related items), the Operating and Financial Review, and Trend Information, can be considered PFLS but only to the extent that the information included in the prospectus complies with the general definition, category-specific criteria, and the requirements set out below for the accompanying statements. This proposal is intended to encourage issuers to disclose more detailed information than the narrative statements that are typically included in a prospectus.

7.39 Similarly, although issuers of equity securities are required to include profit forecasts in their prospectuses where they have previously published a profit forecast that is still outstanding and valid, we do not propose excluding these required profit forecast disclosures from the scope of PFLS. In our view, it would be confusing for investors if we created a distinction between voluntary and mandatory profit forecast disclosures. We consider that profit estimates, however, should not be considered PFLS. We also note that profit estimates are unlikely to satisfy the general definition of PFLS because they relate to a financial period that has expired.

Question 48: Do you agree with our proposed exclusions for the type of information that can be considered as protected forward looking statements linked to existing required prospectus disclosures for regulated markets? Y/N. Please give your reasons.

Question 49: Do you agree with our proposal to include profit forecasts in the definition of PFLS even where our rules require an issuer to include a profit forecast in their prospectus? Y/N. Please give your reasons.

7.40 For Primary MTFs, we are unable to use targeted exclusions because the detailed content requirements for MTF admission prospectuses will be set by the relevant market operators (see Chapter below). Therefore, for Primary MTF issuers, we propose to exclude from the definition of PFLS any information that issuers are required to disclose in an MTF admission prospectus.

Question 50: Do you agree with our proposed approach to exclusions to protected forward looking statements for MTF admission prospectuses? Y/N. Please give your reasons.

Presentation and form of the accompanying statement

7.41 PFLS should be clearly identified in a prospectus and investors should be provided with information they can use to decide the extent they want to rely on PFLS when making investment decisions.

7.42 We are proposing a requirement that PFLS disclosures be clearly demarcated within a prospectus. This could be achieved through the use of separate sections or chapters within the document. Issuers would retain discretion in deciding whether PFLS disclosures should be placed alongside other relevant content in the prospectus, which could provide helpful context for investors and improve the readability of the prospectus. Regardless of the chosen format, PFLS disclosures would need to be clearly labelled.

7.43 We propose that there should be two types of accompanying statement:

- a general statement applying to all PFLS in the prospectus that informs investors about the risks that would apply to any PFLS disclosure (eg, uncertainty, liability standard threshold, etc), and
- a content-specific statement that identifies a particular disclosure as PFLS and that provides contextual information which is specific to the disclosure.

7.44 We propose that the general statement only needs to be included once in the prospectus, eg, at the front of the document (or PFLS chapter / section if only one is used), whereas content-specific statements should sit alongside the PFLS disclosures to which they relate.

Question 51: Do you agree with our overall approach to the presentation of PFLS in a prospectus? Y/N. Please give your reasons.

General accompanying statement

7.45 We propose that the general accompanying statement explains how to identify PFLS in the prospectus by describing where in the document the information is located and how it is demarcated from other prospectus content. The general accompanying statement should also draw attention to the characteristics of PFLS, specifically that:

- There is uncertainty as to whether the PFLS will prove to be accurate.
- PFLS is subject to a different liability standard compared with other information in the prospectus, which will make it more difficult for investors to successfully claim for damages in the event of losses.
- PFLS is consistent with the issuer's internal projections.
- There is no obligation to update the information, except in accordance with existing disclosure obligations.

Question 52: Do you agree with our proposed requirements for the general accompanying statement for protected forward looking statements? Y/N. Please give your reasons.

Specific accompanying statement

7.46 Content-specific accompanying statements will enable investors to evaluate the quality of particular PFLS disclosures. We propose that content-specific accompanying statements should:

- Identify a particular disclosure as PFLS.
- Set out the basis and assumptions on which the PFLS has been prepared.
- Describe any significant factors known to the issuer, or considered during the preparation of the PFLS, that could cause the forward-looking statement to be inaccurate.
- To the extent there are disclosures of historical information of the same type of information as the PFLS in the prospectus, there should be an acknowledgement and an explanation of the relationship, if any, between the PFLS and the historic information.

Question 53: Do you agree with our proposed requirements for the specific accompanying statement? Y/N. Please give your reasons

Chapter 8

Multilateral trading facilities

- 8.1** In this section, we set out our proposed requirements for multilateral trading facilities that operate as primary markets (Primary MTFs). Our main focus is on the circumstances in which operators of Primary MTFs should require the publication of an MTF admission prospectus. In the POATRs, an MTF admission prospectus is defined as a document required by the rules of a Primary MTF operator and which is described by those rules as an MTF admission prospectus.

Background to our proposals in this area

Policy objectives

- 8.2** Primary MTFs are regulated by the exchange or firm through which they operate, subject to FCA oversight. The admission of transferable securities to trading on a Primary MTF is usually facilitated by an admission document produced by the issuer, the requirements for which are specified by the rules of the market operator.
- 8.3** Primary MTF admission documents serve a similar purpose to a prospectus in that they seek to address information asymmetry between an issuer that is admitting securities to a public market and prospective investors. A prospectus is not currently required for the admission of securities to trading on a Primary MTF unless there is a non-exempt public offer or the rules of the Primary MTF operator require a prospectus.
- 8.4** Under the existing regime, Primary MTF issuers are discouraged from making offers to more than 150 persons (excluding qualified investors) because any such offer requires the production of an FCA-approved prospectus, which is costly to produce.
- 8.5** One of our objectives for the new regime is to reduce the barriers to investor participation, particularly with respect to public offers. We consider that broader participation in initial offerings of securities which are admitted to trading on Primary MTFs could benefit issuers and investors in markets that allow retail investors. Similarly, one of the government's key objectives is to facilitate wider participation in the ownership of public companies and to remove disincentives that currently exist for companies that wish to issue securities to broader groups of investors.
- 8.6** By introducing the concept of an MTF admission prospectus, the government intends to encourage wider participation in the ownership of public companies by enabling Primary MTF issuers to offer securities to the public (ie, not limited to qualified investors or to fewer than 150 persons) without the burden of having to produce an FCA-approved prospectus.

Scope of our powers

Requirement for an MTF admission prospectus or supplementary prospectus

- 8.7** The POATRs give the FCA the power to make rules requiring the operators of Primary MTFs to include in their rules a requirement for the publication of an MTF admission prospectus as a condition of admission to trading in circumstances that we specify.
- 8.8** Similarly, we also have the power to require the operators of such Primary MTFs to include in their rules a requirement for the publication of a supplementary prospectus in circumstances that we specify.
- 8.9** In accordance with the POATRs an MTF admission prospectus will be subject to the same statutory responsibility and compensation provisions as apply to prospectuses. The detailed content requirements and the process for reviewing and approving such documents, however, will be set by the relevant MTF operator.
- 8.10** Our powers to require the publication of an MTF admission prospectus and supplementary prospectus are limited by the qualified investor condition in Regulation 16 of the POATRs, which prevents us from using our powers in relation to Primary MTFs that are intended only for qualified investors (QI-only MTFs). With respect to QI-only MTFs, only the market operator can require the publication of an MTF admission prospectus.

Prospectus responsibility, withdrawal rights, and advertisements

- 8.11** The POATRs give us broad rule-making powers in relation to prospectus responsibility, withdrawal rights, and advertisements. These powers are not limited by the qualified investor condition in Regulation 16.

Protected forward-looking statements

- 8.12** Although the POATRs prevent us from making rules that impose requirements as to the content of an MTF admission prospectus or a supplementary prospectus relating to an MTF admission prospectus, we do have the power to make rules regarding protected forward-looking statements, which are the subject of Chapter 7 of this consultation paper.

External engagement

- 8.13** In 2023, we published an engagement paper (EP 6) setting out our initial policy thinking on how we might exercise our powers in relation to Primary MTFs. The feedback received in response to EP 6 is addressed at various points in this chapter.

Requirement for an MTF admission prospectus

Policy considerations

- 8.14** In line with our powers to determine when to require the publication of an MTF admission prospectus, we have considered the following options:
- requiring for all initial admissions to trading and reverse takeovers
 - requiring for initial admissions but only where funds are raised
 - requiring for initial admissions only where funds are raised by way of an open offer (ie, offers open to retail investors), or
 - imposing no requirement
- 8.15** We are minded not to require an MTF admission prospectus for any further issuances of securities already admitted to trading on a Primary MTF, as explained further below.

Feedback from external stakeholders

- 8.16** Feedback in response to EP 6 was generally in favour of requiring an MTF admission prospectus for all initial admissions to trading on Primary MTFs that allow retail participation, even when there is no public offer. Some respondents, however, considered that an MTF admission prospectus should be required by FCA rules only if there is an IPO.
- 8.17** One of the respondents suggested an exception for issuers that qualify for the AIM Designated Market Route or the AQSE fast-track, which we have now included in our proposal.
- 8.18** There was general support for our proposal to allow Primary MTF operators discretion in deciding whether an MTF admission prospectus is required in connection with a further issuance of securities that are fungible with securities already admitted to trading on the Primary MTF. Two respondents, however, want the requirements for Primary MTFs to be the same as those for regulated markets.
- 8.19** One respondent considers that further exceptions should be made for: (i) new holding companies and (ii) any new classes of shares. We have not included these exceptions in our proposals. In our view, a new holding company could be incorporated in a jurisdiction that has significantly different corporate governance and shareholder protection laws compared with the issuer's original place of incorporation. Similarly, a new class of shares could have complex features that may be confusing or have risks that are not associated with the issuer's existing securities. In both cases, to ensure an appropriate degree of investor protection, we consider that there should be disclosure that is subject to the prospectus responsibility and compensation provisions and therefore an MTF admission prospectus should be required.
- 8.20** Another respondent suggested giving Primary MTF operators discretion in deciding whether to require an MTF admission prospectus for an issuance of Conversion Shares (also known as C-shares), because these shares will ultimately be converted into ordinary shares that are equivalent to those that are already admitted to trading. We would be

interested in views on whether to create an exception for the admission of C-shares that will be converted to shares that are fungible with those already admitted to trading on a Primary MTF.

Our proposals

- 8.21** Bearing in mind our objective of encouraging broader participation in initial offerings of securities that are admitted to trading on Primary MTFs, we propose to require an MTF admission prospectus for all initial admissions to trading and admissions of enlarged entities resulting from a reverse takeover. Under this approach, an MTF admission prospectus would be the only type of admission document for all new admissions to trading on Primary MTFs that allow retail participation, even when there is no fundraising.
- 8.22** As a result, initial public offers to retail investors will have the same prospectus requirement as offers to qualified investors, which may encourage Primary MTF issuers to include retail investors in offers by default, thereby leading to wider participation in the ownership of public companies.
- 8.23** Although we might be able to encourage offers to retail investors by requiring an MTF admission prospectus only when funds are raised, we do not favour this option. Having only one type of admission document for all initial admissions will simplify regulatory requirements for issuers and provide clarity for investors regarding the status of admission documents that are used by MTF issuers when they first come to market.
- 8.24** Also, if we limit the circumstances when an MTF admission prospectus is required, we might encourage behaviours that circumvent the requirement and lead to the continuation of market practices that exclude retail investors from offers by Primary MTF issuers. This would undermine our objectives for the new regime.

Exception for AQSE fast-track and AIM designated market issuers

- 8.25** We propose exceptions to the requirement to produce an MTF admission prospectus where the issuer uses:
- the fast-track route for an admission to trading on the AQSE Growth Market or
 - the AIM Designated Market Route for an admission to trading on AIM
- 8.26** We would also consider exceptions for similar expedited admission procedures used by other Primary MTF operators.
- 8.27** Issuers that use these routes for admission already have securities admitted to trading on qualifying markets (as defined by the operators of the Primary MTF) and, under the existing requirements, they are not required to produce an admission document. In our view, it would be disproportionate to require an MTF admission prospectus for admissions that do not currently require an admission document.

Question 54: Do you agree with our proposal to require an MTF admission prospectus for all initial admissions to trading and admissions of enlarged entities resulting from reverse takeovers? Y/N. Please give your reasons.

Question 55: Do you agree with the proposed exceptions to requiring an MTF admission prospectus for AQSE fast-track and AIM designated market admissions? Y/N. Please give your reasons.

Question 56: Should we consider any additional exceptions to the requirement to produce an MTF admission prospectus? Y/N. Please give your reasons.

Further issuances

8.28 As indicated above, we propose that operators of Primary MTFs should have discretion in deciding whether to include in their rules a requirement to publish an MTF admission prospectus as a condition of the admission to trading on the Primary MTF of transferable securities that are fungible with securities already admitted to trading on the Primary MTF.

8.29 To support secondary capital raising, which is often vital for MTF issuers, and given the reduced risk of information asymmetry compared with initial admissions to trading, we consider it appropriate to allow Primary MTF operators to have discretion in deciding whether an MTF admission prospectus should be required in the case of further issuances. MAR will continue to apply to Primary MTF issuers, which should ensure ongoing disclosure of material information to investors ahead of any further issuance of securities irrespective of whether the market operator requires a specific disclosure document.

Question 57: Do you agree with our proposal for further issuances by Primary MTF issuers? Y/N. Please give your reasons.

Voluntary and UK Growth prospectuses

Policy considerations

8.30 Under the existing prospectus regime, a UK Growth prospectus can be used by certain types of issuers for offers of securities to the public provided that they have no securities admitted to trading on a regulated market. The UK Growth prospectus is primarily intended for use by small and medium-sized enterprises (SMEs) and by issuers with securities that are either admitted or that will be admitted to trading on an SME growth market, which is a type of MTF.

- 8.31** The POATRs retain the concept of a prospectus, but only for issuers with transferable securities that are either admitted or that will be admitted to trading on a regulated market or Primary MTF. Therefore, retention of the UK Growth prospectus is only plausible if such documents can be used for admissions to trading.
- 8.32** For regulated markets, we do not intend to introduce a two-tier disclosure standard based on the size of the issuer. Therefore, we do not propose allowing issuers to use a UK Growth prospectus for an admission to trading on a regulated market.
- 8.33** With respect to Primary MTFs, the POATRs prevent us from making designated activity rules that impose requirements as to the content of an MTF admission prospectus. We are also prevented from requiring an MTF admission prospectus to be reviewed or approved by the FCA. Accordingly, under the POATRs, it seems that the UK Growth prospectus is not suitable for Primary MTFs.
- 8.34** More generally, we also consider the use of any type of FCA-approved prospectus for Primary MTF admissions to be inconsistent with the objectives of the new regime. Therefore, in EP 6, we proposed discontinuing the UK Growth prospectus and ending the use of voluntary prospectuses for Primary MTFs.
- 8.35** In both cases, we also consider that investors might be confused if some MTF admission prospectuses are approved by us while others are approved in accordance with the rules of MTF operators.

Feedback from engagement

- 8.36** In response to EP 6, there was almost unanimous support for discontinuing the UK Growth prospectus and for ending the voluntary prospectus regime to the extent it could apply to Primary MTFs. One respondent, however, considered that the availability of the UK Growth prospectus could alleviate the potential resource burden for Primary MTF operators.

Our proposals

- 8.37** Because prospectuses will only be used where there is an admission to trading, and because UK Growth prospectuses are not suitable for admissions to trading on regulated markets or Primary MTFs, we intend to discontinue the UK Growth prospectus and not create any rules to provide for such a document in the new regime.
- 8.38** With respect to voluntary prospectuses, since the finalisation of the POATRs we have determined that we do not have the power to create a voluntary prospectus regime for Primary MTF issuers, except in limited circumstances.
- 8.39** It will remain at the discretion of MTF operators if they wish to create content requirements for MTF admission prospectus that are, nonetheless, similar to the concept of a UK Growth prospectus under their own rules.

Question 58: Do you agree with our proposal to not take forward in our rules the concept of a UK Growth prospectus? Y/N. Please give your reasons.

Requirement for a supplementary prospectus

Policy considerations

- 8.40** The POATRs give us the power to specify the circumstances in which the publication of a supplementary prospectus is required. As with our power to require an MTF admission prospectus, this power does not extend to QI-only MTFs.
- 8.41** To ensure that investors have all available up-to-date material information that may affect their assessment of the issuer's business, we proposed in EP 6 to retain the existing substantive requirements for publishing a supplementary prospectus and apply those requirements to MTF admission prospectuses.

Feedback from engagement

- 8.42** The feedback in response to EP 6 was almost unanimously in favour of our proposal. One respondent disagreed and suggested that Primary MTF operators should have discretion in deciding when a supplementary prospectus is required. The respondent suggested that such an approach would not represent a material reduction in investor protection given that issuers which are already admitted to trading on a Primary MTF are subject to ongoing disclosure obligations, including but not limited to MAR. We note, however, that our proposed requirements relate to initial admissions and therefore ongoing disclosure obligations do not apply.

Our proposal

- 8.43** Our proposal is to retain, where possible, the existing substantive requirements for publishing a supplementary prospectus and to apply those requirements to MTF admission prospectuses.
- 8.44** Under our proposal, Primary MTF operators that allow retail participation would be required to include in their rules a requirement to publish a supplementary prospectus in the event that a significant new factor, material mistake, or material inaccuracy relating to the information included in an MTF admission prospectus, which may affect the assessment of the securities, arises or is noted between the time when the MTF admission prospectus is approved and the closing of the offer period or the time when trading on the primary MTF begins, whichever occurs later.
- 8.45** Although we do not have the power to specify the content of a supplementary prospectus for a Primary MTF issuer, or the manner in which it is approved, or how quickly it should be published, we consider that the proposed trigger for publishing a supplementary prospectus and the necessary information requirement in the POATRs

should ensure that information relating to the significant new factor, material mistake, or material inaccuracy is included in a supplementary prospectus.

Question 59: Do you agree with our proposed requirements for supplementary prospectuses that relate to MTF admission prospectuses? Y/N. Please give your reasons.

Circumstances and manner in which withdrawal rights may be exercised

Policy Considerations

8.46 In EP 6, we considered whether withdrawal rights should exist in situations that are equivalent to those set out in Article 23(1) of the UK Prospectus Regulation. We noted that retaining this approach would ensure that investors have all available material information that may affect their assessment of the securities being offered. We also considered whether withdrawal rights should be available for QI-only MTFs.

Feedback from the engagement

8.47 Most responses to EP 6 were in favour of applying the existing rules for withdrawal rights to offers made by Primary MTF issuers. There was mixed feedback on whether those requirements should apply to QI-only MTFs.

Our proposals

8.48 To ensure that investors can make investment decisions based on all available material information that may affect their assessment of the securities being offered to them, we propose that where a Primary MTF issuer is obliged to publish a supplementary prospectus in relation to an offer of securities to the public, investors should have the right to withdraw their acceptances, provided that the triggering event for the supplementary prospectus arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror.

8.49 Under our proposal, the applicability to QI-only MTFs will depend on the rules set by the market operator for when a supplementary prospectus is required.

8.50 Therefore, instead of making rules based on the type of market, our proposed requirements depend on the availability of a supplementary prospectus. One of the main reasons for having a supplementary prospectus is to notify investors about material changes to the information previously provided to them that may cause them to change their mind regarding an offer.

Question 60: Do you agree with our proposed requirements for the circumstances and manner in which withdrawal rights may be exercised in relation to offers by Primary MTF issuers? Y/N. Please give your reasons.

Prospectus responsibility

Policy Considerations

- 8.51** Any person responsible for an MTF admission prospectus can be liable to pay compensation to a person who has acquired transferable securities to which the prospectus applies and suffered loss as a result of any material omissions or untrue or misleading statements in the MTF admission prospectus.
- 8.52** In EP 6, we noted that we were considering whether to maintain the current rules regarding prospectus responsibility that are set out in PRR 5.3 of the FCA Handbook and to apply those requirements to MTF admission prospectuses, and supplementary prospectuses, to the extent the requirements are relevant.

Feedback from the engagement

- 8.53** Feedback in response to EP 6 was generally in favour of applying the existing rules for prospectus responsibility to MTF admission prospectuses and supplementary prospectuses. However, two respondents were opposed to the suggestion that company directors should be responsible for a prospectus.

Our proposals

- 8.54** We propose that the persons responsible for an MTF admission prospectus should be the same persons that are responsible for a regulated market prospectus. For example, in relation to equity securities, the persons with responsibility would be:
- the issuer of the transferable securities
 - if the issuer is a body corporate
 - each person who is a director of that body corporate when the prospectus is published
 - each person who has authorised themselves to be named, and is named, in the prospectus as a director or as having agreed to become a director of that body corporate either immediately or at a future time, and
 - each person who is a senior executive of any external management company of the issuer
 - each person who accepts, and is stated in the prospectus as accepting, responsibility for the prospectus
 - in relation to a request for the admission to trading of transferable securities:

- the person requesting admission, if this is not the issuer; and
 - if the person requesting admission is a body corporate and is not the issuer, each person who is a director of the body corporate when the prospectus is published, and
- each person not falling within any of the previous paragraphs who has authorised the contents of the prospectus

8.55 Our rules regarding prospectus responsibility will apply to all MTF admission prospectuses, whether or not they are required by our rules.

8.56 In our view, individual liability for an MTF admission prospectus is needed to ensure that the document is prepared with sufficient rigour to promote investor protection and market integrity.

Question 61: Do you agree with our proposal for who should be responsible for an MTF admission prospectus and supplementary prospectus? Y/N. Please give your reasons.

Advertisements

Policy considerations

8.57 The existing requirements for advertisements relate to public offers and to admissions to trading on regulated markets. In EP 6, we noted that we were considering whether to extend these requirements to admissions to trading on Primary MTFs.

8.58 This approach would provide continuity with existing concepts and, in high-level terms, ensure that any advertisements are consistent with the corresponding MTF admission prospectus, which will help to protect investors and maintain market integrity by preserving the intended benefit of having information provided within a prospectus.

Feedback from the engagement

- 8.59** In response to EP 6, we received only limited feedback regarding advertisements. One respondent suggested that the rules for advertisements should apply only in circumstances where there is an offer to the public and that market operators should have discretion to design appropriate rules in relation to admissions to trading. However, it is unlikely that Primary MTF operators will have the power to create an effective advertisements regime because their rules are derived from contractual relationships, which are usually limited to issuers and member firms.

Our proposals

- 8.60** In light of the limited feedback and for the reasons outlined above, we propose extending the advertisements regime to the admission of transferable securities to trading on a Primary MTF.

Question 62: Do you agree with our proposed requirements for advertisements in relation to the admission of transferable securities to trading on a Primary MTF? Y/N. Please give your reasons.

Annex 1

Questions in this paper

- Question 1:** Do you agree with our proposed approach to the new Handbook as described above? Y/N. Please give your reasons.
- Question 2:** Do you agree with our proposed approach to maintaining the exemptions from the current regime in the future regime, as described above? Y/N. Please give your reasons.
- Question 3:** Do you agree with our proposed approach to the takeover exemption as described above? Y/N. Please give your reasons.
- Question 4:** Do you consider that we should publish guidance on what we consider should be the contents of exemption documents as described above in a Technical Note?
- Question 5:** Do you agree with our proposed approach to the exemption for transfers between regulated markets as described above? Y/N. Please give your reasons.
- Question 6:** Do you agree with our proposed approach to Public International Bodies as described above? Y/N. Please give your reasons'
- Question 7:** Do you agree with our proposed approach to the scope of transferable securities as described above? Y/N. Please give your reasons.
- Question 8:** Do you agree with our proposed approach to expand the currently exempted securities from UK PR Art 1(2) to include instruments of Islamic finance where an appropriate credit support arrangement exists? Y/N. Please give your reasons.
- Question 9:** Do you agree with our proposed approach of removing the exception for not-for-profit bodies? Y/N. Please give your reasons.

- Question 10:** Do you agree with our proposed approach to revising the requirements for a summary as described above? Y/N. Please give your reasons.
- Question 11:** Do you agree with our proposed approach to incorporation by reference? Y/N. Please give your reasons.
- Question 12:** Do you agree with our proposed approach to carry forward financial information requirements as described above? Y/N. Please give your reasons.
- Question 13:** Do you agree with our proposal to clarify requirements relating to material uncertainty regarding going concern and other matters reported on by exception? Y/N. Please give your reasons
- Question 14:** Do you agree that we should retain the current requirement for a working capital statement in a prospectus? Y/N. Please give your reasons.
- Question 15:** Do you consider that we should allow issuers to disclose significant judgements made in preparing the working capital statement, including the assumptions the statement is based on and the sensitivity analysis which has been performed? Y/N. Please give your reasons.
- Question 16:** Do you agree that we should allow issuers to base the working capital statement on the underlying due diligence performed for the purposes of viability and going concern disclosures in its annual financial statements? Y/N. Please give your reasons.
- Question 17:** Do you agree with our proposed approach to give additional guidance for companies with a complex financial history? Y/N.
- Question 18:** How far do you consider the draft guidance attached to this CP would be useful for companies and their advisors? Y/N. Please give your reasons including any proposals you may have to change the draft guidance.

- Question 19:** Do you consider that we should include requirements related to the age of financial information in prospectus requirements? Y/N. Please give your reasons.
- Question 20:** Do you agree with our proposal to largely retain the responsibility regime from the existing provisions? Y/N. Please give your reasons including any proposals.
- Question 21:** Do you agree with our proposal to change the requirement that a prospectus be made available to the public for 6 working days for admissions of securities at IPO to 3 working days? Y/N. Please give your reasons.
- Question 22:** Do you agree with our proposal to raise the threshold for triggering the requirement to publish a prospectus for further issuances of securities already admitted to trading on a regulated market to 75% of existing share capital? Y/N. Please give your reasons.
- Question 23:** Do you agree with our proposal to retain the requirement to use a simplified or full prospectus for further issuances of securities already admitted to trading on a regulated market, where not exempt or if issuers wish to produce a voluntary prospectus? Y/N. Please give your reasons.
- Question 24:** Do you agree with a potential proposal to require issuers to notify us if the further issuance relates to rescue financing even if below the 75% threshold, based on which we may also require a prospectus? Y/N. Please give your reasons or provide any alternative approaches we could consider.
- Question 25:** Do you agree with our proposal to retain the requirement to publish a prospectus for further issuances of funds already admitted to trading on a regulated market? Y/N. Please give your reasons.
- Question 26:** Do you agree with our proposal to raise the threshold for triggering the requirement to publish a prospectus for further issuances of securities by closed-ended investment funds already admitted to trading on a regulated market to 75% of existing share capital and to allow these funds the options to publish a voluntary prospectus? Y/N. Please give your reasons.

- Question 27:** Do you agree with our proposed approach to permit issuers to use future incorporation by reference of financial information, including the option for issuers to use supplementary prospectuses for this purpose? Y/N. Please give your reasons.
- Question 28:** Do you agree with our proposed approach to give issuers of non-equity securities more flexibility in relation to supplementary prospectuses? Y/N. Please give your reasons.
- Question 29:** Do you agree with us not carrying over the option to produce a simplified prospectus for further issuance of non-equity securities? Y/N. Please give your reasons.
- Question 30:** Do you agree with our proposed approach raise the threshold to 75% for further issuances of non-equity securities already admitted to trading? Y/N. Please give your reasons.
- Question 31:** Do you agree with the proposed climate disclosure rule to prompt relevant and financially material information to be included in prospectuses? Y/N. Please give your reasons. If not, what should be done differently?
- Question 32:** How do you consider our proposed requirements on sustainability-related disclosures could affect the cost of producing a prospectus?
- Question 33:** Do you have any views on the importance that investors and other readers of prospectuses would place on the additional climate-related information disclosed under the proposed climate disclosure rule?
- Question 34:** Do you agree that our proposed climate disclosure rule should apply to issuers of equity securities and issuers of depositary receipts only, with other securities addressed through the Technical Note? Y/N. Please give your reasons.
- Question 35:** Do you agree with the proposed minimum climate-related disclosures in the prospectus annexes? Y/N. Please give your reasons. If not, what should be changed?

- Question 36:** Do you agree with our proposed approach to transition plans? Y/N. Please give your reasons. If your reasons relate to cost or other concerns, please provide further detail.
- Question 37:** Do you have any other comments on the design of our proposed climate disclosure rule?
- Question 38:** Do you agree with our proposed approach to addressing sustainability-related information beyond climate through the Technical Note?
- Question 39:** Do you agree with the proposed areas for revision of the Technical Note in relation to sustainability-related disclosures? Y/N. Are there any other areas that we should seek to address?
- Question 40:** Should we provide additional guidance relating to climate disclosures for mineral companies (including mining and oil and gas)? Please give your reasoning, and if so, how should we do so?
- Question 41:** Do you agree with the proposed new disclosure requirement and set of voluntary additional disclosures we are proposing to mitigate information gaps between bond frameworks (or similar documents) and prospectuses? Are there other disclosures that you think we should consider?
- Question 42:** Do you agree with the additional voluntary disclosures we are proposing to introduce in prospectuses for UoP bonds? Are there other disclosures that you think we should consider?
- Question 43:** Do you agree with the additional voluntary disclosures we are proposing to introduce in prospectuses for SLBs? Are there other disclosures that you think we should consider?
- Question 44:** Do you agree with our overall approach to specifying the kinds of statements that can be protected forward-looking statements? Y/N. Please give your reasons.

- Question 45:** Do you agree with our proposed general definition for protected forward looking statements? Y/N. Please give your reasons.
- Question 46:** Do you agree with our proposed criteria for financial information that can be considered to be protected forward looking statements? Y/N. Please give your reasons.
- Question 47:** Do you agree with our proposed criteria for operational information that can be protected forward looking statements? Y/N. Please give your reasons.
- Question 48:** Do you agree with our proposed exclusions for the type of information that can be considered as protected forward looking statements linked to existing required prospectus disclosures for regulated markets? Y/N. Please give your reasons.
- Question 49:** Do you agree with our proposal to include profit forecasts in the definition of PFLS even where our rules require an issuer to include a profit forecast in their prospectus? Y/N. Please give your reasons.
- Question 50:** Do you agree with our proposed approach to exclusions to protected forward looking statements for MTF admission prospectuses? Y/N. Please give your reasons.
- Question 51:** Do you agree with our overall approach to the presentation of PFLS in a prospectus? Y/N. Please give your reasons.
- Question 52:** Do you agree with our proposed requirements for the general accompanying statement for protected forward looking statements? Y/N. Please give your reasons.
- Question 53:** Do you agree with our proposed requirements for the specific accompanying statement? Y/N. Please give your reasons.
- Question 54:** Do you agree with our proposal to require an MTF admission prospectus for all initial admissions to trading and admissions of enlarged entities resulting from reverse takeovers? Y/N. Please give your reasons.

- Question 55:** Do you agree with the proposed exceptions to requiring an MTF prospectus on admission for AQSE fast-track and AIM designated market admissions? Y/N. Please give your reasons.
- Question 56:** Should we consider any additional exceptions to the requirement to produce an MTF admission prospectus? Y/N. Please give your reasons.
- Question 57:** Do you agree with our proposal for further issuances by Primary MTF issuers? Y/N. Please give your reasons.
- Question 58:** Do you agree with our proposal to not take forward in our rules the concept of a UK Growth prospectus? Y/N. Please give your reasons.
- Question 59:** Do you agree with our proposed requirements for supplementary prospectuses that relate to MTF admission prospectuses? Y/N. Please give your reasons.
- Question 60:** Do you agree with our proposed requirements for the circumstances and manner in which withdrawal rights may be exercised in relation to offers by Primary MTF issuers? Y/N. Please give your reasons.
- Question 61:** Do you agree with our proposal for who should be responsible for an MTF admission prospectus and supplementary prospectus? Y/N. Please give your reasons.
- Question 62:** Do you agree with our proposed requirements for advertisements in relation to the admission of transferable securities to trading on a Primary MTF? Y/N. Please give your reasons.
- Question 63:** Do you have any comments on our cost benefit analysis?

Annex 2

Cost benefit analysis

Introduction

1. The Financial Services and Markets Act (2000) requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I requires us to publish a CBA of proposed rules, defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'.
2. In this CBA we assess the impact of our proposed changes in relation to admissions to trading on regulated markets and multilateral trading facilities (MTFs). This analysis presents estimates of the significant impacts of our proposal. We provide monetary values for the impacts where we believe it is reasonably practicable to do so. For others, we provide a qualitative explanation of their impacts. Our proposals are based on weighing up all the impacts we expect and reaching a judgement about the appropriate level of regulatory intervention.
3. The CBA has the following structure:
 - The Market
 - Problem and rationale for intervention
 - Options assessment
 - Our proposed intervention
 - Baseline and key assumptions
 - Summary of impacts
 - Benefits
 - Costs
 - Wider economic impacts
 - Monitoring and Evaluation

The Market

4. Prospectuses are documents that are issued by companies seeking admission of securities to a regulated market, or when they are making a public offer of new securities to investors. The prospectus provides the key information that investors need to make informed decisions about the securities.
5. The Public Offers and admissions to trading regime gives the FCA powers to set out the rules around when a prospectus is required and what information should be included in a prospectus.
6. Under the current regime set through EU rules, prospectuses were approved by the FCA. In the period 2015-2023, we approved just over 4,000 prospectuses.

7. The relevant markets for this CBA include those affected by the choices that the FCA can make in relation to the new regime, including issuers, potential issuers and their advisors and investors/potential investors in these issuers. We need to consider also the potential impacts of our requirements on the broader listings market ecosystem and the wider economy. HMT's Impact Assessment provided estimates of the number of firms affected by the Prospectus regime including issuers on LSE Main market, and issuers on AIM and Aquis.
8. For the purpose of this analysis, we have updated HMT's figures. For LSE markets as at June 2024, we find that there are 18 admissions to trading only (ATT) issuers (which are not listed issuers), 721 AIM issuers and 1,028 issuers listed on main market. We have retained HMT's assumption that there are 100 issuers on Aquis.
9. Given the above, we assume that there are 1,867 current issuers affected by our proposals. In addition, there are potential issuers (whose numbers we cannot quantify for the purposes of this assessment).
10. Companies which raise capital through debt instruments also publish prospectuses. These include the companies that have raised finance through equity. From 2015 to 2023 there were 2,116 prospectuses issued for debt instrument admissions suggesting that there are around 235 prospectuses published for admissions of debt securities per year on average.
11. HMT also estimated the number of investors who will be affected by our proposals. The Investment Association estimates there are around 4,000 funds in the UK. However, there may be double counting in cases where multiple funds are managed by a common asset manager, and where closed-ended funds are also issuers. According to the Association of British Insurers (ABI), there are 934 authorised general insurance companies and 435 authorised life insurance companies. HMT estimates there are around 17 million retail investors.
12. Advisory firms also will be affected by our proposals in this area. According to HMT's Impact Assessment there are:
 - 65 investment banks - 10 'bulge' bracket and 55 mid-level.
 - 96 law firms affected by our reforms.
 - 40 accountancy firms – the 4 largest firms plus 36 mid-level challengers.

Problem and rationale for intervention

13. The problem that our proposals seek to address is that of regulatory failure in the form of suboptimal regulatory requirements for admissions to trading on a regulated market, MTFs and public offers of securities.
14. The harms caused by this failure have been set out in HMT's review of the prospectus regime and in the Secondary Capital Raising Review. They can be summarised as follows:
 - Excess costs for issuers in the form of unnecessary requirements for a prospectus.

- Unnecessary barriers to effective capital raising for issuers seeking to undertake secondary issuances, increasing the costs of such issuances and creating obstacles to inclusion of retail investors in fund raising and issuers achieving the best price and uptake for their issuance.
- Additional search costs for investors in examining long and unwieldy prospectus documents and looking for forward looking information in investors presentations.
- Effects in reducing the attractiveness of the UK listings markets, the efficiency of capital raising and the accuracy of pricing in the market.
- Knock on impacts on UK companies who may not be able to raise capital quickly and at low cost which may then impact on the UK economy in terms of employment and GDP.

- 15.** Publishing a prospectus is expensive. The analysis in CP 23/31 based on interviews with stakeholders, provided an average range cost of £1m to £2m. However, there is very significant variation in these costs, depending on the type and complexity of the issuance and underlying investment. We estimate here a cost of between £500K and £1m per prospectus may provide a reasonable estimate for those related to equity shares.
- 16.** Consequently, these requirements increase the costs and lower the incentives for admissions to trading. There is evidence that issuers are increasingly choosing to raise capital in other jurisdictions (instead of the UK) and that they raise more capital (as a proportion of share capital) in these jurisdictions. See the CBA in CP23/31 for a description of the trends in the UK IPO market and declines in listing.
- 17.** It is not possible to establish precisely the nature of causal relationships between regulatory failures described above and trends in the UK listings market. However, it is reasonable to argue that trends in the UK capital raising market support a general hypothesis that this market is not functioning as well as it has in previous years and that listing in the UK does not seem as attractive to international investors as that in some other international jurisdictions. This can be seen in data both in relation to IPO capital raised and capital raising through further issuances. For example, we can see that since 2018, the UK has lagged behind the US, China and Hong Kong as a jurisdiction for capital raising through IPOs. We observe a similar pattern for further issuances. UK companies have raised capital at a lower percentage of existing share capital compared to the US, Hong Kong and France from 2022 onwards.

Prospectuses for further issuances

- 18.** Currently, further issuances require a prospectus when more than 20% of existing capital is raised. This is costly for those raising capital above 20% of existing capital. Investors do not gain significant new information from these prospectuses to inform their investment decisions.
- 19.** In addition, our analysis of further issuances shows that there is some evidence of clustering below the 20% threshold. Figure 2, in the Benefits section below, shows that further issuances at or just below 20% were three times as likely as issuances greater than 20% and below 22.5% of the total number of shares outstanding. This means that issuers are not raising the optimal amount of capital for their needs but reducing their capital raising to avoid the costs of a prospectus.

- 20.** Our analysis of requirements for further issuances again suggests that other jurisdictions generally require a prospectus. However, we note the evidence provided in this area by the SCRR including that in other jurisdictions, there are arrangements which make it easier for issuers to raise capital quickly and at a time of their choosing. We also note that there is a movement to change current prospectus requirements in the EU through the Listings Act reforms.

The six-day rule

- 21.** A public offer prospectus is currently required to be made available to the public at least six working days before the end of the offer. This is commonly referred to as the 'six-day rule'. As noted in the CP, the Secondary Capital Raising Review (SCRR) notes that the 'six-day rule' can reinforce incentives for issuers to avoid involving retail investors. This is because under an institutional only IPO the offer of shares can be closed as soon as sufficient demand has been met. Increasing the time to allow retail investors to participate increases uncertainty of a successful offering if the markets change. Consequently, issuers avoid listing to retail investors. This prevents retail investors participating in these issuances. We do not consider that retail investors need six days to obtain and review a prospectus, given that prospectuses are available online, and often retail investors will not read the detailed and technical information with a prospectus.
- 22.** We note also that whilst many jurisdictions retain a threshold for further issuances, similar to those under our requirements, we can point to other jurisdictions which have put in place or are considering more flexible arrangements.

Lack of information for investors

- 23.** While some elements of the current Prospectus regime include information that imposes costs on issuers but do not deliver commensurate benefits for investors from the additional information, there are also some areas where investors are likely to benefit from additional information.
- 24.** The existing prospectus regime, however, has a negligence liability standard and reverse burden of proof that may deter issuers from including forward-looking statements in their prospectuses. This restricts the information provided to investors that they would find useful in their investment decisions.

Options considered in our analysis

- 25. Under the new regime, we have been given discretion to set new rules which can address any potential harms resulting from the existing regime set under EU requirements.
- 26. The POATRs require that a prospectus provide investors with the necessary information about the securities. Moreover, the liability threshold for admissions to trading and further issuances of securities on regulated markets remains the same as under the prospectus regime, with the exception of PFLS.
- 27. We have considered and discussed the likely costs and benefits of a number of potential 'long list' options before moving to a quantitative analysis.
- 28. These options are set out in Table 1 below with the option selected for further analysis highlighted in green.

Table 1: Long list options for the admissions to trading regime

Admissions to trading	Option 1	Option 2	Option 3	Analysis
General approach	Minor changes	Extensive overhaul of current requirements eg of exceptions and rights and obligations	Root and branch change	Given concerns over information asymmetry and imposing costs on stakeholders from changes to the regime, we propose to make minor changes as a potential first step to wider changes. Feedback supported this approach.
Six-day rule	Leave at 6 days	Reduce to 3 days	Remove rule	Given evidence from the SCRR about the costs of the current rule, we propose to change this to 3 days but keep some protection for retail investors.

Admissions to trading	Option 1	Option 2	Option 3	Analysis
Contents and format	Minor changes	More fundamental changes to contents and removal of some prospectuses such as the URD.	Radical overhaul including removing existing formats for a prospectus	To keep costs for issuers and market practitioners down, we decided on a gradual approach proposing minor changes. For example, we propose to give more flexibility on the summary now whilst seeking further views on the working capital statement and the scope of exemptions.
Non equity issuances	No changes apart from removal of simplified prospectus	Changes as described to prospectus contents and format to align retail and wholesale requirements	Change to type of prospectuses required	Small changes to reflect feedback and increase effectiveness of rules and remove barriers to retail participations
Further issuances				
Threshold	Keep to 20%	Raise to 50%	Raise to 75%	We have collected data on the pattern of further issuances which confirms aspects of the SCRR analysis about the potentially negative effects of the 20% threshold on capital raising. This analysis suggests that raising the threshold has net benefits in giving greater flexibility for issuers and unlocking benefits in relation to M&A.

Admissions to trading	Option 1	Option 2	Option 3	Analysis
Offer document below the threshold	Offer document with additional disclosures	Cleansing notice type document	No offer document	Introducing a new type of offer document may create significant costs for issuers and it would not be clear what this would add to information issuers should already be bringing to the market.
Protected Forward Looking Statements				
	Define PFLS as the POATRs definition of "forward-looking statement" and give issuer's discretion to decide the content of the accompanying statement.	Use qualitative criteria to define PFLS, use specific exclusions, and have requirements for the content of the accompanying statement	Limit PFLS to certain types of quantifiable information that is presented in a dedicated section of the prospectus	Encourage disclosure of useful information while promoting investor confidence and understanding.
Sustainability related disclosures				
	No additional sustainability related disclosures	Requiring sustainability related disclosures where relevant, with more specific disclosure for debt instruments purporting to have sustainability-linked outcomes	Requiring prescriptive disclosure for all issuers that aligns to current TCFD obligations and / or future ISSB standards	No additional costs due to these requirements being set on listing in any case and some similar existing requirements under other frameworks.
MTF admission prospectus				

Admissions to trading	Option 1	Option 2	Option 3	Analysis
	No FCA requirement.	MTF admission prospectus only required for initial public offers.	MTF admission prospectus required for all initial admissions and reverse takeovers.	Initial public offers to retail investors will have the same prospectus requirement as offers to qualified investors, which may encourage Primary MTF issuers to include retail investors in offers by default, thereby leading to wider participation in the ownership of public companies.

- 29.** In each of these areas, we have tried to weigh up the benefits to investors from the additional information the regime requires against the costs imposed on investors from this additional information. We are proposing changes where we are confident, informed by industry consultation and the evidence in this CBA and CP, that the changes will remove requirements that are not valued by investors, but increase information where we think the information will be valuable to investors.
- 30.** In considering these options, we assessed their likely impact on the secondary growth and international competitiveness objective (SICGO) having first considered how they achieve our primary objectives.
- 31.** We consider that each of the options selected acts toward the SICGO in the following manner:
- By acting towards a more proportionate regulation eg, reducing costs for potential issuers and better tailoring our requirements to the needs of issuers and investors.
 - By reducing any potential additional costs or restrictions imposed by our regulatory requirements compared to those in other jurisdictions. As we have seen from our analysis of requirements across jurisdictions, this would appear to include actions to reduce requirements for further issuances and potentially those related to contents requirements and the working capital statement.
 - Further reducing requirements which appear to make capital raising more difficult or expensive can have knock-on benefits for issuers seeking to participate in global markets and global mergers and acquisitions.

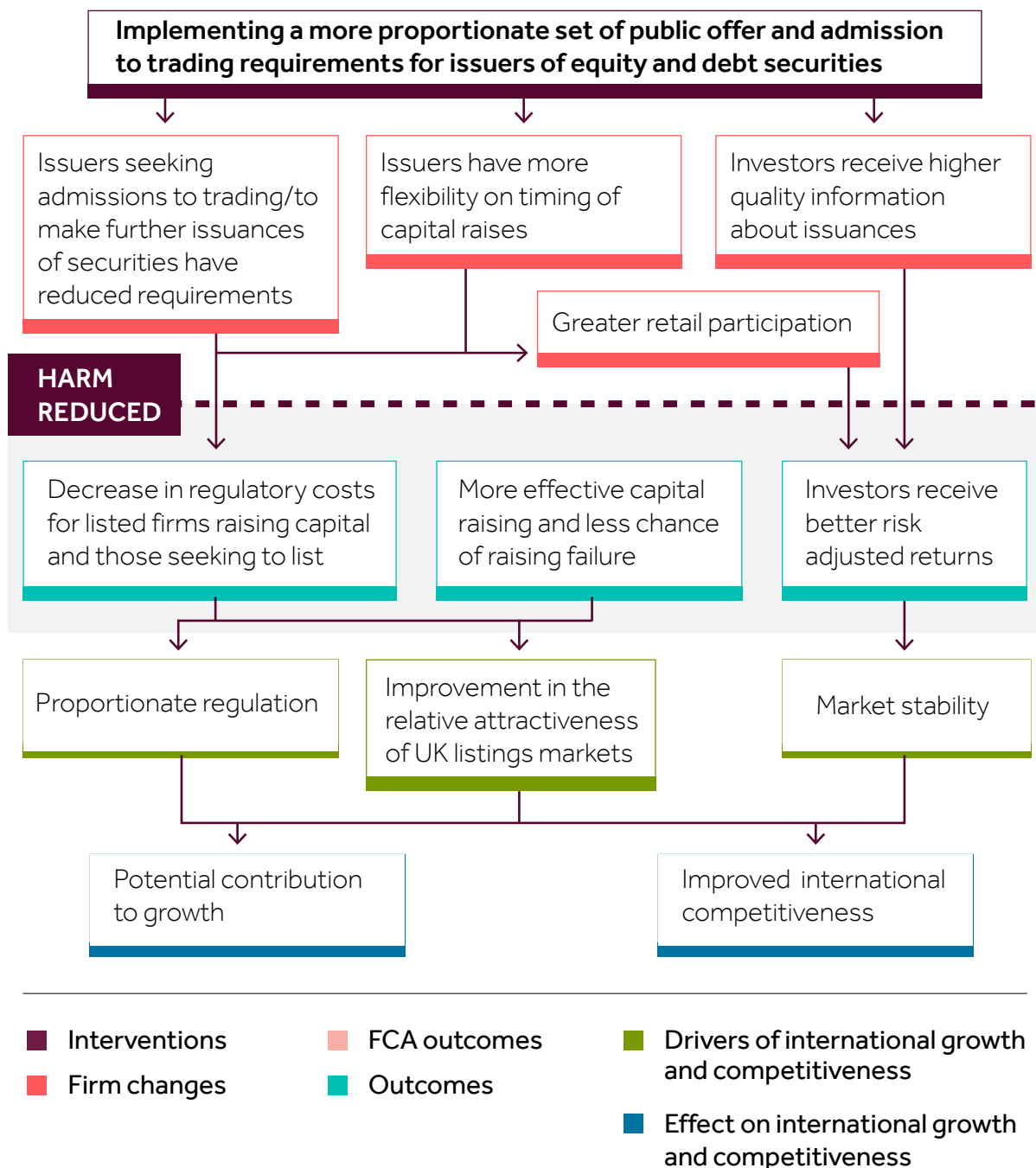
Our proposed intervention

- 32.** In this CP, with regards to when a prospectus may be required, we propose:
- Increasing the threshold for triggering a prospectus for further issuances from 20% of existing share capital to 75% for further issuances.
 - To require an MTF admission prospectus for all initial admissions to trading, and reverse takeovers (with exceptions for existing simplified routes to admission), to encourage offers to retail investors. We also set out our proposed approach to certain rights and responsibility attaching to the production of the prospectuses.
- 33.** In relation to what regulated market prospectuses should contain we propose:
- Defining PFLS, to give issuers legal certainty on what information can be deemed PFLS and to ensure investors can identify and assess such content.
 - To supplement existing minimum content requirements for issuers seeking admission of equity securities to a regulated market to include certain specific sustainability disclosures, where these are financially material and relevant. This may be complemented by further guidance.
 - For non-equity securities, to retain the approach of using non-Handbook Technical Note guidance to clarify expectations.
 - To require issuers to disclose whether their debt instruments have been marketed as 'green', 'social' or 'sustainable' or issued under a bond framework or a similar document. Where that is the case, issuers would be prompted to disclose further information on their securities, depending on the type of bond being listed.

Causal Chain analysis

- 34.** Our proposed intervention is described in the causal chain set out below. Our proposals will remove unnecessary costs and restrictions on firms raising capital. Issuers will then have a greater incentive to raise funds, or increase the amount of funds they raise through UK markets. Issuers will benefit from either a direct reduction in the costs of fund raising, or by raising an optimal amount of capital that is prevented by the current regime.
- 35.** In addition, we are also making changes to improve the information available to investors, which should lead to better investment decisions.
- 36.** We expect that these changes will improve the functioning of our capital markets. Consequently, the proposals will positively contribute to our competitive and growth objective. However, given the scope of our changes we do not expect the impact to be material.

37. **Figure 1: Causal chain for the implementation of the new POATRs framework**



Baseline and key assumptions

38. We are taking the POATRs made in Parliament as a given.
39. We are therefore interested in the impact of our rule changes over and above what is specified in the POATRs. Anything in addition to the primary legislation changes, or any choices in the specific design and implementation of the rules, would then be considered as discretionary and so included in the CBA.

- 40.** If we did not make changes to our rules, we might expect that primary and further issuances of equity would continue to decrease/remain flat. However, this will depend on the precise nature of the rule changes that sit within the primary legislation and the rule changes that sit within the FCA handbook. It is possible that the baseline scenario does not mirror the currently observed situation, (ie, if the primary legislation changes were to have an impact on the current trends). However, it is a reasonable assumption that without the changes proposed in this CP, pre-existing trends in relation to the decline in the number of UK listed companies and the subdued nature of the UK IPO market would continue. For the purposes of the CBA, we assume that the number of affected firms seeking admission of securities who may therefore require a prospectus would remain at the levels observed in the recent past.
- 41.** In the baseline, issuers would continue to raise new capital in the most effective way for them within the constraints of the current regime. This would include restricting the amount of capital they raise, seeking to raise capital outside the scope of the Prospectus Regime or raising capital in other market.
- 42.** We also assume that the harms identified in the previous section, namely that issuers cannot raise capital in an efficient and timely manner, that prospectuses do not contain all of the relevant information for investors and that the regulation has specific gaps which would lead to investor harm, would persist.
- 43.** We set out earlier in paragraphs 4 to 12 what we consider to be the scope of companies affected by our proposals.

Summary of impacts

- 44.** Overall, the proposals will make it easier and cheaper for companies to raise capital. The main costs of our proposed rule changes are familiarisation and gap analysis costs to firms. We also discuss potential additional search costs to investors in cases where issuers are no longer required to produce a prospectus, and additional costs to issuers where we are requiring new disclosures.
- 45.** Table 3 contains a summary of the costs and benefits in this CBA. We have quantified the benefits of our proposal around raising the threshold at which a prospectus is needed for secondary issuances. There are £23-29m of direct benefits from the savings arising from not having to publish a prospectus in these cases. In addition, there are benefits from issuers increasing their issuance as they no longer reduce the amount they raise to avoid the costs of publishing a prospectus. There are also some familiarisation costs borne by issuers' advisors.
- 46.** The other costs and benefits in this CBA are unquantified. The following unquantified costs and benefits have been recognised in our analysis for the following:
- Benefits from the proposal to reduce the minimum availability period from six days to three days, including for example more efficient capital raising.
 - Benefits from improved information made available through the protected forward-looking statements.

- Cost savings from the increased flexibility in presenting summary statements in the prospectus from the removal of prescription in our prospectus contents requirements.
- Benefits from the potential for increased retail participation in further issuances from changing the six-day rule to three days and in MTF issuances from the introduction of the MTF prospectus requirement.
- Potential additional information search costs from removing prospectus requirements.
- Additional costs to MTF issuers for producing an MTF prospectus.
- Potential additional costs for producing sustainability related disclosures earlier than otherwise required (at the IPO stage).

47. Overall, our proposals seek to remove requirements that do not provide benefits to investors, while requiring additional information where investors can use this information to make better investment decisions. We consequently believe that our proposals will be net-beneficial.

Table 2: Summary table of benefits and costs

Group affected	Item description	Benefits (£)		Costs (£)	
		One off	Ongoing	One off	Ongoing
Issuers' advisors	Familiarisation costs (direct)			£2.0m	
Issuers	Reduced costs from further issuances (direct)		£23m – 35m		
	Benefits from increased capital raising at/ just above 20% further issues of shares (indirect)		£2m-£4m		
	Benefits for issuers due to greater control over the timing of issuances (indirect)		Not quantified		
	Potential costs of making earlier sustainability-related disclosure/MTF prospectus	Not quantified			
Investors and their advisors	Increased search costs on further issuances (indirect)				Not quantified
	Benefits for investors in higher quality information in prospectuses (indirect)		Not quantified		
	Benefits from greater participation of retail investors		Not quantified		
FCA/wider society (if relevant)	More effective capital allocation by capital markets		Not quantified		

Group affected	Item description	Benefits (£)		Costs (£)	
		One off	Ongoing	One off	Ongoing
Total			£25-39m	£2m	

*Include any unquantifiable impact

** Highlight transfers in italic

Table 3 - Present Value and Net Present Value

	PV Benefits	PV Costs	NPV (X yrs) (benefits-costs)
Total impact	£276m (£216m – 336m)	£2m	£274m (£214m to £334m)
-of which direct	£249m (£198m – 302m)	£2m	£248m (£196m to £300m)
-of which indirect	£26m (£17m – 34m)	£0m	£26m (£17 – 34m)
Key unquantified items to consider	Benefits for issuers due to greater control over the timing of issuances Benefits for issuers due to greater control over the timing of issuances Benefits for investors in higher quality information in prospectuses (indirect) Benefits from greater participation of retail investors	Increased search costs on further issuances (indirect)	

Table 4: Net direct costs to firms

	Total (Present Value) Net Direct Cost to Business (10 yrs)	EANDCB
Total net direct cost to business (costs to businesses - benefits to businesses)	-£248m (£-196m to £-300m)	£-29m (£-23m to £-35m)

48. Non quantifiable costs and benefits have been recognised in our analysis for the following:

- Benefits from the proposal to reduce the minimum availability period from six days to three days, including for example more efficient capital raising
- Benefits from improved information made available through the protected forward-looking statements
- Cost saving benefits from introducing an exemption for non-equity fungible further issuances up to 75% of the original issuances.
- Cost savings from the increased flexibility in presenting summary statements in the prospectus from the removal of prescription in our prospectus contents requirements.
- Benefits from the potential for increased retail participation in further issuances from changing the six-day rule to three days and in MTF issuances from the introduction of the MTF prospectus requirement
- Potential additional information search costs from removing prospectus requirements.
- Additional costs to MTF issuers for producing an MTF prospectus.
- Potential additional costs for producing sustainability related disclosures earlier than otherwise required (at the IPO stage).

Benefits

49. We consider that our proposals will have the following potential benefits.

- Direct cost savings for issuers of prospectuses
- Lower fundraising costs and more timely fundraising due to greater flexibility over the timing of issuances
- Greater investment opportunities in further issuances for retail investors
- Better investment decisions and hence improved risk adjusted return consumers from higher quality information

50. In addition, we also expect there to be wider economic benefits in making listing in the UK easier and more attractive and in making capital raising more efficient.

Raising the threshold for a prospectus for further issuances

51. We consider that raising the threshold for a prospectus for further issuances could result in material cost savings for issuers making these issuances.

52. To calculate the potential scope of these cost savings, we have undertaken the following analysis:

- Considered the likely costs for issuers of publishing a prospectus for further issuances.
- Estimated the annual number of prospectuses which would not need to be published due a rise in the threshold.
- Multiplied the above to estimate expected annual costs savings.

The costs of producing a prospectus

- 53.** HMT's Impact assessment of the new public offers and admissions to trading regime included a review of approaches which had been used to estimate the costs of producing a prospectus. These included estimates of the costs triggered by the Prospectus Directive ranging from €1,000 to €3 million for minimum costs and €10,000 and €4 million for maximum costs and a survey by the Centre for Strategy and Evaluation Services which found that equity prospectuses were the most expensive, with an average cost of €912,000, with non-equity prospectuses averaging €63,000.
- 54.** We accept that costs of a prospectus will vary according to the type of prospectus- whether it is equity prospectus or non-equity prospectus. Key drivers of the costs of producing a prospectus include:
- The costs of preparing the working capital statement included in the prospectus and the long form accountants report. Under current requirements issuers are not able to use cost calculations undertaken for going concern statements and accountants have to make a binary 'qualified' or 'unqualified' statement. These costs can vary but feedback has suggested they can be £200-£300K or more.
 - The costs of verification of information contained in the prospectus. As the liability threshold for a prospectus includes omission of information as well as that the information should not be misleading, issuers often use investment banks to verify the accuracy of the information contained in the prospectus and that the prospectus contains all 'necessary information' (as required). This process of verification can be costly and can lead to prospectuses of over 1,000 pages.
- 55.** We also note HMT's assessment that the uncertainties about the costs of a prospectus make it difficult to estimate quantitatively the benefits of our proposals.
- 56.** However, we can build on previous analysis using the findings of the work we have done in relation to the costs of a shareholder vote in the CBA for CP23/31 given that many of the constituent parts of a prospectus are similar. Both require firms to incur legal and advisory fees, including accountancy related fees from preparation a working capital statement and sponsor fees. The analysis in CP23/31 based on interviews with stakeholders, provided an average range cost of £1m to £2m. Given the findings of other analyses as described above we consider this a reasonable starting point, though for very small IPOs this may overstate costs and for large IPOs underestimate them. We estimate here a cost of between £500K and £1m per prospectus may provide a reasonable estimate for those related to equity shares.
- 57.** For those related to funds, however, we consider that this would overstate prospectus costs given that, for example, the preparation of the working capital statement should be less expensive. For these issuances we estimate that the costs of the prospectus would be around £200K.
- 58.** For non-equity prospectuses, which are much shorter and do not involve a working capital statement, we consider that the estimate in the Centre of Evaluation Studies survey updated to be much lower, and assume firms spend £60K per prospectus.

The number of prospectuses that would not need to be published

59. To consider the average number of prospectuses that would not need to be published each year for further issuances under our proposed rules, we have looked at prospectuses published on further issuances from 2017-2023. These are shown in Table 5 below:

Table 5: Approved prospectuses on further issuances, 2017-2023

	Further issues excluding reverse takeovers	Average (per year)
Shares	263	38
Closed ended investment funds	485	69
Debt and debt like	2116	302
Certificates representing certain securities	5	1
Securitised derivatives	15	2
Miscellaneous securities	2	0
Open ended investment	1	0
No listing	136	19
Total	3023	432

60. We can see that there are around 38 published prospectuses each year for further issues of equity shares, around 69 for funds, and 302 for debt. We do not consider others here material for the purposes of our analysis given that our proposals may not affect these prospectuses. Reverse takeovers are excluded from this data as they will in the majority of cases be capital raises above the new threshold.
61. On debt and debt-like securities, we propose to adjust prospectus requirements for further issuances of fungible debt securities that fall between 20% and 75% of the original issuance amount. However, prospectuses would still be mandatory for base prospectuses, non-fungible further issuances of debt, and fungible further issuances exceeding 75% of the original amount. Currently, most further issues of debt and debt like instruments are for base prospectuses as issuers prefer the flexibility to choose favourable maturity and interest payments they provide. Furthermore, 'fungible further issuances below 75% of the original issuance' only make up a small share of the remainder of prospectuses currently issued. We therefore assume that there would not be cost savings in this area due to our proposals. We acknowledge that it is plausible that fungible further issuances of debt securities between 20% and 75% of the original issuance will become a more popular product in the future due to our rule change, but we do not consider it reasonably practicable possible to quantify the benefits such change would have as we cannot predict the extent to which these types of further issuances become more popular.

- 62.** Our view on the expected number of saved prospectuses on further issuances by closed ended investment funds is that these would not publish a prospectus anymore under our proposed regulation as they would fall below the 75% threshold. However, to be cautious in our estimate of the number of saved prospectuses, we assume that 80% of the 69 annually published prospectuses, or 55 prospectuses annually, would no longer be published.
- 63.** To calculate the expected number of saved prospectuses on further issues of equity shares and funds per year, we need to estimate how many of the 38 annual prospectuses would no longer be published under our proposed rules. Crucially, a proportion of the published prospectuses are by issuers with a double listing in the UK and abroad. These may continue to be required to publish a prospectus by another jurisdiction (typically the US) where they are also listing the shares. We therefore cannot expect to save the costs on producing all 38 annual prospectuses.
- 64.** To estimate the share of currently required prospectuses that will continue to be published, we have examined the proportion of issuances by UK issuers in the UK and other markets. This is shown in Table 6 below:

Table 6: Further issuances of UK listed firms also listing outside the UK

Year	UK Companies outside the UK		UK Companies in the UK		UK Companies outside the UK (% of inside the UK)	
	No.	Capital Raised (£m)	No.	Capital Raised (£m)	No. (%)	Capital Raised (%)
2014	23	2,643.8	342	24,069.8	6.3%	10%
2015	31	6,584.8	364	29,384.2	7.8%	18%
2016	19	1,613.2	384	20,533.0	4.7%	7%
2017	33	3,346.3	514	21,444.0	6.0%	13%
2018	20	1,494.7	440	22,520.1	4.3%	6%
2019	26	1,636.8	404	16,832.2	6.0%	9%
2020	29	4,321.0	482	32,952.5	5.7%	12%
2021	30	4,340.2	430	26,320.0	6.5%	14%
2022	26	1,242.1	276	10,863.4	8.6%	10%
2023	41	1,543.2	270	15,248.3	13.2%	9%
Average	28	2,876.6	391	22,016.7	6.9%	10.8%

Source: London Stock Exchange data

- 65.** From this table, we can see that a further issuance outside of the UK is typically made by 6% to 8% of issuers but raises 10% to 12% of the capital raised in the UK. The average number of further equity listings by UK listed firms outside of the UK are 28 per year.

- 66.** Important context on this data is that not all issuers raising capital in a market outside the UK will publish a prospectus. According to the SCRR *'in the case of smaller placings smaller institutional placings of up to 20% of existing share capital are routinely offered internationally, including to a limited number of US QIBs under Rule 144A without any formal offer document.'* As noted in Section 5, this type of offer is made with a short regulatory announcement, with institutions expected to do their own diligence from public sources before making their investment decision and to expressly disclaim recourse to the underwriting banks in what is colloquially known as a 'big boy' investor letter. A prospectus would only be used for placings (above 20%).
- 67.** Based on this, we assume that when a further issuance is also undertaken outside of the UK, a prospectus would likely still be required if that deal is of significant size, but not in all instances. Moreover, by the evidence from Table 6, the relative deal size outside of the UK is larger on average than inside of the UK. We therefore assume that 50% of the 28 further issuances (or 14 per year) that are also issued outside the UK would still produce a prospectus. This is around 50% higher than the one-third of further issuances using a prospectus in the UK under our current regulation.
- 68.** We therefore estimate the cost savings associated with not having to produce 24 equity prospectuses (38 minus 14) per year. The estimated annual cost savings from removing the prospectus requirement for further issuances would then be as follows:
- For equity shares, which we assume requires firms to produce a prospectus that costs between £500k and £1m, a saving of between £12m and £24m per year.
 - For funds issuances, at £200K per prospectus, a saving of £11m per year.
 - For debt issuances, at £60K per prospectus, we assume no cost savings.
- 69.** This would mean a potential total cost saving for UK listed firms of between £23m and £35m per year due to the change in our requirements.

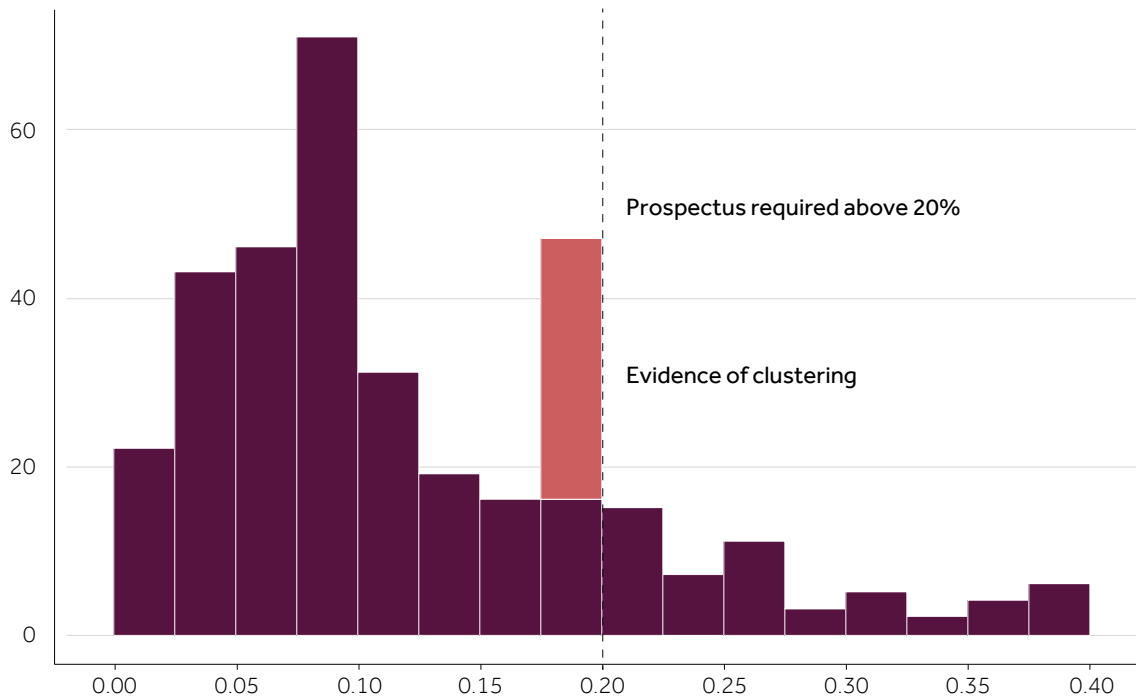
Additional benefits from lifting the prospectus requirement to 75%

- 70.** In addition to the cost savings discussed above, we also expect there to be benefits for issuers from an increased flexibility in raising capital at or just above the 20% threshold.
- 71.** Previously, due to the prospectus requirement, issuers may have preferred to raise just below 20% to avoid the cost of producing a prospectus. Figure 2 below shows the profile of further issuances by the proportion of the original number of shares issued.

72. Figure 2: Distribution of shares offered in further issuances

Distribution of Proportion of Shares Offered in Further Issuances

Frequency of offering by proportion of shares offered on LSE main market 2020-2023



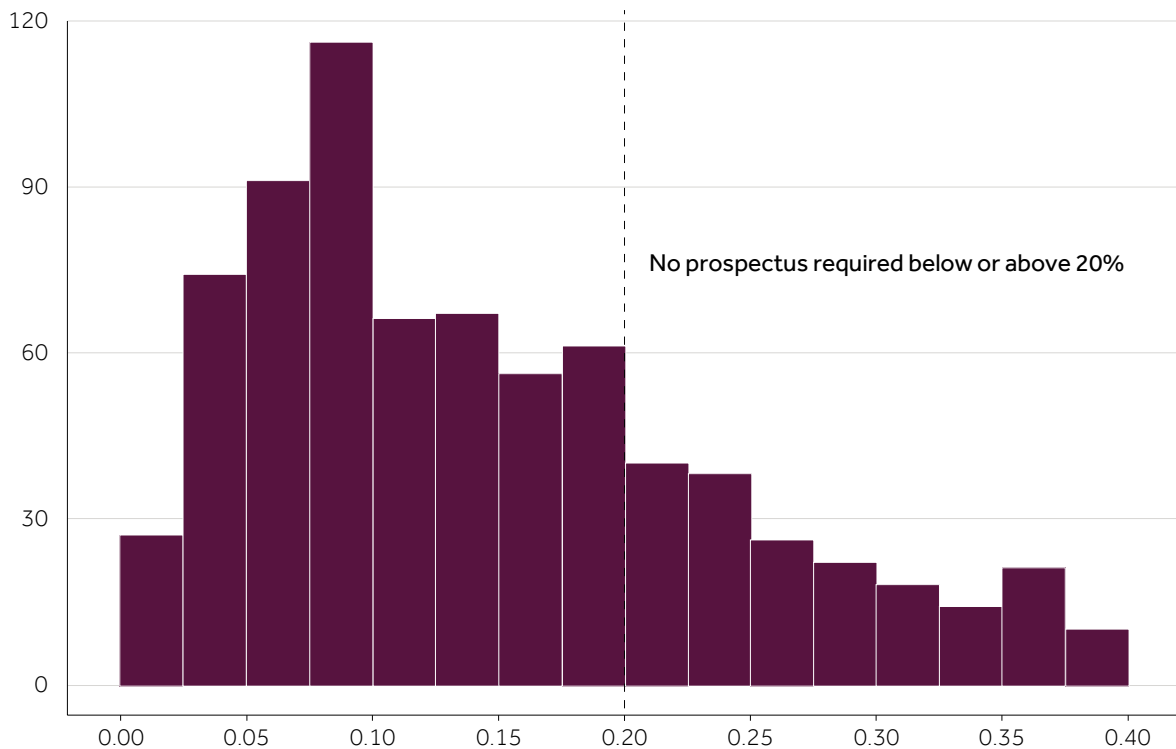
Source: FCA analysis of Bloomberg data on additional capital raising on the LSE main market, only offers below 40% of additional shares

73. The Figure 2 shows that issuances at or just below 20% were three times as likely as issuances greater than 20% and below 22.5% of the total number of shares outstanding. On the AIM market, which does not have a similar prospectus requirement, we do not find such stark evidence of clustering below 20%.

74. Figure 3: Distribution of Share Offered in Further Issuances

Distribution of Proportion of Shares Offered in Further Issuances

Frequency of offering by proportion of shares offered on LSE AIM 2020-2023



Source: FCA analysis of Bloomberg data on additional capital raising on AIM, only offers below 40% of additional shares

75. The clustering may occur because the cost of producing a prospectus outweighs the marginal benefit of raising extra funding by creating a couple of percent additional shares for some issuers. If we assume that firms assess the benefit of the increase in capital raising at the margin, the harm from reduced capital raising due to prospectus requirements will be distributed between 0 and the cost of producing a prospectus (£500k - £1m). If this harm is uniformly distributed between 0 and £500k/£1m, the average harm from reduced capital raising per company is £250k/£500k. Therefore, as the highlighted area in Figure 3 above contains 31 firms (c. 8 per year), we estimate the benefit from increased capital raising at or just above the prospectus cut-off of 20% to be up to between £2m and £4m annually.

Removal of prescription in our prospectus contents requirements

76. In this CP, we propose to relax prospectus contents requirements for a summary by removing the required annex of financial information.

77. The flexibility we are proposing for the summary should reduce preparation costs for issuers. However, as the necessary information test for issuers remains and as issuers will have to compile and present this financial information elsewhere in the main body of the prospectus, we do not consider that this will result in material costs savings for issuers.

- 78.** The guidance we are proposing to issue in relation to companies with complex financial histories may reduce costs for issuers during the application stage by reducing the uncertainty/time taken to produce this information. However, we also expect that any savings from the guidance will not be material as the guidance merely sets out the kind of detailed steps firms would reasonably have to undertake to comply with the rule. Moreover, where firms intend to raise capital in other jurisdictions with potentially more prescriptive requirements, they may choose to prepare documentation in such a way that the requirements of those other jurisdictions are also met. In such cases, issuers will not benefit from any reduction in preparation costs.

Benefits for issuers due to greater control over the timing of issuances

- 79.** The proposal to reduce the minimum availability period for retail investors, from six days to three days, should create benefits for issuers looking to involve retail investors. We have had feedback that this will give issuers more flexibility to raise capital. This could make capital raising more efficient and increase the scale of further issuances. It could widen the base of potential investors in a security, potentially adding to the supply of capital for issuers and acting to increase the value of UK listed companies. This may also act to increase incentives for issuers to use listed markets as a means of capital raising compared to other mechanisms, potentially reducing their costs of capital.
- 80.** Feedback (and analysis by the Secondary Capital Raising Review) suggests that issuers gain value from being able to pick the precise time for the issuance (to maximise price and take up). This value may give issuers incentives to use listed markets for capital raising compared to other options, potentially reducing the costs of this capital raising and allowing issuers to achieve a more optimal capital structure.
- 81.** However, whilst we recognise the potential importance of these benefits, we do not consider that it is reasonably practicable to estimate these benefits. This is because we cannot reasonably predict how changes in date would have affected the success of public offers.

Benefits from greater participation of retail investors

- 82.** The change to the six-day rule is also intended to make it easier for issuers to include retail investors in the issuance and we would expect that this will act to increase retail participation.
- 83.** Furthermore, the introduction of an MTF admissions prospectus may increase retail participation. Initial public offers to retail investors will have the same prospectus requirement as offers to qualified investors after this proposed change.
- 84.** Retail investors will therefore have more opportunity to invest in initial public offers, potentially gaining from the potential returns new issued equity.
- 85.** We note these benefits but do not consider it is reasonably practicable to estimate them. This is because we cannot assess the extent to which consumers would seek to take up offerings where previously they would have been excluded.

Benefits for investors in higher quality information in prospectuses

- 86.** Our proposals in relation to protected forward-looking statements are intended to encourage issuers to include a wider range of information in prospectuses. This should help improve the quality and quantity of information available for investors in the prospectus. Investors may be better able to assess the prospects of potential investments and therefore improve their investment decisions around any particular offering. If investors make better investment decisions then they should earn superior risk-adjusted returns.
- 87.** This will improve the pricing efficiency of offerings and enable improved capital allocation for investors, and the wider economy.
- 88.** We note these potential benefits but do not attempt to quantify them in this analysis as we do not consider this feasible.

Costs

- 89.** In this section, we set out the costs of our proposals. These are:
- Familiarisation costs from reading our proposals and from any systems changes that might be needed in adapting to them.
 - Potential additional costs for issuers associated with making sustainability related disclosures on listing rather than up to one year later as a continuing obligation under listings rules.
 - Potential additional investor search costs where we have proposed removing requirements for a prospectus.
 - Potential costs from Protected Forward Looking Statements (PFLS).
 - Potential costs for MTF operators or issuers.

Familiarisation and legal analysis costs

- 90.** We take a different approach to estimate these costs compared to [CP23/31](#) where we set out our proposals for listing. This is because in CP23/31 many of our proposals applied to the ongoing requirements on firms that were already on listed markets. In this CP, our proposals only directly affect firms that are undertaking new issuances. In addition, we think in most instances, issuers will need to familiarise themselves with the prospectus regime when considering undertaking some new fundraising, however, we would expect that to happen under our baseline and therefore we do not consider these costs here.
- 91.** We would expect that advisory firms will incur familiarisation and gap analysis costs as these are the firms that will guide issuers through prospectus requirements and have to update their approach to match the changes we are proposing. We rely on assumptions used in HMT's Impact assessment that there are:
- 65 investment banks - 10 'bulge' bracket and 55 mid-level banks;

- 96 law firms affected by our reforms (we assume these are medium sized firms);
- 40 accountancy firms- (4 large plus 36 medium sized firms).

- 92.** In addition, in line with CP23/31, we assume that large investors will seek to understand our proposals. To estimate the number of investors likely to read the proposals we rely on the assumptions from our recent CBA of the proposals in relation to primary market effectiveness in CP23/31 as we consider that this is likely to be a similar investor base. These assumptions have not been challenged by stakeholders. We assume 30 investors would be engaged on this CP with 10 large, 17 medium and 13 small companies.
- 93.** There are also two primary MTFs, which are both large firms, who also need to familiarise themselves with these proposals.
- 94.** Overall, this leaves us with 24 large companies and 187 medium companies.
- 95.** We use standard assumptions to estimate these costs. We anticipate that there will be approximately 70 pages of policy documentation with which firms will need to familiarise themselves.
- 96.** Assuming that there are 300 words per page and a reading speed of 100 words per minute, it would take around 3.5 hours to read the policy documentation. It is further assumed that 20 compliance staff at large groups and 5 compliance staff at small groups read the document. Finally, using data on salaries from the Willis Towers Watson UK Financial Services survey, the hourly compliance staff salary is assumed to be £61 at large firms and £57 at medium firms, including 30% overheads.
- 97.** Using these assumptions, we calculate average per firms costs of £23,500 and £7,700 of large and medium firms, respectively. We estimate familiarisation costs of £0.29m.
- 98.** In addition, we also expect those affected will undertake a legal review of the new requirements against current practices. We, again, use standard assumptions to estimate these costs. There are around 120 pages of legal instrument to review. It is assumed that 4 legal staff at large firms and 2 legal staff at medium firms will review the legal instrument. It is further assumed that each legal staff member can review 50 pages in 28 and 21 hours at large and medium firms respectively. Therefore it takes them 269 and 101 hours per firms to review the instrument, at large and medium firms respectively. Finally, using data on salaries from the Willis Towers Watson UK Financial Services survey the hourly legal staff salary is assumed to be £72 at large groups and £67 at small groups, including 30% overheads.
- 99.** Using these assumptions, we estimate legal review costs of £1.7m.
- 100.** In total, we estimate the one-off familiarisation and legal review costs of £2.0m

The costs of specific proposals

Potential additional costs due to making sustainability related disclosures

- 101.** Another potential cost of our proposals is that issuers would have to make sustainability related disclosures. Our proposals introduce an earlier requirement for sustainability-related disclosures by issuers. Currently, these disclosures are mandated as a continuing obligation after listing. We propose that issuers make these disclosures at the point of listing within the prospectus. We have shaped our proposals in this area to mitigate potential additional costs for issuers. We have not included a high level of prescription in the necessary disclosures but have more clearly sign posted what items issuers should look to include in their sustainability reporting if financially material, in line with the existing necessary information test.
- 102.** Our proposals also offer support to issuers by aligning with TCFD (Task Force on Climate-related Financial Disclosures) and ISSB (International Sustainability Standards Board) standards. This alignment helps issuers disclose climate-related risks and opportunities, aiming to improve consistency and readiness for future reporting obligations. This should ensure better alignment between the prospectus and future reporting requirements.
- 103.** In shaping our proposals, we have taken into account concerns about imposing significant costs on issuers. For example, we do not mandate full disclosure or explanations against ISSB S2 standards within prospectuses from the outset.
- 104.** We are giving more shape and certainty to what issuers should disclose and how. If the information is financially material, issuers should already be disclosing it under existing regulations, so the cost is not additional to current obligations. Moreover, in practice it is possible that, even without our requirement to do so, issuers may wish to provide investors with this information at the point of listing. It could also be considered that such information was necessary information for investors which should be included in the prospectus.
- 105.** We note also that issuers are subject to a wider set of sustainability requirements and that they may have to compile similar data already.
- 106.** Finally, in some cases, there may also be positive incentives for issuers to include such information if it means that investors attach a higher price to the securities. Where such incentives do not exist, for example if issuers face negative issues they prefer not to disclose, our proposals ensure that this information is still captured.
- 107.** On balance, given the above discussion, our CBA assessment of the overall impact of our changes is neutral. We do not quantify any additional costs faced by issuers in relation to these disclosures here.

Protected forward-looking statements (PFLS)

- 108.** Issuers already have the option to include forward-looking statements in their prospectuses.

- 109.** Under the current regime, forward-looking statements, like all other information in a prospectus, are subject to a negligence liability threshold with a reverse burden of proof that not only requires the information to be accurate but also that the issuer has not omitted any relevant information. In practice, there are significant costs associated with hiring law firms to verify the forward-looking statement.
- 110.** The proposals for PFLS would allow issuers to include such information under a recklessness/dishonesty liability standard, with the burden of proof on investors. This should not lead to an increase in cost for issuers and may lower costs in some instances.
- 111.** The introduction of PFLS may encourage issuers to include more information in a prospectus, which may come with associated costs of preparing it. However, we assume that issuers would only do this when the new costs associated with PFLS are outweighed by the benefits as the inclusion of such statements is voluntary.

Primary MTFs

- 112.** We will require an MTF admission prospectus for all new admissions to trading on primary MTFs that allow retail participation and giving market operators discretion regarding the prospectus requirements for further issuances.
- 113.** MTF operators will set their own requirements for the content of the MTF prospectus, and we expect the operators will not require anything beyond what they would ask for without the prospectus. Although prospectus liability may be regarded as a significant cost by MTF issuers, we do not consider it possible to quantify the scale of these costs. We are looking for feedback from MTF operators and issuers to help define these costs.

Potential additional investor search costs

- 114.** We consider that there are potential additional investor search costs where we have made proposals in the following areas:
- Where we have proposed removed prescriptive requirements for a prospectus for admissions to trading for example in relation to the summary.
 - Where we have proposed raising the threshold for a prospectus for further issuers.
- 115.** We note also that issuers are required to provide investors with all necessary information when seeking to have securities admitted to trading and to make further issuances of securities already admitted to trading. We consider that this will mean that investors should not have material additional search costs.
- 116.** Therefore, whilst we note potential impacts on investor search costs in our CBA analysis, we do not quantify them.

Wider economic impacts, including on the secondary objective

- 117.** We also consider that there are wider economic benefits from these proposals. These relate to the drivers of international competitiveness and growth as set out below.

Proportionate regulation

- 118.** By introducing more targeted and proportionate requirements across the new regime, we expect to reduce costs for UK listed issuers and improve the quality of information available for investors. This should act towards better pricing of securities in UK listed markets, improving the effectiveness of listed markets as a medium for capital allocation in the UK economy. Greater flexibility in our requirements should also allow issuers to raise capital more effectively and at greater speed. This in turn will enable issuers to undertake capital raising quickly and in the manner of their choosing, supporting their commercial success or continuation as a business, with knock on benefits for to UK GDP and employment, and thus contributing to the advancement of the secondary objective.

International markets

- 119.** We expect that our proposed rule changes will reduce costs for UK listed companies at the point of listing and when creating further issuances. These changes should improve the relative attractiveness of UK listings markets.
- 120.** Our proposals will also give issuers greater flexibility in how they raise capital by giving them more choice over the precise timing of their capital raising. This will enable them to increase the price and take up of their issuance, which should also make it relatively more attractive to list in the UK. Increasing the attractiveness of UK listing should act to increase the numbers of IPOs and of listed companies. In this way, our proposed rule changes will contribute to safeguarding the position of the UK financial services ecosystem and therefore to long term economic growth in the UK.

Market stability

- 121.** Our proposals to maintain requirements for admissions to trading on regulated markets should act to ensure market stability and market integrity. Where we have made changes to promote higher quality of information in the market, for example in relation to the inclusion of protected forward-looking statements in prospectuses, our changes should act towards better pricing in the market improving outcomes for investors. The proposed rule changes would enable investors to make better informed decisions and improve risk adjusted returns. These impacts should improve confidence in UK capital markets, again improving the attractiveness of listing in the UK, and creating the conditions for economic growth.

Monitoring and Evaluation

- 122.** In common with our listing reforms, the intention of these proposals is to facilitate capital raising for a range of issuers and to provide a wider range of opportunities for investment for investors. Given this and what we would expect to be shared positive effects in relation to international competitiveness and growth, several of the measures of success for these reforms will be shared with those for listing reforms.
- 123.** We have set metrics for measuring success for our work on listings reform which will be relevant for monitoring and assessing these proposals as well. These include the number of companies and the total market capitalisation on UK listed markets, the number of IPOs and the amount of capital raised on UK markets via further issuances. We are also monitoring the development of relevant securities on the official list.
- 124.** We would also monitor the extent to which issuers raise capital under the revised threshold for a prospectus for further issuances, monitoring data on capital raising in general and as a proportion of existing share capital.

Question 63: Do you have any comments on our cost benefit analysis?

Annex 3

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with a number of legal requirements applicable to the proposals in this consultation, including an explanation of the FCA's reasons for concluding that our proposals in this consultation are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA 2000).
2. When consulting on new rules, the FCA is required by section 138I(2)(d) FSMA 2000 to include an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA 2000, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, advances the secondary international competitiveness and growth objective, under section 1B(4A) FSMA 2000, and (c) complies with its general duty under section 1B(5)(a) FSMA 2000 to have regard to the regulatory principles in section 3B FSMA 2000. The FCA is also required by s 138K(2) FSMA 2000 to state its opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
3. This Annex also sets out the FCA's view of how the proposed rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (section 1B(4)). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.
4. In addition, this Annex explains how we have considered the recommendations made by the Treasury under s 1JA FSMA 2000 about aspects of the economic policy of His Majesty's Government to which we should have regard in connection with our general duties.
5. This Annex includes our assessment of the equality and diversity implications of these proposals.
6. Under the Legislative and Regulatory Reform Act 2006 (LRRRA) the FCA is subject to requirements to have regard to a number of high-level 'Principles' in the exercise of some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRRA.

The FCA's objectives and regulatory principles: Compatibility statement

7. The proposals set out in this consultation are primarily intended to advance the FCA's statutory objective to make markets function well and our operational objective to protect and enhance market integrity, as well as ensuring an appropriate degree of consumer protection. We have also advanced our secondary objective toward international competitiveness and growth.
8. The proposals are compatible with the FCA's strategic objective of ensuring that the relevant markets function well because they preserve current requirements which ensure that investors have the necessary information to assess securities being admitted to trading on a regulated market whilst at the same time reducing costs for issuers where appropriate. For the purposes of the FCA's strategic objective, "relevant markets" are defined by section 1F FSMA 2000.
9. We have retained elements of the previous prospectus regime which are understood and relied upon by issuers and investors at the point of admissions of securities to trading on a regulated market.
10. Where we have proposed to make changes to current requirements, for example to raise the threshold for further issuances of securities already admitted to a regulated market, these proposals have been made to improve the efficiency of capital raising and the proportionality of our requirements. Further we have retained the option for issuers to publish a voluntary prospectus where they are making issuances also in other jurisdictions such as the US.
11. Our proposals will act towards market integrity as set out in s1D2 FSMA 2000 as follows:

(a) its soundness, stability and resilience

Our proposals will retain the main requirements for a prospectus for admissions to trading of securities to admission to trading and the main contents and format requirements for a prospectus. This will act toward transparency in the market by requiring that issuers include all 'necessary information' for investors in the prospectus.

(b) its not being used for a purpose connected with financial crime.

Our proposals are not used for a purpose connected with financial crime.

(c) its not being affected by F2c contraventions by persons of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation,

Our proposals are not affected by F2c contraventions by persons of Article 14.

(d) the orderly operation of the financial markets

Our proposals act towards the orderly operation of the financial markets. We have proposed only modest changes to requirements for a prospectus for admission of

securities to trading on a regulated market in order to ensure that market participants are able to continue to use current documentation and to add to certainty in the market. This will also act to ensure that investors continue to have the information they need on the securities.

Our proposals should also act to make capital raising easier by removing unnecessary costs to issuers related to publishing prospectuses for further issuances of securities already admitted to trading on a regulated market.

(e) the transparency of the price formation process.

Our proposals to retain requirements for a prospectus for admission of securities to trading on a regulated market act to ensure that investors have the necessary information to be able to assess the securities. . where we consider there are heightened risks of information asymmetry between issuers and investors. Further our proposals to allow issuers, under certain conditions, to include protected forward looking statements in the prospectus should act to improve the quality of information available to investors.

12. We also consider our measures will ensure an appropriate degree of consumer protection by requiring a prospectus in instances where the greatest risk of information asymmetry arises, and retaining detailed content requirements for these documents. Our enhancements for climate-related disclosures seek to ensure investors have financially material information available in relation to such matters. Our approach to PFLS seeks to encourage more decision-useful forward-looking information available within the prospectus, subject to appropriate criteria and safeguards around how such information is disclosed.
13. We also consider that these proposals are compatible with our secondary international growth and competitiveness objective because they act to improve the relative attractiveness of UK listings market by creating a more proportionate regime. Our proposals should also make it easier for companies to raise capital on UK listed markets, building on the reform of Listings rules.
14. In preparing the proposals set out in this consultation, the FCA has had regard to the regulatory principles set out in s 3B FSMA 2000.

The need to use our resources in the most efficient and economic way

15. The main use of FCA resources in this area is the ongoing review and approval of prospectus applications. Our proposals should act to reduce the number of prospectuses that the FCA needs to approve. We have also minimised resources spent in the process of developing these consultation proposals. These proposals should then act to reduce FCA spend in this area.

The principle that a burden or restriction should be proportionate to the benefits

16. Our proposals include measures to reduce requirements on issuers where appropriate, including by raising the threshold triggering the requirement for a prospectus for further issuances of securities already admitted to trading on a regulated market.

The need to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target) and section 5 of the Environment Act 2021 (environmental targets)

17. Our proposals in relation to sustainability related disclosures should act to increase transparency for investors about the climate related impact of these companies before they are listed. This will allow investors to decide whether or not to invest and may act towards a downward pressure on the pricing of securities with adverse climate impact. This should then act towards achievement of the UK net zero emissions target and environmental targets.

The general principle that consumers should take responsibility for their decisions

18. Our proposals should act to increase the opportunities for consumers to participate in fund raisings by reducing the six-day rule to three days. While this will reduce the time consumers have to review prospectus documents it is likely to give them a wider choice of securities to invest in. We are also giving more flexibility to issuers in relation to the requirements for a summary. This should give retail investors more opportunity to access prospectus documents and make their own decisions in relation to whether or not to invest. The responsibilities of senior management
19. Our proposals maintain the current obligations of Directors and senior management in relation to the contents of the prospectus. The obligations mean that Directors and senior management remain liable for prospectus contents.

The desirability of recognising differences in the nature of, and objectives of, businesses carried on by different persons including mutual societies and other kinds of business organisation

20. Our proposals act towards more tailored requirements for issuers, with smaller issuers being able to raise capital more easily as we propose raising the threshold at which a prospectus is required for further issuances of securities already admitted to trading on a regulated market. Larger issuers who may seek also to raise capital at the same time on US markets will still be able to publish a voluntary prospectus under our proposals. This means that under our proposals our requirements would allow for the different size and purposes of issuers.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA 2000, or requiring them to publish information

21. We do not consider this to be applicable given the nature of our proposals.

The principle that we should exercise of our functions as transparently as possible

22. In formulating these proposals, the FCA has had regard to the importance of taking action intended to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s 1B(5)(b) FSMA 2000). This provision is not relevant to the proposals contained in this CP.

- 23.** In the Public offer and admissions to trading Regulations HMT has said that the FCA must:

“have regard to the desirability of facilitating offers of transferable securities in the United Kingdom being made to a wide range of investors is a matter specified for the purposes of section 138EA of FSMA 2000(3) in relation to the making of—

(a) regulated market admission rules, and

(b) rules made by virtue of regulation 15.”

- 24.** In relation to (a) we propose to remove requirements which may act against participation of retail investors in capital raising, including by changing the six-day rule to 3 days (as recommended by the Secondary Capital Raising Review). Our proposal to raise the threshold for a prospectus for further issuances of securities already admitted to trading should also make it easier for issuers to involve retail investors in capital raises.
- 25.** In relation to (b) regulation 15, our proposals to require MTFs to require issuers to publish a prospectus in markets which include participation of retail investors should act to remove a barrier to issuers including such investors in capital raising on these markets.

Expected effect on mutual societies

- 26.** The FCA does not expect the proposals in this paper to have a significantly different impact on mutual societies.

Compatibility with the duty to promote effective competition in the interests of consumers

- 27.** In preparing the proposals as set out in this consultation, we have had regard to the FCA's duty to promote effective competition in the interests of consumers. However, given the nature and subject matter of the proposals, we do not expect them to have a material impact on competition.

Equality and diversity

- 28.** We are required under the Equality Act 2010 in exercising our functions to 'have due regard' to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not, to and foster good relations between people who share a protected characteristic and those who do not.

- 29.** As part of this, we ensure the equality and diversity implications of any new policy proposals are considered. The outcome of our consideration in relation to these matters in this case is stated in Chapter 2 of this Consultation Paper.

Annex 4

Draft Guidance for companies with a complex financial history

1. The complex financial history and significant financial commitment rules have been set out in our new Handbook rules. They apply to issuers of equity securities producing a prospectus.
2. These rules explain that “an issuer shall be considered as having a complex financial history where all of the following conditions are fulfilled:
 - a. at the time of drawing up the prospectus, the information referred to in the relevant Annexes does not represent the issuer’s undertaking accurately;
 - b. the inaccuracy referred to in point (a) affects the ability of investors to make an informed assessment as referred to our rules and
 - c. additional information relating to an entity other than the issuer is needed for investors to make an informed assessment.”
3. In practice, the complex financial history and significant financial commitment rules will apply to only a small number of issuers preparing a prospectus. This is because, in the majority of cases, the information referred to in the Annexes to our new Handbook Rules, including the issuer’s own historical financial information, will represent an issuer’s undertaking accurately. This technical note is intended to explain the FCA’s approach where this is not the case, and specifically to the most common example of complex financial history, where an issuer has made one or more acquisitions within its prospectus track record period.

Prospectus requirements where an issuer has complex financial history

4. According to our rules, the additional information referred to in part (c) above is all information referred to in Annexes 1 and 20, in relation to another entity (or entities) other than the issuer, that investors need to make an informed assessment.
5. This includes the financial information required by Annex 1 and the related historical financial information items in the other Annexes for equity securities.

Our approach

6. Our rules do not set out the specific requirements of the financial information in relation to other entities that is required when an issuer has a complex financial history, particularly in relation to the time period the financial information should cover.
7. In practice, the financial information necessary to meet the requirements of the Prospectus Regulation will depend on the specific facts of each case. It remains the responsibility of the issuer to ensure the prospectus contains the necessary information which is material to an investor for making an informed assessment.

8. However, when reviewing prospectuses of issuers which have made an acquisition or acquisitions during their prospectus track record period, and are therefore deemed to have a complex financial history, we consider the following factors in relation to limb (c):
- the size of the acquisition(s) relative to the issuer; and
 - the point in time in the track record period when the acquisition(s) occurred.
9. In general, the more recently an acquisition has been made and the larger it is relative to the size of the issuer, the more likely that we will consider that additional pre-acquisition financial information will be required in order that investors can make an informed assessment.

Assessing the size of an acquisition

10. In determining whether an issuer has a complex financial history, issuers and their advisers should consider the size, in aggregate, of all the acquisitions that the issuer has entered into during its track record period.
11. The relative size of the acquired businesses in relation to the issuer is assessed by comparing metrics reflecting the issuer and its acquired business(es)' assets, profitability and market capitalisation. This assessment should take into account metrics which are appropriate for a business(es) operating in the issuer's industry. In circumstances where assessing the size of the acquired business(es) is complex, we encourage advisers to seek guidance from us as early as possible.
12. The figures used for the assessment of relative size should be the latest available for the acquired entities and the issuer as enlarged by the acquisition(s), as opposed to at the date the acquisition(s) took place. This ensures that the historical financial information included in the issuer's prospectus is representative of its business at present.
13. Where the acquisition(s) have been integrated into the issuer's business to an extent that separate financial information is no longer available, the issuer may decide to use financial information from the date the acquisition(s) took place as appropriate.

Illustrative examples

Example 1:

14. Company A is planning to publish a prospectus in 202(Y). Company A acquired Company B (the target) in the year 202(Y-3) – the earliest year in its track record. As a result, the target's financial results have been consolidated into the issuer's financial information for the majority of 202(Y-3) and for two full years, 202(Y-2) and 202(Y-1).
15. Company A has concluded that by including its own consolidated financials for the track record period, the prospectus contains the necessary information which is material to an investor for making an informed assessment in accordance and there are no other factors which would make the prospectus misleading if this approach was followed.

- 16.** In this scenario, we would be unlikely to challenge Company A's view that no pre-acquisition information for Company B is required for inclusion in the prospectus because the consolidated financial information of the issuer covers the vast majority of the track record. This would be the case regardless of the size of the acquisition.

Example 2:

- 17.** Company C has acquired a number of businesses in its prospectus track record period. An assessment has been performed of the size of the aggregated acquired businesses relative to the size of Company C as enlarged by the acquisition. The largest result is <25%.
- 18.** Company C has concluded that by including its own consolidated financials for the track record period, the prospectus contains the necessary information which is material to an investor for making an informed assessment and that there are no other factors which would make the prospectus misleading if this approach was followed.
- 19.** In this scenario, we would be unlikely to challenge Company C's view that no pre-acquisition information for the acquired businesses is required for inclusion in the prospectus because the consolidated financial information of the issuer covers the vast majority of the issuer's business as enlarged by the acquisitions. This would be the case regardless of the point in the prospectus track record when the acquisitions took place.

Example 3:

- 20.** Company D is planning to publish a prospectus in the year 202(Y). Company D acquired Company E in the year 202(Y-1). As a result, Company D's financial results have been consolidated into Company D's financial information for the majority of 202(Y-1) only. The size of the acquisition relative to Company D is 100% on at least one of the metrics compared. Based on the size and timing of the acquisition in the track record period, we expect that the prospectus would include additional pre-acquisition information for Company E. The nature and extent of the additional pre-acquisition information, in particular the financial information required, will depend on the specific facts of the case and should be discussed with the FCA in advance of the prospectus being submitted.
- 21.** We recognise that these are simple examples and that acquisition scenarios are more complex. The additional financial information disclosures required will depend on the facts of each case, specifically the size and timing of the acquisitions.
- 22.** We encourage issuers and their advisers to contact us to discuss these requirements as early as possible if they are unsure how they may apply to them.

Annex 5

Abbreviations used in this paper

Abbreviation	Description
AGM	Annual General Meeting
CEIF	Closed Ended Investment Fund
DAR	Designated Activities Regime
EP	Engagement Paper
ESG	Environmental, Social and Governance
EU	European Union
FCA	Financial Conduct Authority
FRF	Future Regulatory Framework
HMT	His Majesty's Treasury
ISSB	International Sustainability Standards Board
KPI	Key Performance Indicator
LR	Listing Rule
MAR	Market Abuse Regulation
MAR sourcebook	Market Conduct sourcebook
MTF	Multilateral Trading Facility
PEG	Pre-Emption Group
PFLS	Protected Forward Looking Statements
PIB	Public International Body
PR	Prospectus Regulation
PRR	Prospectus Regulation Rules sourcebook

Abbreviation	Description
PRM	Prospectus rules: public offers and admissions to trading sourcebook
QI	Qualified Investor
RAO	Regulated Activity Order
SCRR	Secondary Capital Raising Review
SLBs	Sustainability Linked Bonds
SPT	Sustainability Performance Target
SRF	Smarter Regulatory Framework
TCFD	Task Force on Climate-related Financial Disclosures
TN	Technical Note
TPT	Transitional Plan Taskforce
UK	United Kingdom
UKLR	United Kingdom Listing Rule
UoP	Use of Proceeds
US	United States
VCT	Venture Capital Trust

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Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

We are obliged to list the names of respondents, which is a matter separate from any request for the content of a response to be kept confidential. However, we will only publish the name of a respondent to a consultation where that respondent has consented to the publication of their name.

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Appendix 1

Draft Handbook text

**PROSPECTUS (SMARTER REGULATORY FRAMEWORK AND
CONSEQUENTIAL AMENDMENTS) INSTRUMENT 202X**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 71N (Designated activities: rules);
 - (b) section 137A (The FCA’s general rule-making power);
 - (c) section 137T (General supplementary powers); and
 - (d) section 139A (Power of the FCA to give guidance); and
 - (2) the following provisions of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105):
 - (a) regulation 14 (FCA rules relating to admissions to trading on regulated market);
 - (b) regulation 15 (FCA rules relating to admissions to trading on primary MTF);
 - (c) regulation 18 (Further provision about regulated market admission rules);
 - (d) regulation 20 (Waiver or modification of rules);
 - (e) regulation 22 (Responsibility for prospectus or MTF admission prospectus);
 - (f) regulation 24 (Issuers established outside UK: presentation of historical financial information);
 - (g) regulation 25 (Exemptions from disclosure); and
 - (h) regulation 32 (Withdrawal rights).
- B. The rule-making powers listed in (1) and (2) above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on [*date*].

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
Market Conduct sourcebook (MAR)	Annex B
Recognised Investment Exchanges sourcebook (REC)	Annex C

Making the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM)

- E. The FCA makes the rules and gives the guidance in Annex D to this instrument.
- F. The Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM) is added to the Listing, Prospectus and Disclosure block within the Handbook, immediately before the Disclosure Guidance and Transparency Rules sourcebook (DTR).

Revocation of the Prospectus Regulation Rules sourcebook (PRR)

- G. The provisions of the Prospectus Regulation Rules sourcebook (PRR) are revoked.

Notes

- H. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for readers’ convenience, but do not form part of the legislative text.

Citation

- I. This instrument may be cited as the Prospectus (Smarter Regulatory Framework and Consequential Amendments) Instrument 202X.
- J. The sourcebook in Annex D to this instrument may be cited as the Prospectus Rules: Admissions to Trading on a Regulated Market sourcebook (PRM).

By order of the Board
[date]

Annex A

Amendments to the Glossary of definitions

[*Editor's note:* this Annex takes into account the changes made by UK Listing Rules Instrument 2024 (FCA 2024/23), which comes into force on 29 July 2024.]

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>AIM Designated Market</i>	<p>any of the top tier markets of:</p> <ul style="list-style-type: none"> (a) Australian Securities Exchange; (b) Johannesburg Stock Exchange; (c) NASDAQ; (d) NYSE; (e) Six Swiss Exchange; or (f) TMX Group, <p>or any <i>regulated market</i> or <i>EEA regulated market</i> or <i>SME growth market</i> which is registered in accordance with the relevant laws.</p>
<i>designated activity</i>	an activity designated under section 71K of the <i>Act</i> .
<i>excluded route</i>	<ul style="list-style-type: none"> (a) the AQSE fast-track route for <i>admission to trading</i> on the AQSE Growth Market; or (b) where the <i>issuer</i> is a <i>quoted applicant</i>, the <i>AIM Designated Market</i> route used for an <i>admission to trading</i> on AIM.
<i>forward-looking statement</i>	has the meaning in paragraph 10(2) of Schedule 2 to the <i>Public Offers and Admissions to Trading Regulations</i> .
<i>MTF admission prospectus</i>	has the meaning in regulation 21(3) of the <i>Public Offers and Admissions to Trading Regulations</i> , in summary, a document whose publication is required by rules made by the operator of a <i>primary MTF</i> and which is described by those rules as an 'MTF admission prospectus'.
<i>offer of relevant</i>	has the meaning in regulation 7 of the <i>Public Offers and Admissions to Trading Regulations</i> , in summary, a communication to any <i>person</i> , which

<i>securities to the public</i>	<p>presents sufficient information on:</p> <ol style="list-style-type: none"> (1) the <i>relevant securities</i> to be offered; and (2) the terms on which they are to be offered, <p>to enable an investor to decide to buy or subscribe for the <i>relevant securities</i> in question.</p>
<i>primary MTF</i>	<p>has the meaning in regulation 8 of the <i>Public Offers and Admissions to Trading Regulations</i>, in summary, an <i>MTF</i> that meets the following conditions:</p> <ol style="list-style-type: none"> (1) the operator of the <i>MTF</i> maintains rules which relate to each of the following: <ol style="list-style-type: none"> (a) the eligibility of <i>issuers</i>; (b) the conditions for admission to trading, including information to be published; and (c) requirements to be complied with in order to maintain the <i>admission to trading</i>; and (2) the <i>issuers of transferable securities</i> that are to be admitted to trading on the <i>MTF</i> are required to comply with those rules.
<i>PRM</i>	the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook.
<i>protected forward-looking statement</i>	a <i>forward-looking statement</i> of the kind specified by <i>PRM</i> 8.1.3R.
<i>Public Offers and Admissions to Trading Regulations</i>	The Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105).
<i>qualified investor</i>	has the meaning in paragraph 15 of Schedule 1 to the <i>Public Offers and Admissions to Trading Regulations</i> .
<i>qualified investor condition</i>	has the meaning in regulation 16 of the <i>Public Offers and Admissions to Trading Regulations</i> .
<i>quoted applicant</i>	an <i>issuer</i> which has had its securities traded on an <i>AIM Designated Market</i> for at least 18 months prior to applying to have those securities admitted to AIM and seeks to take advantage of that status in applying for <i>admission to trading</i> of its securities.

relevant security has the meaning in regulation 5 of the *Public Offers and Admissions to Trading Regulations*, in summary:

- (1) *transferable securities*, other than *excluded securities*; and
- (2) investments that are:
 - (a) *debentures*; but
 - (b) not *transferable securities* or *excluded securities*.

units issued by a collective investment undertaking (in *PRM*) has the meaning in regulation 6(2)(b) of the *Public Offers and Admissions to Trading Regulations*, in summary, securities issued by a collective investment undertaking as representing the rights of the participants in such an undertaking over its assets.

Amend the following definitions as shown.

admission to trading (1) (in *UKLR*) admission of *securities* to trading on an *RIE*'s market for *listed securities*.

(2) (in ~~*PRR*~~ *PRM* and *DTR*) admission to trading on a *regulated market*.

(2A) (in *MAR 5ZA*) admission to trading on a *primary MTF*.

...

advertisement ~~(in *PRR*) (as defined in the *Prospectus Regulation*) a communication with both of the following characteristics:~~ has the meaning in regulation 3 of the *Public Offers and Admissions to Trading Regulations*, in summary a communication which:

(a) ~~relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and~~ relates to:

(i) a specific offer of relevant securities to the public; or

(ii) an admission to trading, or proposed admission to trading, of transferable securities on a regulated market or primary MTF;

(b) ~~aiming to specifically promote the potential subscription or acquisition of securities;~~ aims specifically to promote the potential subscription for, or acquisition of, relevant securities; and

(c) is not a prospectus or an MTF admission prospectus.

applicant (1) (in *UKLR*) an issuer which is applying for admission of securities.

(2) ~~(in *PRR*) an applicant for approval of a prospectus or supplementary~~

	prospectus relating to transferable securities. [deleted]
asset-backed security	(as defined in the PR Regulation) <u>non-equity securities</u> which: <ol style="list-style-type: none"> (a) represent an interest in assets, including any rights intended to assure servicing, or the receipt or timeliness of receipts by holders of assets of amounts payable thereunder; or (b) are secured by assets and the terms of which provide for payments which relate to payments or reasonable projections of payments calculated by reference to identified or identifiable assets.
base prospectus	(in Part 6 rules PRM) a base prospectus referred to in article 8 of the Prospectus Regulation <u>component part of a prospectus prepared in accordance with PRM 2.3.</u>
collective investment undertaking other than the closed-end type	(in PRR PRM) as defined in article 2(p) of the Prospectus Regulation) <u>has the meaning in regulation 6(2)(a) of the Public Offers and Admissions to Trading Regulations, unit trusts and investment companies with both of the following characteristics:</u>
	...
equity security	... <ol style="list-style-type: none"> (2) (in PRM and in FEES in relation to PRM) (as defined in article 2(b) of the Prospectus Regulation) shares and other transferable securities equivalent to shares in companies, as well as any other type of transferable securities giving the right to acquire any of the aforementioned securities as a consequence of their being converted or the rights conferred by them being exercised, provided that securities of the latter type are issued by the issuer of the underlying shares or by an entity belonging to the group of the said issuer <u>has the meaning in regulation 3 of the Public Offers and Admissions to Trading Regulations.</u>
excluded security	(1) (in PRM and for the purposes of COBS 23) <u>has the meaning in regulation 6 of the Public Offers and Admissions to Trading Regulations.</u> <ol style="list-style-type: none"> (2) (in COLL, COBS (except COBS 23) and CREDS) any of the following investments: <p>...</p>
external management company	(in UKLR and PRR, PRM and MAR 5ZA) has the meaning in PRR 5.3.3R PRM 3.1.5R.

<i>guarantee</i>	... (2) (in <i>PRR PRM</i> and <i>COBS 23</i>) (as defined in the <i>PR Regulation</i>) any arrangement intended to ensure that any obligation material to the issue will be duly serviced, whether in the form of guarantee, surety, keep well agreement, mono-line insurance policy or other equivalent commitment.
<i>issuer</i>	... (4) (in <i>PRR</i> and <i>PRM</i> , <i>COBS 23</i> and <i>MAR 5ZA</i> , <i>FEES</i> in relation to <i>PRR PRM</i> , <i>COBS 23</i> and <i>MAR 5ZA</i>) (as defined in article 2(h) of the <i>Prospectus Regulation</i>) a legal person who issues or proposes to issue the transferable securities in question . <u>has the meaning in regulation 3 of the <i>Public Offers and Admissions to Trading Regulations</i>, in summary, in relation to:</u> (a) <u>an offer of relevant securities to the public; or</u> (b) <u>the admission to trading, or proposed admission to trading, of transferable securities on a regulated market or primary MTF,</u> <u>means the person who is issuing, proposes to issue or has issued the securities in question.</u>
<i>listing particulars</i>	(in <i>UKLR</i> and <i>PRR PRM</i>) (in accordance with section 79(2) of the <i>Act</i>), a document in such form and containing such information as may be specified in <i>listing rules</i> .
<i>money-market instruments</i>	(1) (except in <i>PRM</i>) those classes of <i>financial instruments</i> which are normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment. [Note: article 4(1)(19) of <i>MiFID</i> <u>Article 2(1)(25A) of <i>MiFIR</i></u>] (2) (in <i>PRM</i>) those classes of instruments which are normally dealt with <u>on the money market, such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment, that have a maturity of less than 12 months.</u> [Note: article 4(1)(19) of <i>MiFID</i> <u>Article 2(1)(25A) of <i>MiFIR</i></u>]
<i>non-equity transferable securities</i>	(in <i>PRR PRM</i>) (as defined in article 2(e) of the <i>Prospectus Regulation</i>) all transferable securities that are not equity securities <u>has the meaning in regulation 3 of the <i>Public Offers and Admissions to Trading Regulations</i>, in summary, <i>transferable securities</i> that are not <i>equity securities</i>.</u>
<i>national storage mechanism</i>	(in <i>UKLR</i> , <i>PRR PRM</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> .

<i>offer</i>	... (3) (in <u>MAR 5ZA</u> , <u>UKLR</u> and <u>PRR PRM</u>) an offer of transferable securities to the public. (4) ... (5) (in <u>COBS 23</u>) an offer of relevant securities to the public.
<i>offer of transferable securities to the public</i>	(in <u>MAR 5ZA</u> , <u>PRR PRM</u> and <u>UKLR</u>) (as defined in the <u>Prospectus Regulation</u>) a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the <u>transferable securities</u> to be offered, so as to enable an investor to decide to purchase buy or subscribe for those securities <u>transferable securities</u> . This definition also applies to the placing of securities <u>transferable securities</u> through financial intermediaries.
<i>offeror</i>	... (3) (in <u>MAR 5ZA</u> , <u>UKLR</u> (except <u>UKLR 21.2.11R</u> to <u>UKLR 21.2.16R</u>), <u>PRM</u> and <u>FEES</u> provisions in relation to <u>PRR PRM</u>) (as defined in the <u>Prospectus Regulation</u>) a person who makes an offer of transferable securities to the public.
<i>profit estimate</i>	(in <u>PRM</u> and <u>UKLR</u>) (as defined in the <u>PR Regulation</u>) a profit forecast for a financial period which has expired and for which results have not yet been published.
<i>profit forecast</i>	(in <u>PRM</u> and <u>UKLR</u>) (as defined in the <u>PR Regulation</u>) a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word “profit” is not used.
<i>prospectus</i>	(1) (in <u>UKLR</u> and <u>PRR PRM</u> , <u>FEES</u> , <u>FUND 3</u> (Requirements for managers of alternative investment funds) and in the definition of <i>non-retail financial instrument</i>) a prospectus required under the <u>Prospectus Regulation</u> according to the rules in <u>PRM</u> . (2) (except in <u>UKLR</u> and <u>PRR PRM</u>) (in relation to a <i>collective investment scheme</i>) a document containing information about the <i>scheme</i> and complying with the requirements in <u>COLL 4.2.5 R</u> (Table: contents of the prospectus), <u>COLL 8.3.4 R</u> (Table: contents of qualified investor scheme prospectus), <u>COLL 9.3.2 R</u> (Additional information required in the prospectus for an application under section 272), or <u>COLL 15.4.5R</u> (Table: contents of a long-term asset fund prospectus), applicable to a <i>prospectus</i> of a scheme of the type concerned.

<i>Prospectus Rules</i>	(as defined in section 73A(4) of the Act) rules expressed to relate to transferable securities <u>the rules in PRM regarding the requirement for a prospectus in respect of transferable securities.</u>
<i>public international body</i>	<p>(1) (in UKLR) 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 and the Nordic Investment Bank.</p> <p>(2) <u>a legal entity of public nature established by an international treaty between sovereign states of which one or more states are members.</u></p>
<i>registration document</i>	(in Part 6 rules, <u>PRM</u> and COBS 11A) a registration document referred to in article 6(3) of the Prospectus Regulation <u>in relation to a prospectus, the registration document included in the prospectus that contains information relating to the issuer of transferable securities for admission to trading on a regulated market, in accordance with PRM 2.2.2R(1).</u>
<i>regulated market</i>	<p>(1) a regulated market which is a UK RIE.</p> <p>[Note: <u>section 313(1) of the Act</u> and article 2(1)(13A) of MiFIR]</p> <p>(2) (in addition, in <u>INSPRU</u>, <u>IPRU(INS)</u>, <u>SYSC 3.4</u>, <u>COBS 2.2B</u> and <u>MAR 5ZA</u> and for the purposes of <u>Principle 12</u> and <u>PRIN 2A</u> only) a market situated outside the <i>United Kingdom</i> which is characterised by the fact that:</p> <p>...</p> <p>...</p>
<i>securities note</i>	(in Part 6 rules, <u>PRM</u> and COBS 11A) a securities note referred to in article 6(3) of the Prospectus Regulation <u>in relation to a prospectus, the securities note included in the prospectus that contains information concerning the transferable securities to be admitted to trading on a regulated market, in accordance with PRM 2.2.2R(2).</u>
<i>summary</i>	(in relation to a <i>prospectus</i>) the summary included in the <i>prospectus</i> <u>prepared in accordance with PRM 2.5.</u>
<i>supplementary prospectus</i>	(1) (in Part 6 rules and <u>PRM</u>) a supplementary prospectus <u>a supplement to a prospectus, prepared in accordance with the rules in PRM 10, containing details of a significant new factor, material mistake or inaccuracy.</u>

- (2) (in MAR 5ZA) a supplement to an MTF admission prospectus, prepared in accordance with the rules of an MTF operator operating a primary MTF, according to the rules in MAR 5ZA.2.6R and MAR 5ZA.2.7R.

third party prospectus

a communication made by a *firm* if the communication is a prospectus that:

- (a) has been approved by the *FCA* in accordance with ~~Part 6 of the Act~~ PRM and the *firm* is not responsible ~~under the Prospectus Rules~~ according to PRM 3 for the information given in the prospectus; or

...

transferable security

- (1) ~~(in PRR PRM, UKLR and DTR~~ and for the purposes of COBS 23) (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.

[Note: regulation 4 of the *Public Offers and Admissions to Trading Regulations*]

...

universal registration document

~~a universal registration document referred to in article 9 of the *Prospectus Regulation*~~ in relation to a *prospectus*, a type of *registration document* prepared in accordance with *PRM 2.6*.

working day

- (1) (in ~~PRR~~ PRM and *MAR 9*) (as defined in section 103 of the *Act*) any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the *United Kingdom*.

...

Annex B

Amendments to the Market Conduct sourcebook (MAR)

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

5 **Multilateral trading facilities (MTFs)**

...

5.3 **Trading process requirements**

...

Operation of a primary market in financial instruments not admitted to trading on a regulated market

5.3.7 G The *FCA* will be minded to impose a variation on the *Part 4A permission* of an *MTF* operator that operates a primary market in *financial instruments not admitted to trading on a regulated market* in order to ensure its fulfilment of the requirements in *MAR 5.3.1R* as regards fair and orderly trading.

5.3.7A G Rules regarding an *MTF* operator operating a *primary MTF* can be found in *MAR 5ZA (Multilateral trading facilities operating as a primary MTF)*.

5.3.7B G Rules regarding *protected forward-looking statements* in an *MTF admission prospectus* for use on a *primary MTF* can be found in *PRM 8 (Protected forward-looking statements)*.

...

Insert the following new chapter, *MAR 5ZA (Multilateral trading facilities operating as a primary MTF)*, after *MAR 5 (Multilateral trading facilities (MTFs))*. The text is not underlined.

5ZA Multilateral trading facilities operating as a primary MTF

5ZA.1 Application and purpose

Application

5ZA.1.1 R Subject to *MAR 5ZA.1.2R*, this chapter applies to an *MTF* operating as a *primary MTF*, that does not meet the *qualified investor condition*.

5ZA.1.2 R In addition:

(1) *MAR 5ZA.3 (Withdrawal rights)*;

(2) *MAR 5ZA.4* (Persons responsible for an MTF admission prospectus or supplementary prospectus); and

(3) *MAR 5ZA.5* (Advertisements and other disclosure of information),

apply to the *persons* identified in the application provisions of those sections.

5ZA.1.3 G The application provision in *MAR 5ZA.1.1R* includes a *primary MTF* operated by a *UK RIE*.

Purpose

5ZA.1.4 G The purpose of this chapter is to provide for the *designated activity rules* referred to in regulations 9 and 11 of the *Public Offers and Admissions to Trading Regulations*, in respect of:

(1) the *rules* that an operator of a *primary MTF* must include in its rulebook, covering the circumstances in which:

(a) an *MTF admission prospectus* is required;

(b) a *supplementary prospectus* is required; and

(c) an *MTF operator* is required to provide rules for the notification of withdrawal rights.

[**Note:** section 71K of the *Act* and regulations 9, 11, 15, 21 and 32 of the *Public Offers and Admissions to Trading Regulations*]

(2) the *rules* that apply directly to relevant *persons* identified in this chapter in respect of:

(a) responsibility for an *MTF admission prospectus*;

(b) exercise of and notification of withdrawal rights; and

(c) communication of an advertisement.

[**Note:** section 71K of the *Act* and regulations 9, 11, 13, 15, 21, 22 and 32 of the *Public Offers and Admissions to Trading Regulations*]

5ZA.1.5 G A reader of this chapter should also consider the *rules* in *PRM 8* (Protected forward-looking statements) as those *rules* also apply to an *MTF admission prospectus*.

5ZA.2 Requirement for an MTF admission prospectus and supplementary prospectus

Requirement for an MTF admission prospectus

5ZA.2.1 R Subject to *MAR 5ZA.2.3R*, the operator of a *primary MTF* must include a *rule* that meets the requirement in *MAR 5ZA.2.2R*, applicable to:

- (1) an *issuer of transferable securities* to be *admitted to trading* on the *primary MTF*; or
- (2) where applicable, the *person* requesting the *admission to trading* of *transferable securities* on the *primary MTF*.

5ZA.2.2 R The *persons* identified in *MAR 5ZA.2.1R* must prepare an *MTF admission prospectus* if:

- (1) the *transferable securities* to be *admitted to trading* are not fungible with securities that are already *admitted to trading* on the *primary MTF*; or
- (2) the *issuer* of the *transferable securities* is an enlarged entity resulting from a *reverse takeover*.

5ZA.2.3 R The requirement in *MAR 5ZA.2.1R* does not apply where the *issuer* uses an *excluded route* to admission.

5ZA.2.4 G An operator of a *primary MTF* may specify circumstances in addition to those identified in *MAR 5ZA.2.1R* read together with *MAR 5ZA.2.2R*, regarding when an *MTF admission prospectus* is required.

[**Note:** regulations 15, 16 and 21(3) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.2.5 G An *MTF operator* is responsible for specifying the content requirements of an *MTF admission prospectus*.

[**Note:** regulation 15(4)(a) of the *Public Offers and Admissions to Trading Regulations*]

Requirement to publish a supplementary prospectus

5ZA.2.6 R The operator of a *primary MTF* must include a *rule* applicable to the persons identified in *MAR 5ZA.2.1R*, requiring the publication of a *supplementary prospectus* in the event that there is a significant new factor, material mistake or material inaccuracy relating to the information included in an *MTF admission prospectus*:

- (1) which may affect the assessment of the *transferable securities*; and
- (2) which arises or is noted in the relevant periods identified in *MAR 5ZA.2.7R*.

5ZA.2.7 R The relevant periods during which a significant new factor, material mistake or material inaccuracy may trigger the requirement in *MAR 5ZA.2.6R* are between the time when the *MTF admission prospectus* is approved and whichever is the later of:

- (1) the closing of the *offer* period for the *transferable securities* offered by the *issuer*, the intermediary or underwriter appointed by the *issuer*; and
- (2) when trading of the *transferable securities* on the *primary MTF* begins.

5ZA.2.8 G An operator of a *primary MTF* may specify circumstances in addition to those identified in *MAR 5ZA.2.6R* read together with *MAR 5ZA.2.7R*, regarding when a *supplementary prospectus* is required.

[**Note:** regulations 15(2)(a)(ii) and 21(4)(b) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.2.9 G An *MTF operator* is responsible for specifying the content requirements of a *supplementary prospectus*.

[**Note:** regulation 15(4)(a) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.3 Withdrawal rights

Application

5ZA.3.1 R The *rules* in this section apply in respect of any *admission to trading* of *transferable securities* on a *primary MTF*.

Exercise of withdrawal rights

5ZA.3.2 R The operator of a *primary MTF* must include a rule in its *rulebook* that requires notification of withdrawal rights specified in *MAR 5ZA.3.3R*.

[**Note:** regulation 32(3) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.3.3 R The *persons* identified at (1) and (2) must allow any *person* who has agreed to buy or subscribe for *transferable securities* that are the subject of an *MTF admission prospectus* to withdraw that acceptance within 7 *working days* after publication of a *supplementary prospectus*:

- (1) the *offeror* of *transferable securities* that are the subject of an *MTF admission prospectus*; and
- (2) an intermediary through whom *transferable securities* that are the subject of an *MTF admission prospectus* are bought or subscribed for.

[**Note:** regulations 15(3)(b) and 32(1) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.3.4 G The *persons* identified in *MAR 5ZA.3.3R* may specify an extended withdrawal period longer than that identified in that *rule*.

Notification of withdrawal rights

5ZA.3.5 R Where *transferable securities* for *admission to trading* on a *primary MTF* are bought or subscribed for by an investor directly from the *issuer* or an underwriter appointed by the *issuer*, the *issuer* or underwriter must when making the *offer* inform the investor:

- (1) that a *supplementary prospectus* may be published if a significant new factor, material mistake or material inaccuracy arises;
- (2) where the *supplementary prospectus* will be published; and
- (3) that the investor may in such circumstances withdraw their acceptance for the securities in question.

[**Note:** regulations 15(3)(b), 32(1) and 32(5)(b) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.3.6 R Where the *transferable securities* are bought or subscribed for through an intermediary, the intermediary must inform an investor:

- (1) that a *supplementary prospectus* may be published if a significant new factor, material mistake or material inaccuracy arises;
- (2) where and when the *supplementary prospectus* would be published;
- (3) that they will assist the investor in exercising their withdrawal rights; and
- (4) of the existence of the *supplementary prospectus* on the *day* it is published.

[**Note:** regulations 15(3)(b), 32(1) and 32(5)(b) of the *Public Offers and Admissions to Trading Regulations*]

5ZA.4 Persons responsible for an MTF admission prospectus or supplementary prospectus

Application

5ZA.4.1 R The *rules* in this section should be read by those *persons* who have been involved in the preparation of an *MTF admission prospectus* or *supplementary prospectus* required by the *rules* of a *primary MTF*.

Interpretation

5ZA.4.2 R References to an *MTF admission prospectus* in this section include a *supplementary prospectus*.

5ZA.4.3 G A *person* who is responsible for an *MTF admission prospectus* will be liable for the content of that document and for compensation that may arise.

[**Note:** regulation 30 of the *Public Offers and Admissions to Trading Regulations*]

Equity shares

- 5ZA.4.4 R (1) This rule applies to an *MTF admission prospectus* relating to:
- (a) *equity shares*;
 - (b) warrants or options to subscribe for *equity shares*, that are issued by the *issuer* of the *equity shares*; and
 - (c) other *transferable securities* that have similar characteristics to *transferable securities* referred to in paragraphs (a) or (b).
- (2) Each of the following *persons* are responsible for the *MTF admission prospectus*:
- (a) the *issuer* of the *transferable securities*;
 - (b) if the *issuer* is a *body corporate*:
 - (i) each *person* who is a *director* of that *body corporate* when the *MTF admission prospectus* is published;
 - (ii) each *person* who has authorised themselves to be named, and is named, in the *MTF admission prospectus* as a *director* or as having agreed to become a *director* of that *body corporate* either immediately or at a future time; and
 - (iii) each *person* who is a senior executive of any *external management company* of the *issuer*;
 - (c) each *person* who accepts, and is stated in the *MTF admission prospectus* as accepting, responsibility for the *MTF admission prospectus*; and
 - (d) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *MTF admission prospectus*.

[**Note:** regulations 15(3)(a) and 22 of the *Public Offers and Admissions to Trading Regulations*]

- 5ZA.4.5 R In *MAR 5ZA.4.4R(2)(b)(iii)*, *external management company* means in relation to an *issuer* that is a *company* which is not a collective investment undertaking, a *person* who is appointed by the *issuer* (whether under a contract of service, a contract for services or any other commercial arrangement) to perform functions that would ordinarily be performed by *officers* of the *issuer* and to make recommendations in relation to strategic

matters.

- 5ZA.4.6 G In considering whether the functions the *person* performs would ordinarily be performed by *officers* of the *issuer*, the *FCA* will consider, among other things:
- (1) the nature of the board of the *issuer* to which the *person* provides services, and whether the board has the capability to act itself on strategic matters in the absence of that *person*'s services;
 - (2) whether the appointment relates to a one-off transaction or is a longer-term relationship; and
 - (3) the proportion of the functions ordinarily performed by *officers* of the *issuer* that is covered by the arrangement.

All other securities

- 5ZA.4.7 R (1) This *rule* applies to an *MTF admission prospectus* relating to *transferable securities* other than those to which *MAR 5ZA.4.4R* applies.
- (2) Each of the following *persons* are responsible for the *MTF admission prospectus*:
- (a) the *issuer* of the *transferable securities*;
 - (b) each *person* who accepts, and is stated in the *MTF admission prospectus* as accepting, responsibility for the *MTF admission prospectus*;
 - (c) if there is a *guarantor* for the issue, the *guarantor* in relation to information in the *MTF admission prospectus* that relates to the *guarantor* and the *guarantee*; and
 - (d) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *MTF admission prospectus*.

[**Note:** regulations 15(3)(a) and 22 of the *Public Offers and Admissions to Trading Regulations*]

Publication without director's consent

- 5ZA.4.8 R A *person* is not responsible for an *MTF admission prospectus* under *MAR 5ZA.4.4R(2)(b)(i)* if it is published without their knowledge or consent and on becoming aware of its publication they, as soon as practicable, give reasonable public notice that it was published without their knowledge or consent.

Person may accept responsibility for, or authorise, part of contents

5ZA.4.9 R A *person* who accepts responsibility for an *MTF admission prospectus* under MAR 5ZA.4.4R(2)(c) or MAR 5ZA.4.7R(2)(b), or authorises the contents of an *MTF admission prospectus* under MAR 5ZA.4.4R(2)(d) or MAR 5ZA.4.7R(2)(d), may state that they do so only in relation to specified parts of the *MTF admission prospectus*, or only in specified respects, and in that case the *person* is responsible under those paragraphs:

- (1) only to the extent specified; and
- (2) only if the material in question is included in (or substantially in) the form and context to which the *person* has agreed.

Advice in professional capacity

5ZA.4.1 R Nothing in the *rules* in this section is to be construed as making a *person*
0 responsible for any *MTF admission prospectus* by reason only of the *person* giving advice about its contents in a professional capacity.

5ZA.5 Advertisements and other disclosure of information

Application

5ZA.5.1 R This chapter applies to the communication and content of an *advertisement* that relates to the *admission to trading* or proposed *admission to trading* of *transferable securities* on a *primary MTF*.

5ZA.5.2 R The *persons* involved in the activities referred to in MAR 5ZA.5.1R are required to comply with these *rules*.

Consistency of information

5ZA.5.3 R All information disclosed in oral or written form, as an *advertisement* must be consistent with and not contradict:

- (1) information included in the *MTF admission prospectus* or in a *supplementary prospectus*, where already published; or
- (2) information to be included in the *MTF admission prospectus* or in a *supplementary prospectus*, where the *MTF admission prospectus* or *supplementary prospectus* is to be published at a later date.

[**Note:** regulations 11 and 15(2)(b) of the *Public Offers and Admissions to Trading Regulations*]

Equality of information

5ZA.5.4 R In the event that material information is disclosed by, or on behalf of, an *issuer* or *offeror* and addressed to one or more selected investors in oral or written form, that information must, in a case where:

- (1) (a) the *offer* is conditional on the securities being *admitted to*

trading on a primary MTF; or

- (b) *the transferable securities being offered are at the time of the offer already admitted to trading on a primary MTF; and*

- (2) *there is an MTF admission prospectus,*

be included in the MTF admission prospectus or supplementary prospectus.

[**Note:** regulation 13(2) of the *Public Offers and Admissions to Trading Regulations*]

Advertisements

5ZA.5.5 R An *advertisement* must comply with the requirements contained in (1) to (4):

- (1) *An advertisement must state that, where applicable, an MTF admission prospectus has been or will be published and indicate where investors are or will be able to obtain it, noting the identification requirements in MAR 5ZA.5.8R.*

- (2) *An advertisement must be clearly recognisable as such and identify itself as an advertisement.*

- (3) *An advertisement must be accurate and not misleading.*

- (4) *The information contained in an advertisement must be consistent with the information contained in the MTF admission prospectus, where already published, or required to be in the MTF admission prospectus, where the MTF admission prospectus is yet to be published.*

5ZA.5.6 R Information disclosed in oral or written form concerning an *admission to trading on a primary MTF* whether as an *advertisement* or otherwise disclosed must not:

- (1) *present the information contained in the MTF admission prospectus in a materially unbalanced way, including by way of presentation of negative aspects of such information with less prominence than the positive aspects, omission or selective presentation of certain information; or*

- (2) *contain alternative performance measures unless they are contained in the MTF admission prospectus.*

5ZA.5.7 R For the purpose of MAR 5ZA.5.6R(2), alternative performance measures means financial measures of historical or future financial performance, financial position or cash flows, other than financial measures defined in the applicable financial reporting framework.

Identification of the prospectus

- 5ZA.5.8 R An *advertisement* must clearly identify the relevant *MTF admission prospectus* by:
- (1) identifying the website where the *MTF admission prospectus* is published, or will be published, where the *advertisement* is disseminated in written form and by means other than electronic means;
 - (2) including a hyperlink to the *MTF admission prospectus* and any relevant component parts where the *advertisement* is disseminated in written form by electronic means, or by including a hyperlink to the page of the website where the *MTF admission prospectus* will be published if the *MTF admission prospectus* has not yet been published; and
 - (3) including accurate information on where the *MTF admission prospectus* may be obtained, and accurate information on the *admission to trading of transferable securities* on a *primary MTF* to which it relates, where the *advertisement* is disseminated in a form or by means not falling within the scope of (1) or (2).

Further content requirements for an advertisement disseminated to potential retail investors

- 5ZA.5.9 R *Advertisements* disseminated to potential retail investors must include the following:
- (1) the word ‘advertisement’, in a prominent manner. Where an *advertisement* is disseminated in an oral form, the purpose of the communication must be clearly identified at the beginning of the message;
 - (2) a recommendation that potential investors read the *MTF admission prospectus* before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities; and
 - (3) the comprehension alert at *MAR 5ZA.5.10R* where the *advertisement* relates to complex securities other than the *financial instruments* referred to in *COBS 10A.4.1R(2)(a), (b) and (d)*.

5ZA.5.10 R The comprehension alert required by *MAR 5ZA.5.9R(3)* is: ‘You are about to purchase a product that is not simple and may be difficult to understand’.

5ZA.5.11 R *Advertisements* in written form, which are disseminated to potential retail investors, must be sufficiently different in format and length from the *prospectus* that no confusion with the *MTF admission prospectus* is possible.

Dissemination of advertisements

- 5ZA.5.1 R Subject to *MAR 5ZA.5.14R*, *advertisements* disseminated to potential
2 investors must be amended where:
- (1) a *supplementary prospectus* is subsequently published in accordance with *MAR 5ZA.2.6R*; and
 - (2) the significant new factor, material mistake or material inaccuracy mentioned in the *supplementary prospectus* renders the previously disseminated *advertisement* materially inaccurate or misleading.
- 5ZA.5.1 R With the exception of orally disseminated *advertisements*, *advertisements*
3 amended pursuant to *MAR 5ZA.5.12R* must be disseminated through, as a minimum, the same method as the previous *advertisement*.
- 5ZA.5.1 R *MAR 5ZA.5.12R* does not apply after the time when trading on a *primary MTF*
4 begins.
- 5ZA.5.1 R *Advertisements* amended pursuant to *MAR 5ZA.5.12R* must be disseminated
5 to potential investors without undue delay following the publication of the *supplementary prospectus* and must contain all of the following:
- (1) a clear reference to the inaccurate or misleading version of the *advertisement*;
 - (2) an explanation that the *advertisement* has been amended as it contained materially inaccurate or misleading information; and
 - (3) a clear description of the differences between the two versions of the *advertisement*.

Annex C

Amendments to the Recognised Investment Exchanges sourcebook (REC)

In this Annex, underlining indicates new text.

1 Introduction

1.1 Application

1.1.1 G ...

(3) ...

(4) Rules and guidance regarding UK RIEs operating a primary MTF is set out in MAR 5ZA.

...

Annex D

Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM)

In this Annex all text is new and is not underlined. Insert the following new sourcebook, Prospectus Rules: Admission to Trading on a Regulated Market (PRM).

1 Introduction, application and prospectus requirement

1.1 Introduction

- 1.1.1 G Regulation 12 of the *Public Offers and Admissions to Trading Regulations* makes it unlawful for *relevant securities* to be offered to the public in the UK unless the *offer* is of a specified kind, or a general exception applies. Contravention of regulation 12 is a criminal offence by virtue of section 85 of the *Act*.
- 1.1.2 G Paragraph 6 of Schedule 1 to the *Public Offers and Admissions to Trading Regulations* exempts *offers* of a specified kind from the prohibition referred to in *PRM 1.1.1G*, including where there is an *offer of transferable securities* that is:
- (1) conditional on the securities being *admitted to trading* on a *regulated market* or a *primary MTF*; or
 - (2) made at a time when the securities are already *admitted to trading* on a *regulated market* or *primary MTF*.
- 1.1.3 G The *Public Offers and Admissions to Trading Regulations* give the *FCA* rule-making powers in respect of *designated activities*, including:
- (1) the *admission to trading* of *transferable securities* on a *regulated market*; and
 - (2) the *admission to trading* of *transferable securities* on a *primary MTF*.

[**Note:** regulations 9 to 11, 14, 15 and 19 of the *Public Offers and Admissions to Trading Regulations*]

Purpose

- 1.1.4 G Subject to *PRM 1.1.7R*, the purpose of this sourcebook is to provide the *FCA's rules and guidance* on the requirement for a *prospectus* in connection with the *admission to trading* of *transferable securities* on a *regulated market*, including:
- (1) when a *prospectus* is required;
 - (2) what a *prospectus* must contain;

- (3) rules regarding *protected forward-looking statements*:
- (4) procedural details including the preparation, filing and approval and publication of a *prospectus*;
- (5) when a *supplementary prospectus* is required and details regarding withdrawal rights; and
- (6) rules regarding the communication of *advertisements* and equality of information.

1.1.5 G In addition to the *guidance* available throughout this sourcebook, the *FCA* has issued non-handbook *guidance* on topics covered by *PRM*, available in the *FCA*'s Knowledge Base (<https://www.fca.org.uk/markets/primary-markets/knowledge-base>).

[*Editor's note*: the Knowledge Base is to be updated at a later date]

1.1.6 G An *issuer, offeror* or *person* requesting *admission to trading* of *transferable securities* on a *regulated market* should also consider whether the requirements of the *PRIIPs Regulation* apply.

Rules in *PRM* that also apply to an *MTF admission prospectus*

1.1.7 G *FCA rules* referred to in *PRM* 1.1.3G(2) may be found in *MAR 5ZA*, except that *rules* covering *protected forward-looking statements*, applicable to *forward-looking statements* in both a *prospectus* and an *MTF prospectus*, can be found in *PRM* 6.

1.2 Application

Application

- 1.2.1 R (1) Subject to (2), the *rules* and *guidance* in this *sourcebook* apply to the following *designated activities*:
- (a) requesting or obtaining the *admission to trading* of *transferable securities* on a *regulated market*;
 - (b) communicating an *advertisement* relating to the *admission to trading*, or proposed *admission to trading*, of *transferable securities* on a *regulated market*;
 - (c) disclosing, otherwise than in an *advertisement*, information relating to the *admission to trading* or proposed *admission to trading*, of *transferable securities* on a *regulated market*; and
 - (d) *admitting to trading transferable securities* on a *regulated market*.

[**Note:** regulation 10 of the *Public Offers and Admissions to Trading Regulations*]

- (2) The *rules* in *PRM* 8 (Protected forward-looking statements) also apply to the *designated activities* of:
- (a) requesting or obtaining the *admission to trading* of *transferable securities* on a *primary MTF*; and
 - (b) *admission to trading* of *transferable securities* on a *primary MTF*.

[**Note:** regulation 11 of the *Public Offers and Admissions to Trading Regulations*]

1.2.2 R The *persons* who are carrying out the *designated activities* referred to in *PRM* 1.2.1R must comply with the *rules* in *PRM*, including (unless otherwise specified in a particular chapter or section):

- (1) the *issuer* of *transferable securities*;
- (2) the *person* requesting *admission to trading* of *transferable securities* (if this is a *person* other than the *issuer*); and
- (3) *persons* responsible for the preparation, or confirmation, of the content of a *prospectus*.

1.2.3 G *PRM* 3 (Persons responsible for a prospectus or supplementary prospectus) contains the *rules* specifying which persons are responsible for the content of a *prospectus*.

1.3 Transferable securities exempt from PRM

1.3.1 R The following types of *transferable securities* are exempt from the *rules* in *PRM* and therefore an *admission to trading* of the following types of securities will not be subject to the requirement for a *prospectus* in *PRM* 1.4:

- (1) units issued by a *collective investment undertaking other than the closed-end type*;

[**Note:** *Prospectus Regulation* Art 1(2)(a)]

- (2) *non-equity securities* issued by:
 - (a) the government of any country or territory;
 - (b) a local or regional authority of any country or territory;
 - (c) a *public international body*; or
 - (d) the European Central Bank or the central bank of any State;

[**Note:** *Prospectus Regulation* Art 1(2)(b)]

- (3) shares in the capital of the central bank of any State;

[**Note:** *Prospectus Regulation* Art 1(2)(c)]

- (4) securities unconditionally and irrevocably guaranteed by the government or a local or regional authority of any country or territory;

[**Note:** *Prospectus Regulation* Art 1(2)(d)]

- (5) *non-equity securities* that are instruments of Islamic finance over which a credit support arrangement exists, supported by a government or a local or regional authority of any country or territory ('the credit supporter'), that is equivalent in its economic effect to the guarantee referred to in (4);

- (6) non-fungible shares of capital where:

(a) the main purpose of which is to provide the holder with a right to occupy any immovable property; and

(b) they cannot be sold without that right being given up; and

[**Note:** *Prospectus Regulation* Art 1(2)(f)]

- (7) *money-market instruments*.

[**Note:** *Prospectus Regulation* Art 2(a) definition of 'securities']

1.3.2 G In *PRM* 1.3.1R(5), the credit support arrangement can only be said to have an equivalent economic effect if the economic effect of the structure is the same as an irrevocable and unconditional guarantee, to be evidenced by the factors in an individual case, including:

- (1) the amount payable by the credit supporter is no less than the amount due and payable under the securities;
- (2) there are no conditions attached to the payment that create direct obligations on the credit supporter;
- (3) there is no basis for the credit supporter to revoke its obligation to make the payment; and
- (4) to the extent that any amounts payable under the credit support arrangement are not paid when due, a direct claim can be made against the credit supporter for payment of the relevant amounts, similar to the process for enforcement of a guarantee.

1.4 Prospectus requirement

Prospectus requirement

- 1.4.1 R Unless an exemption applies, *transferable securities* other than those specified in *PRM 1.3.1R* can only be *admitted to trading* on a *regulated market* after prior publication of a *prospectus*, approved by the *FCA*, in accordance with the *rules* in *PRM*.

Exemptions from the prospectus requirement

- 1.4.2 R An *admission to trading* described in *PRM 1.4.3R* to *PRM 1.4.11R* is exempt from the *rule* at *PRM 1.4.1R*.

Further issuances

- 1.4.3 R *Transferable securities* fungible with securities already *admitted to trading* on the same *regulated market*, provided they represent, over a 12-month period, less than 75% of the number of securities already *admitted to trading* on the same *regulated market*.

[**Note:** *Prospectus Regulation* Art 1(5)(a)]

Conversion or exchange of other transferable securities

- 1.4.4 R (1) Shares resulting from the conversion or exchange of other *transferable securities* or from the exercise of the rights conferred by other securities, where the resulting shares are fungible with the original shares already *admitted to trading* on the same *regulated market*, subject to the condition at (2).

[**Note:** *Prospectus Regulation* Art 1(5)(b)]

- (2) The shares in (1) must represent, over a 12-month period, less than 75% of the number of shares fungible with those already *admitted to trading* on the same *regulated market*, unless:

- (a) a *prospectus* was drawn up in accordance with (i), (ii) or (iii), as applicable, upon the *admission to trading* on a *regulated market* of the securities giving access to the shares:

- (i) the *Prospectus Rules*;
- (ii) the *Prospectus Regulation*; or
- (iii) the *EU Prospectus Regulation*;

[**Note:** *Prospectus Regulation* Art 1(5) second subparagraph (a)]

- (b) the securities giving access to the shares were issued before 20 July 2017;

[**Note:** *Prospectus Regulation* Art 1(5) second subparagraph (b)]

- (c) where the shares qualify as *common equity tier 1 instrument* of an *institution* and result from the conversion of *additional tier 1 instruments* issued; or

[**Note:** *Prospectus Regulation* Art 1(5) second subparagraph (c)]

- (d) the shares qualify as eligible own funds or eligible basic own funds as defined in the UK law which implemented Section 3 of Chapter VI of Title I of Directive 2009/138/EC of the European Parliament and of the Council, and result from the conversion of other securities which was triggered for the purposes of fulfilling the obligations to comply with the UK law which implemented the Solvency Capital Requirement or Minimum Capital Requirement as laid down in Sections 4 and 5 of Chapter VI of Title I of Directive 2009/138/EC or the UK law which implemented the group solvency requirement as laid down in Title III of Directive 2009/138/EC.

[**Note:** *Prospectus Regulation* Art 1(5) second subparagraph (d)]

Banking or central counterparty special resolution regime

- 1.4.5 R *Transferable securities* resulting from the conversion or exchange, directly or indirectly, of other securities, own funds or other liabilities under the special resolution provisions of:

- (1) Part 1 of the Banking Act 2009 (special resolution regime); or
- (2) Schedule 11 to the Financial Services and Markets Act 2023 (central counterparties).

[**Note:** *Prospectus Regulation* Art 1(5)(c)]

Shares issued in substitution for shares of the same class

- 1.4.6 R Shares issued in substitution for shares of the same class already *admitted to trading* on the same *regulated market*, if issuing of the new shares does not involve any increase in the issued share capital.

[**Note:** *Prospectus Regulation* Art 1(5)(d)]

Equity securities offered in connection with a takeover

- 1.4.7 R (1) Provided the conditions in (2) or (3) are met, *equity securities* issued in connection with a takeover by means of an exchange

offer, provided that a document is made available to the public in accordance with the arrangements set out in *PRM 9.5* (Publication of a prospectus) containing information describing the transaction and its impact on the *issuer*.

- (2) (a) The *equity securities* to be *admitted to trading* are fungible with existing securities already *admitted to trading* on a *regulated market* prior to the takeover and its related transaction; and
- (b) The takeover is not considered to be a reverse acquisition transaction within the meaning of paragraph B19 of international financial reporting standard (IFRS) 3, Business Combinations, as adopted through the International Accounting Standards and European Public Limited Liability Company (Amendment etc.) (EU Exit) Regulations 2019; or
- (3) The *FCA* has issued a prior approval of the document referred to in (1).

[**Note:** *Prospectus Regulation* Art 1(5)(e)]

Mergers and divisions

- 1.4.8 R (1) Provided the condition in (2) is met, *securities* offered, allotted or to be allotted in connection with a merger or a division, provided that a document is made available to the public in accordance with the arrangements set out in *PRM 9.5* (Publication of a prospectus), containing information describing the transaction and its impact on the *issuer*.
- (2) The takeover is not considered to be a reverse acquisition transaction within the meaning of paragraph B19 of international financial reporting standard (IFRS) 3, Business Combinations, adopted by Commission Regulation (EC) No 1126/2008, and only in the following cases:
- (a) the *equity securities* of the acquiring entity have already been *admitted to trading* on a *regulated market* prior to the transactions; or
 - (b) the *equity securities* of the entities subject to the division have already been *admitted to trading* on a *regulated market* prior to the transaction.

[**Note:** *Prospectus Regulation* Art 1(5)(f) and *Prospectus Regulation* Art 1(6b)]

Transferable securities allotted to existing shareholders

- 1.4.9 R Shares offered, allotted or to be allotted free of charge to existing shareholders, and dividends paid out in the form of shares of the same class as the shares in respect of which such dividends are paid, provided that the said shares are of the same class as the shares already *admitted to trading* on the same *regulated market* and that a document is made available containing information on the number and nature of the shares and the reasons for and details of the offer or allotment.

[**Note:** *Prospectus Regulation* Art 1(5)(g)]

Transferable securities allotted to existing of former directors or employees

- 1.4.10 R *Transferable securities* offered, allotted or to be allotted to existing or former directors by their employer or an affiliated undertaking, provided that the said securities are of the same class as the securities already admitted to trading on the same regulated market and that a document is made available containing information on the number and nature of the securities and the reasons for and detail of the offer or allotment.

[**Note:** *Prospectus Regulation* Art 1(5)(h)]

Transferable securities already admitted to trading on another regulated market

- 1.4.11 R (1) *Transferable securities* already *admitted to trading* on another *regulated market*, provided both (a) and (b), or (c) apply and the conditions at (2) and (3) are satisfied:
- (a) the securities, or securities of the same class, have been *admitted to trading* on the other *regulated market* for more than 18 months; and
 - (b) for securities first *admitted to trading* on a *regulated market* after 1 July 2005, the *admission to trading* was subject to a prospectus approved and published in accordance with:
 - (i) the *Prospectus Regulation*;
 - (ii) the *EU Prospectus Regulation*; or
 - (iii) the *Prospectus Directive*; or
 - (c) for securities first admitted to listing after 30 June 1983, *listing particulars* were approved in accordance with the requirements of:
 - (i) Council Directive 80/390/EEC coordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing; or

- (ii) the *Consolidated Admissions and Reporting Directive*.
- (2) The ongoing obligations for trading on the other *regulated market* have been fulfilled.
- (3) The person seeking the *admission to trading* of a security on a *regulated market* under this exemption makes available to the public a *prospectus summary* in accordance with *PRM 9.5* (Publication of a prospectus) and *PRM 2.5* (Prospectus summary) and:
- (a) the maximum length set out in *PRM 2.5* (Prospectus summary) shall be extended by two additional sides of A4-sized paper, drawn up in English;
- (b) the *summary* states where the most recent *prospectus* (or other disclosure document referred to in *PRM 1.4.11R* (1)(b), where relevant) can be obtained and where the financial information published by the *issuer* pursuant to ongoing disclosure obligations is available.

[**Note:** *Prospectus Regulation* Art 1(5)(j)]

- 1.4.12 R The exemptions referred to at *PRM 1.4.3R* to *PRM 1.4.11R* may be combined, except for those listed at *PRM 1.4.3R* and *PRM 1.4.4R* where such combination could lead to the immediate or deferred *admission to trading* on a *regulated market* over a 12-month period of more than 75% of the number of shares of the same class already *admitted to trading* on the same *regulated market*, without a *prospectus* being published.

[**Note:** *Prospectus Regulation* Art 1(6)]

Voluntary prospectus

- 1.4.13 R Where the *admission to trading* of *transferable securities* falls outside the scope of *PRM*, an *issuer*, or any other *person* requesting an *admission to trading* of *transferable securities* on a *regulated market* may voluntarily draw up a *prospectus* in accordance with this sourcebook.
- 1.4.14 R A voluntary *prospectus* approved by the *FCA* will entail all the rights and obligations provided for a *prospectus* under this sourcebook and shall be subject to all the provisions under this sourcebook.

[**Note:** *Prospectus Regulation* Art 4]

[**Note:** regulation 21(1)(b) of the *Public Offers and Admissions to Trading Regulations*]

2 Drawing up the prospectus

2.1 General content of a prospectus

Necessary information

- 2.1.1 R A *prospectus* must contain the information required by:
- (1) regulation 23 of the *Public Offers and Admissions to Trading Regulations* (General requirements to be met by a prospectus or MTF admission prospectus); and
 - (2) *rules* imposed by or in accordance with this sourcebook.
- 2.1.2 R The *FCA* will not approve a *prospectus* unless it is satisfied that *PRM 2.1.1R* has been complied with.
- 2.1.3 G In considering the *rule* at *PRM 2.1.1R*, the *FCA* will pay regard to whether adequate information is provided to investors in a particular case. Where, in exceptional circumstances, certain information required by *PRM 2.1.1R(2)* is not available by reason of, for example:
- (1) the sphere of activity or sector in which the *offer* is made; or
 - (2) the legal form of the *issuer* or the *guarantor*,
- equivalent information may be submitted and accepted in the alternative, unless no such information exists.
- [**Note:** *Prospectus Regulation* Art 18(2)]
- 2.1.4 G Provisions regarding the omission of information that would otherwise be required by *PRM 2.1.1R(1)* can be found in *PRM 6.1.1R*.
- 2.1.5 G Provisions detailing omission of other information required by the other *rules* in *PRM* by way of waiver or modification may be found in *PRM 6.1.2R*.

General presentation

- 2.1.6 R The content of a *prospectus* must be written in English and presented in an easily analysable, concise and comprehensible form, taking into account:
- (1) the nature of the *issuer*;
 - (2) the type of *transferable securities*;
 - (3) the circumstances of the *issuer*; and
 - (4) whether the *transferable securities* have already been *admitted to trading* on a *regulated market*.

[**Note:** *Prospectus Regulation* Art 6(2), regulation 23(2) of the *Public Offers and Admissions to Trading Regulations*]

- 2.1.7 R The content of a *prospectus* and a *base prospectus* must be consistent with its constituent or separate parts referred to in *PRM 2.2.2R*, as applicable.

2.2 Component parts of a prospectus

- 2.2.1 R A *prospectus* or a *base prospectus* may be drawn up as a single document or as separate documents.

[**Note:** *Prospectus Regulation* Art 6(3)]

Prospectus composed of separate documents

- 2.2.2 R Subject to *PRM 2.3*, a *prospectus* composed of separate documents must be divided into:

- (1) a *registration document*, containing the information relating to the *issuer*;
- (2) a *securities note*, containing the information concerning the *transferable securities* to be *admitted to trading* on a *regulated market*; and
- (3) where applicable, a *summary*.

[**Note:** *Prospectus Regulation* Art 6(3) para 2]

- 2.2.3 G Rules regarding the content of a *registration document* are set out in *PRM 4.2*.

[**Note:** *PR Regulation* Art 2 to 10]

- 2.2.4 G Rules regarding the content of a *securities note* are set out in *PRM 4.3*

[**Note:** *PR Regulation* Art 12 to 17]

- 2.2.5 G Rules regarding the content of a *prospectus summary* are set out in *PRM 2.5*.

[**Note:** *PR Regulation* Art 27 and *Prospectus RTS Regulation* Art 1 to 9]

- 2.2.6 G Rules regarding a *universal registration document* are set out in *PRM 2.6*.

Approval of component parts of a prospectus

Registration document

- 2.2.7 R A *prospectus* composed of separate documents will constitute a valid *prospectus* only once all of its component parts have been approved.

[**Note:** *Prospectus Regulation* Art 10(1) sub-para 3]

- 2.2.8 R Where a *registration document* has already been approved by the *FCA*, an

issuer must draw up the *securities note* and the *summary*, where applicable, when the securities are *admitted to trading* on a *regulated market*. The *securities note* and the *summary* will require separate approval by the *FCA*.

[**Note:** *Prospectus Regulation* Art 10(1) first sub-para]

- 2.2.9 R Once a *registration document* has been approved by the *FCA*, the *registration document* must be made available to the public without undue delay and in accordance with the arrangements set out in *PRM 9.5* (Publication of a prospectus).

[**Note:** *Prospectus Regulation* Art 10(2)]

- 2.2.10 R If, after the *registration document* has been approved, a significant new factor, material mistake or material inaccuracy arises that meets the description in (1) and (2), a supplement to the *registration document* must be submitted for approval in accordance with the *rules* at *PRM 10* (Supplementary prospectus):

- (1) It relates to the information included in the *registration document*.
- (2) It is capable of affecting the assessment of the *transferable securities*.

[**Note:** *Prospectus Regulation* Art 10(1) second sub-para]

- 2.2.11 R The *supplementary prospectus* referred to in *PRM 2.2.10R* must be submitted for approval no later than concurrently with the approval of the *securities note* and the *prospectus summary*, where a *prospectus summary* is required.

[**Note:** *Prospectus Regulation* Art 10(1) second sub-para]

- 2.2.12 R Where the circumstances in *PRM 2.2.10R* apply, the right to withdraw acceptances in accordance with *PRM 10.1.10R* will not be available.

[**Note:** *Prospectus Regulation* Art 10(1) end of second sub-para]

Universal registration document

- 2.2.13 R An *issuer* that has already had a *universal registration document* approved, or that has filed a *universal registration document* without prior approval pursuant to *PRM 2.6.4R*, must draw up the *securities note* and the *prospectus summary* when the *transferable securities* are *admitted to trading* on a *regulated market*.

[**Note:** *Prospectus Regulation* Art 10(3) first sub-para]

- 2.2.14 R Where the *universal registration document* has already been approved, the *securities note*, the *prospectus summary* and all amendments to the *universal registration document* filed since the approval of the *universal registration document* must be submitted for separate approval.

[Note: Prospectus Regulation Art 10(3) second sub-para]

- 2.2.15 R Where an *issuer* has filed a *universal registration document* without prior approval, the entire documentation, including amendments to the *universal registration document*, must be approved, notwithstanding the fact that those documents remain separate.

[Note: Prospectus Regulation Art 10(3) third sub-para]

- 2.2.16 R The *universal registration document*, amended in accordance with *PRM 2.6.13R* or *PRM 2.6.16R* and *PRM 2.6.17R*, accompanied by the *securities note* and the *summary* will be a *prospectus*, once approved.

[Note: Prospectus Regulation Art 10(3)]

2.3 Base prospectus

- 2.3.1 R A *base prospectus* may be used by the *issuer*, *offeror* or *person* requesting the *admission to trading* on a *regulated market*, where the *transferable securities* in issue are *non-equity securities*, including warrants in any form.

[Note: Prospectus Regulation Art 8(1)]

- 2.3.2 R A *base prospectus* must include the following information:

[Note: Prospectus Regulation Art 8(2)]

- (1) a template, entitled ‘form of the final terms’, to be filled out for each individual issue and indicating the available options with regard to the information to be determined in the final terms of the *offer*; and
- (2) the address of the website where the final terms will be published.

- 2.3.3 R A *base prospectus* may be drawn up as a single document or as separate documents.

[Note: Prospectus Regulation Art 8(6) first sub-para]

- 2.3.4 R Where a *base prospectus* contains options with regard to the information required by the relevant *securities note*, the final terms will determine which of the options is applicable to the individual issue by referring to the relevant sections of the *base prospectus*, or by replicating such information.

[Note: Prospectus Regulation Art 8(3)]

- 2.3.5 R Where the *issuer* or the *person* requesting *admission to trading* on a *regulated market* has filed a *registration document* for *non-equity securities*, or a *universal registration document* and chooses to draw up a *base prospectus*, the *base prospectus* must consist of the following:

[**Note:** *Prospectus Regulation* Art 8(6) second sub-para]

- (1) the information contained in the *registration document*, or in the *universal registration document*;

[**Note:** *Prospectus Regulation* Art 8(6) second sub-para (a)]

- (2) the information which would otherwise be contained in the relevant *securities note*, with the exception of the final terms where the final terms are not included in the *base prospectus*.

[**Note:** *Prospectus Regulation* Art 8(6) second sub-para (b)]

- 2.3.6 R The specific information on each of the different *transferable securities* included in a *base prospectus* must be clearly segregated.

[**Note:** *Prospectus Regulation* Art 8(7)]

- 2.3.7 R The final terms must be presented in the form of a separate document or otherwise included in the *base prospectus* or any supplement. The final terms must be prepared in an easily analysable and comprehensible form.

[**Note:** *Prospectus Regulation* Art 8(4)]

- 2.3.8 R The final terms must only contain information that relates to the *securities note* and must not be used to supplement the *base prospectus*. *PRM* 2.4.1R(1)(b) will apply in such cases.

[**Note:** *Prospectus Regulation* Art 8(4)]

- 2.3.9 R Where the final terms are not included in the *base prospectus*, or in a *supplementary prospectus*, the *issuer* must:

- (1) make the final terms available to the public in accordance with *PRM* 9;

[**Note:** *Prospectus Regulation* Art 8(5) first para]

- (2) file the final terms with the *FCA* as soon as possible after they have been agreed and no later than 2 pm on the day before the *admission to trading* on a *regulated market* to which the *base prospectus* relates;

[**Note:** *Prospectus Regulation* Art 8(5) first para]

- (3) annex a *summary* of the individual issue to the final terms; and
- (4) insert a clear and prominent statement in the final terms indicating:
 - (a) that the final terms have been prepared for the purpose of the *rules* in this sourcebook and must be read in conjunction with the *base prospectus* and any supplement,

- in order to obtain all the relevant information;
- (b) identify where the *base prospectus* and any supplement are published in accordance with (1); and
- (c) refer to the availability of the *summary* referred to at (3).
- 2.3.10 R A *summary* specific to the individual issue should only be drawn up once the final terms have been:
- (1) included in the *base prospectus*;
- (2) included in the *supplementary prospectus*; or
- (3) filed.
- [Note: *Prospectus Regulation* Art 8(8)]
- 2.3.11 R The *summary* of the individual issue is subject to the same requirements as the final terms, as set out in *PRM 2.3.7 R* to *PRM 2.3.9 R*, and should be annexed to them.
- [Note: *Prospectus Regulation* Art 8(9) first sub-para]
- 2.3.12 R The *summary* of the individual issue must comply with *PRM 2.5* (Prospectus summary) and must include the following:
- (1) the key information in the *base prospectus*, including the key information on the *issuer*; and
- (2) the key information in the appropriate final terms, including the key information which was not included in the *base prospectus*.
- [Note: *Prospectus Regulation* Art 8(9) second sub-para]
- 2.3.13 R Where the final terms relate to several securities which differ only in some very limited details, such as the issue price or maturity date, a single *summary* of the individual issue may be attached for all those *transferable securities*, provided the information referring to the different *transferable securities* is clearly segregated.
- [Note: *Prospectus Regulation* Art 8(9) sub-para 3]
- 2.3.14 R The information contained in the *base prospectus* must, where necessary, be supplemented in accordance with *PRM 10* (Supplementary prospectus).
- [Note: *Prospectus Regulation* Art 8(10)]
- 2.3.15 R An *offer* of *transferable securities* may continue after the expiration of the *base prospectus* under which it was commenced provided the conditions at (1) to (3) are met:

[**Note:** *Prospectus Regulation* Art 8(11)]

- (1) a succeeding *base prospectus* is approved and published no later than the last day of validity of the previous *base prospectus*;
- (2) the final terms of such an *offer* must contain a prominent warning on the first page indicating the last day of validity of the previous *base prospectus* and where the succeeding *base prospectus* will be published; and
- (3) the succeeding *base prospectus* must include or incorporate by reference the form of the final terms from the initial *base prospectus* and refer to the final terms that are relevant for the continuing *offer*.

2.3.16 R A right of withdrawal pursuant to *PRM* 10 will also apply to investors who have agreed to purchase or subscribe for the *transferable securities* during the validity period of the previous *base prospectus*, unless the securities have already been delivered to them.

2.3.17 G Detailed content and format requirements for a *base prospectus* are set out in *PRM* Annex C (Content of a base prospectus)

2.4 Final offer price and amount of securities not included in prospectus

- 2.4.1 R (1) Where the final offer price and/or amount of securities (whether expressed in number of securities or as an aggregate nominal amount) to be *admitted to trading*, cannot be included in the *prospectus*:
- (a) the acceptances of the purchase or subscription of securities may be withdrawn for not less than 2 *working days* after the final offer price and/or amount of securities to be offered has been filed; or
 - (b) the following must be disclosed in the *prospectus*:
 - (i) the maximum price and/or the maximum amount of securities, as far as they are available; or
 - (ii) the valuation methods and criteria, and/or conditions, in accordance with which the final offer price is to be determined and an explanation of any valuation methods used.

[**Note:** *Prospectus Regulation* Art 17(1)]

- (2) The final offer price and amount of securities must be filed with the *FCA* and made available to the public in accordance with the arrangements set out in *PRM* 9.

[**Note:** *Prospectus Regulation* Art 17(2)]

2.5 Prospectus summary

Requirement for a prospectus summary

- 2.5.1 R (1) Subject to (2), a *summary* is required for every *prospectus*, whether drawn up as a single document or separate documents.

[**Note:** *Prospectus Regulation* Art 7(1) first sub-paragraph]

- (2) A *summary* is not required where the *prospectus* relates to the *admission to trading* on a *regulated market* of *non-equity securities*, where:

[**Note:** *Prospectus Regulation* Art 7(1) second sub-para 2(a) and (b)]

- (a) the securities are only intended for trading on a *regulated market*, or a specific segment thereof, to which only *qualified investors* have access for the purposes of trading in such securities; or
- (b) the securities have a denomination per unit of at least £50,000.

Purpose

- 2.5.2 R A *summary* should read as an introduction to the *prospectus*. When read together with the other parts of a *prospectus*, whether drawn up as a single document or as component parts, it should aid investors in considering whether to invest in *transferable securities* by providing key information on the nature and risks of:

[**Note:** *Prospectus Regulation* Art 7(1), (2)]

- (1) the *issuer*;
- (2) the *guarantor*; and
- (3) the securities that are being *admitted to trading* on a *regulated market*.

Content of a prospectus summary

- 2.5.3 R A *summary* must be:
- (1) accurate, fair, clear and not misleading; and
- (2) consistent with the other parts of the *prospectus*.

[**Note:** *Prospectus Regulation* Art 7(2)]

- 2.5.4 R The *summary* may contain cross-references to other parts of the *prospectus* but cannot incorporate information by reference.
- 2.5.5 R The detailed format and content requirements for a *summary* are available at *PRM Annex B (Prospectus summary)*.

2.6 Universal registration document

Application and eligibility

- 2.6.1 R Any *issuer* whose *transferable securities* are *admitted to trading* on a *regulated market* may draw up a *registration document* in the form of a *universal registration document* describing the company's organisation, business, financial position, earnings and prospects, governance and shareholding structure.

[**Note:** *Prospectus Regulation* Art 9(1)]

Approval process for a universal registration document

- 2.6.2 R Subject to *PRM 2.6.3R*, an *issuer* who chooses to draw up a *universal registration document* must submit it for approval according to *PRM 9* to the *FCA* for each individual financial year they wish to use it.

[**Note:** *Prospectus Regulation* Art 9(2) first sub-para]

- 2.6.3 R If an *issuer* has had a *universal registration document* approved by the *FCA* for 2 consecutive financial years, subsequent *universal registration documents* prepared in the following consecutive years may be filed with the *FCA* without prior approval.

[**Note:** *Prospectus Regulation* Art 9(2) second sub-para]

- 2.6.4 R If an *issuer* filing without prior approval in accordance with *PRM 2.6.3R*, misses a financial year of filing a *universal registration document*, the benefit of filing without approval falls away. All subsequent *universal registration documents* must be submitted to the *FCA* for approval once more according to *PRM 2.6.2R*, until the *issuer* is once more eligible under *PRM 2.6.3R*.

[**Note:** *Prospectus Regulation* Art 9(2) third sub-para]

- 2.6.5 R The *issuer* must indicate in its application to the *FCA* whether the *universal registration document* is submitted for approval or is eligible to be filed without prior approval in accordance with *PRM 2.6.3R*.

[**Note:** *Prospectus Regulation* Art 9(2) fourth sub-para]

Publication and incorporation by reference

- 2.6.6 R Once approved or filed without prior approval, the *universal registration document*, as well as any of the amendments, must be made available to the

public without undue delay, in accordance with the arrangements in *PRM 9*.

[**Note:** *Prospectus Regulation Art 9(4)*]

- 2.6.7 R Information may be incorporated by reference into a *universal registration document* under the conditions set out in *PRM 5* (Incorporation by reference).

[**Note:** *Prospectus Regulation Art 9(6)*]

- 2.6.8 R (1) This *rule* does not apply if a *universal registration document* is in use as a constituent part of a *prospectus*.
- (2) Following approval or filing of the *universal registration document*, the *issuer* may at any time update the information by filing an amendment with the *FCA*. The filing of the amendment with the *FCA* does not require prior *FCA* approval.

[**Note:** *Prospectus Regulation Art 9(7)*]

FCA review of a universal registration document filed without prior approval

- 2.6.9 G The *FCA* may choose to review the content of any *universal registration document* which has been filed without prior approval, at any time, including the content of any amendments.

[**Note:** *Prospectus Regulation Art 9(8)*]

- 2.6.10 G In its review, the *FCA* will scrutinise the completeness, consistency and comprehensibility of the information given in the *universal registration document*, including the information in any amendments.

[**Note:** *Prospectus Regulation Art 9(8)*]

Amendments or supplements to a universal registration document

- 2.6.11 R (1) As a result of its review, the *FCA* may request an amendment, or supplementary information to be added, to the *universal registration document*. The *issuer* should comply with the request and ensure that the relevant amendment or supplementary information requested is reflected in the next *universal registration document* filed for the following financial year unless either (2) or (3) applies.

[**Note:** *Prospectus Regulation Art 9(9)* first and second sub-para]

- (2) Where the *issuer* is a frequent issuer by reference to the *rules* in *PRM 2.6.2 R* and *2.6.3R* and wishes to use the *universal registration document* as a constituent part of a *prospectus* to be submitted for approval, the *issuer* must make the amendment to the *universal registration document* to be filed no later than with

the submission of the relevant constituent parts of the *prospectus* for approval, in accordance with *PRM 9.3.7* to *PRM 9.3.8R*.

[**Note:** *Prospectus Regulation* Art 9(9) second sub-para, second half, and referencing *Prospectus Regulation* Art 20(6)]

- (3) Where the *FCA* notifies the *issuer* that its request for amendment or supplementary information concerns a material omission, material mistake or material inaccuracy which is likely to mislead the public with regard to facts and circumstances essential for an informed assessment of the *issuer*, (2) is not an available option. In those circumstances, the *issuer* must file an amendment to the *universal registration document* without undue delay.

[**Note:** *Prospectus Regulation* Art 9(9) third sub-para]

- 2.6.12 R A consolidated version of the amended *universal registration document*:
- (1) must be prepared by the *issuer* upon request by the *FCA*, where a consolidated version is necessary to ensure comprehensibility of the information provided in that document; or
- (2) may be prepared voluntarily by the *issuer* in an annex to the amendment.

[**Note:** *Prospectus Regulation* Art 9(9) fourth sub-para]

- 2.6.13 R The rule at *PRM 2.6.11R* does not apply to a *universal registration document* that is in use as a constituent part of a *prospectus*.

- 2.6.14 G The rules applicable to supplements or amendments to a *universal registration document* that is to be used as a constituent part of a *prospectus* are set out in *PRM 10* (Supplementary prospectus).

Frequent issuer status

- 2.6.15 R An *issuer* fulfilling the conditions set out in *PRM 2.6.2R* or *PRM 2.6.3R*, will be given the status of a frequent *issuer* and will benefit from the faster approval process in accordance with *PRM 9.3.7R* to *PRM 9.3.8R*, provided that:
- (1) upon the filing or submission for approval of each *universal registration document*, the *issuer* provides written confirmation to the *FCA* that, to the best of its knowledge, all *regulated information* that it was required to disclose under the *transparency rules*, if applicable, and under the *Market Abuse Regulation* has been filed and published in accordance with those requirements over the last 18 months or over the period since the obligation to disclose *regulated information* commenced, whichever is the shorter; and

- (2) where the *FCA* undertakes a review of the kind referred to in *PRM* 2.6.9G and finds that the document does not meet the standards required, the *issuer* must amend its *universal registration document* in accordance with *PRM* 2.6.11R.

[**Note:** *Prospectus Regulation* Art 9(11)]

- 2.6.16 R Where any of the conditions in *PRM* 2.6.15R are not fulfilled by the *issuer*, the status of frequent *issuer* will be lost.

[**Note:** *Prospectus Regulation* Art 9(11)]

Interaction with DTR obligations

- 2.6.17 R Where the *universal registration document* filed with or approved by the *FCA*:

- (1) is made public within 4 months after the end of the financial year; and
- (2) contains the information required to be disclosed in the annual financial report referred to in *DTR* 4.1,

the *issuer* will be deemed to have fulfilled its obligation to publish the annual financial report required under *DTR* 4.1.

[**Note:** *Prospectus Regulation* Art 9(12) first sub-para]

- 2.6.18 R Where the *universal registration document*, or an amendment thereto, is filed or approved by the *FCA* and:

- (1) is made public within 3 months after the end of the first 6 months of the financial year; and
- (2) contains the information required to be disclosed in the half-yearly financial report referred to in *DTR* 4.2,

the *issuer* will be deemed to have fulfilled its obligation to publish the half-yearly financial report required under *DTR* 4.2.

[**Note:** *Prospectus Regulation* Art 9(12) second sub-para]

- 2.6.19 R In the cases referred to in *PRM* 2.6.17R and *PRM* 2.6.18R, the *issuer* must:

- (1) include in the *universal registration document* a cross-reference list identifying where each item required in the annual and half-yearly financial reports can be found in the *universal registration document*;
- (2) file the *universal registration document* in accordance with *DTR* 6.2.2R and *DTR* 6.2.10R; and

- (3) include in the *universal registration document* a responsibility statement using the terms required under *DTR 4.1.12R* and *DTR 4.2.10R*.

[**Note:** *Prospectus Regulation* Art 9(12) third sub-para]

3 Persons responsible for a prospectus or supplementary prospectus

Application

- 3.1.1 G The *rules* in this chapter should be read by those *persons* who have been involved in the preparation of a *prospectus* and any *supplementary prospectus* required. This chapter explains who is responsible for the content of a *prospectus* and a *supplementary prospectus*.
- 3.1.2 R References to a *prospectus* in this chapter include a *supplementary prospectus*.
- 3.1.3 G A *person* who is responsible for a *prospectus* may be liable for the content of that document and for compensation that may arise.

[**Note:** regulation 30 of the *Public Offers and Admissions to Trading Regulations*]

Equity shares

- 3.1.4 R (1) This *rule* applies to a *prospectus* relating to:
- (a) *equity shares*;
 - (b) warrants or options to subscribe for *equity shares*, that are issued by the *issuer* of the *equity shares*; and
 - (c) other *transferable securities* that have similar characteristics to *transferable securities* referred to in paragraphs (a) or (b).
- (2) Each of the following *persons* are responsible for the *prospectus*:
- (a) the *issuer* of the *transferable securities*;
 - (b) if the *issuer* is a *body corporate*:
 - (i) each *person* who is a *director* of that *body corporate* when the *prospectus* is published;
 - (ii) each *person* who has authorised themselves to be named, and is named, in the *prospectus* as a *director* or as having agreed to become a *director* of that *body corporate* either immediately or at a future time; and

- (iii) each *person* who is a senior executive of any *external management company* of the *issuer*;
- (c) each *person* who accepts, and is stated in the *prospectus* as accepting, responsibility for the *prospectus*; and
- (d) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *prospectus*.

[Note: PRR 5.3.2R]

- 3.1.5 R In *PRM 3.1.4R(2)(b)(iii)*, *external management company* means in relation to an *issuer* that is a *company* which is not a collective investment undertaking, a *person* who is appointed by the *issuer* (whether under a contract of service, a contract for services or any other commercial arrangement) to perform functions that would ordinarily be performed by *officers* of the *issuer* and to make recommendations in relation to strategic matters.

[Note: PRR 5.3.3R]

- 3.1.6 G In considering whether the functions the *person* performs would ordinarily be performed by *officers* of the *issuer*, the *FCA* will consider, among other things:

- (1) the nature of the board of the *issuer* to which the *person* provides services, and whether the board has the capability to act itself on strategic matters in the absence of that *person's* services;
- (2) whether the appointment relates to a one-off transaction or is a longer-term relationship; and
- (3) the proportion of the functions ordinarily performed by *officers* of the *issuer* that is covered by the arrangement.

[Note: PRR 5.3.4G]

All other securities

- 3.1.7 R
- (1) This *rule* applies to a *prospectus* relating to *transferable securities* other than those to which *PRM 3.1.4R* applies.
 - (2) Each of the following *persons* are responsible for the *prospectus*:
 - (a) the *issuer* of the *transferable securities*;
 - (b) each *person* who accepts, and is stated in the *prospectus* as accepting, responsibility for the *prospectus*;
 - (c) if there is a *guarantor* for the issue, the *guarantor* in relation to information in the *prospectus* that relates to the

guarantor and the *guarantee*; and

- (d) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *prospectus*.

[Note: PRR 5.3.5R]

Publication without director’s consent

- 3.1.8 R A *person* is not responsible for a *prospectus* under PRM 3.1.4R(2)(b)(i) if it is published without their knowledge or consent and on becoming aware of its publication they, as soon as practicable, give reasonable public notice that it was published without their knowledge or consent.

Person may accept responsibility for, or authorise, part of contents

- 3.1.9 R A *person* who accepts responsibility for a *prospectus* under PRM 3.1.4R(2)(c) or PRM 3.1.7R(2)(b), or authorises the contents of a *prospectus* under PRM 3.1.4 R(2)(d) or PRM 3.1.7R(2)(d), may state that they do so only in relation to specified parts of the *prospectus*, or only in specified respects, and in that case the *person* is responsible under those paragraphs:

- (1) only to the extent specified; and
- (2) only if the material in question is included in (or substantially in) the form and context to which the *person* has agreed.

[Note: PRR 5.3.9R]

Advice in professional capacity

- 3.1.10 R Nothing in the *rules* in this section is to be construed as making a *person* responsible for any *prospectus* by reason only of the *person* giving advice about its contents in a professional capacity.

[Note: PRR 5.3.10R]

4 Minimum information requirements

4.1 Overview and application

Overview

- 4.1.1 G This chapter sets out the minimum information requirements that apply to a *registration document* and a *securities note*.

Document	PRM reference	Annex
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Registration document		
Equity securities	<i>PRM 4.2.1R to PRM 4.2.3R</i>	<p>One of the annexes below, as applicable</p> <p><i>PRM Annex 1 (Registration document for equity securities)</i></p> <p><i>PRM Annex 6 (Registration document for retail non-equity securities)</i></p> <p><i>PRM Annex 7 (Registration document for wholesale non-equity securities)</i></p>
Universal registration document	<i>PRM 4.2.3R</i>	<i>PRM Annex 2 (Universal registration document)</i>
Secondary issuances of equity securities	<i>PRM 4.2.4R to PRM 4.2.5R</i>	<p>One of the annexes below, as applicable</p> <p><i>PRM Annex 3 (Registration document for secondary issuances of equity securities)</i></p> <p><i>Annex 6 (Registration document for retail non-equity securities)</i></p>
Units of closed-end collective investment undertakings	<i>PRM 4.2.6R</i>	<i>PRM Annex 4 (Registration document for units of closed-end collective investment undertakings)</i>
Depository receipts issued over shares	<i>PRM 4.6.7R</i>	<i>PRM Annex 5 (Registration document for depository receipts issued over shares)</i>
Retail non-equity securities	<i>PRM 4.2.8R to PRM 4.2.9R</i>	<p>One of the annexes below, as applicable</p> <p><i>PRM Annex 1 (Registration document for equity securities)</i></p> <p><i>PRM Annex 6 (Registration document for retail non-equity securities)</i></p>
Wholesale non-equity securities	<i>PRM 4.2.10R to PRM 4.2.11R</i>	<i>PRM Annex 7 (Registration document for wholesale non-equity securities)</i>
Asset-backed securities	<i>PRM 4.2.12R</i>	<i>PRM Annex 9 (Registration</i>

		document for asset-backed securities)
Securities note		Annex
Equity securities or units issued by collective investment undertakings of the closed-end type	<i>PRM</i> 4.3.1R to <i>PRM</i> 4.3.2R	One of the annexes below, as applicable <i>PRM</i> Annex 11 (Securities note for equity securities or units issued by collective investment undertakings of the closed-end type) <i>PRM</i> Annex 14 (Securities note for retail non-equity securities) Annex 15 (Securities note for wholesale non-equity securities)
Secondary issuances of equity securities or of units issued by collective investment undertakings of the closed-end type	<i>PRM</i> 4.3.3R to <i>PRM</i> 4.3.4R. to <i>PRM</i>	One of the annexes below, as applicable <i>PRM</i> Annex 12 (Securities note for secondary issuances of equity securities or of units issued by collective investment undertakings of the closed-end type)
Depository receipts issued over shares	<i>PRM</i> 4.3.5R	<i>PRM</i> Annex 13 (Securities note for depository receipts issued over shares)
Retail non-equity securities	<i>PRM</i> 4.3.6R to <i>PRM</i> 4.3.7R	<i>PRM</i> Annex 14 (Securities note for retail non-equity securities)
Wholesale non-equity securities	<i>PRM</i> 4.3.8R	<i>PRM</i> Annex 15 (Securities note for wholesale non-equity securities)
Additional information to be included in a prospectus		Annex references for additional information, as applicable
Complex financial history and significant financial commitment of issuers of equity securities	<i>PRM</i> 4.4.1R to <i>PRM</i> 4.4.4R	<i>PRM</i> Annex 1 (Registration document for equity securities) <i>PRM</i> Annex 20 (Pro Forma information)

Securities that are exchangeable for or convertible into shares	<i>PRM 4.4.5R</i>	Each of the annexes/items specified below Items 3.1 and 3.2 of <i>PRM Annex 11</i> (Securities note for equity securities or units issued by collective investment undertakings of the closed-end type) Item 2.2.2 of <i>PRM Annex 17</i> (Securities giving rise to payment or delivery obligations linked to an underlying asset) <i>PRM Annex 18</i> (Underlying share)
Securities giving rise to payment or delivery obligations linked to an underlying asset	<i>PRM 4.4.6R</i> to <i>PRM 4.4.8R</i>	<i>PRM Annex 17</i> (Securities giving rise to payment or delivery obligations linked to an underlying asset) <i>PRM Annex 18</i> (Underlying share)
Asset-backed securities	<i>PRM 4.4.9R</i>	<i>PRM Annex 19</i> (Asset-backed securities)
Non-equity securities that include guarantees	<i>PRM 4.4.10R</i>	<i>PRM Annex 21</i> (Guarantees)
Historical financial information	<i>PRM 4.4.11R</i> to <i>PRM 4.4.16R</i>	
Disclosure of climate-related information	<i>PRM 4.6</i>	<i>PRM Annex 2</i> (Universal registration document) <i>PRM Annex 5</i> (Registration document for depository receipts issued over shares)
Disclosure requirements for sustainability-labelled non-equity securities	<i>PRM 4.7</i>	

Application

- 4.1.2 G The application of each section in this chapter is described by reference to the *transferable security* or other investment to which the disclosure relates.

4.2 Minimum information to be included in a registration document

Registration document for equity securities

4.2.1 R Subject to *PRM 4.2.2R*, the *registration document* for *equity securities* must contain the information referred to in *PRM Annex 1*, unless it is drawn up in accordance with:

- (1) *PRM 2.6* (Universal registration document); or
- (2) *PRM 7* (Simplified prospectus regime for secondary issuances).

[Note: *PR Regulation Art 2(1)*]

4.2.2 R The *registration document* for the securities listed in (1), (2) or (3), where those securities are not shares or other *transferable securities* equivalent to shares, may be drawn up in accordance with *PRM 4.2.8R* to *PRM 4.2.9R* for retail securities or *PRM 4.2.10R* to *PRM 4.2.11R* for wholesale securities.

- (1) the securities referred to in *PRM 4.4.5R(1)* and *PRM 4.4.7R(1)*;
- (2) the securities referred to in *PRM 4.4.5R(2)*, where those securities are exchangeable for or convertible into shares that are or will be issued by an entity belonging to the *issuer's* group and that are not *admitted to trading* on a *regulated market*, or
- (3) the securities referred to in *PRM 4.4.7R(2)*, where those securities give the right to subscribe or acquire shares that are or will be issued by an entity belonging to the *issuer's* group and that are not *admitted to trading* on a *regulated market*.

[Note: *PR Regulation Art 2(2)*]

Universal registration document

4.2.3 R A *registration document* that is drawn up in accordance with *PRM 2.6* (Universal registration document) must contain the information referred to in *PRM Annex 2*.

[Note: *PR Regulation Art 3*]

Registration document for secondary issuances of equity securities

4.2.4 R Subject to *PRM 4.2.5R*, a specific *registration document* for *equity securities* that is drawn up in accordance with *PRM 7* (Simplified prospectus regime for secondary issuances) must contain the information referred to in *PRM Annex 3*.

[Note: *PR Regulation Art 4(1)*]

4.2.5 R The *registration document* for the securities listed in (1), (2) or (3), where those securities are not shares or other *transferable securities* equivalent to

shares, may be drawn up in accordance with *PRM* Annex 8, unless it contains the information referred to in *PRM* Annex 3:

- (1) the securities referred to in *PRM* 4.4.5R(1) and *PRM* 4.4.7R(1);
- (2) the securities referred to in *PRM* 4.4.5R(2), where those securities are exchangeable for or convertible into shares that are or will be issued by an entity belonging to the *issuer's* group and that are not *admitted to trading on a regulated market*; or
- (3) the securities referred to in *PRM* 4.4.7R(2), where those securities give the right to subscribe or acquire shares that are or will be issued by an entity belonging to the *issuer's* group and that are not *admitted to trading on a regulated market*.

[**Note:** *PR Regulation* Art 4(2)]

Registration document for units of closed-end collective investment undertakings

- 4.2.6 R For units of closed-end collective investment undertakings, the *registration document* must contain the information referred to in *PRM* Annex 4.

[**Note:** *PR Regulation* Art 5]

Registration document for depository receipts issued over shares

- 4.2.7 R For depository receipts issued over shares, the *registration document* must contain the information referred to in *PRM* Annex 5.

[**Note:** *PR Regulation* Art 6]

Registration document for retail non-equity securities

- 4.2.8 R Subject to *PRM* 4.2.9R, a *registration document* for retail *non-equity securities* must contain the information referred to in in *PRM* Annex 6.

[**Note:** *PR Regulation* Art 7]

- 4.2.9 R The *rule* at *PRM* 4.2.8R does not apply to the securities described at (1), (2), (3) or (4):

[**Note:** *PR Regulation* Art 7]

- (1) *securities* that:

[**Note:** *PR Regulation* Art 8(2)]

- (a) are only traded on a *regulated market*, or a specific segment thereof, to which only *qualified investors* can have access for the purpose of trading in such *securities*; or

[**Note:** *PR Regulation* Art 8(2)(a)]

- (b) have a denomination per unit of at least GBP 50,000 or, where there is no individual denomination, can only be acquired for at least GBP 50,000 per security;

[**Note:** *PR Regulation* Art 8(2)(b)]

- (2) the securities that are the subject of a *registration document* that has been drawn up in accordance with:

[**Note:** *PR Regulation* Art 7 and Art 8(1)]

- (a) *PRM* 2.6 (Universal registration document); or
- (b) *PRM* 7 (Simplified prospectus regime for secondary issuances);
- (3) *securities* for which there is a *registration document* that contains the information referred to in *PRM* Annex 1; or

[**Note:** *PR Regulation* Art 7]

- (4) *securities* for which there is a *registration document* that contains the information referred to in *PRM* Annex 9.

Registration document for wholesale non-equity securities

- 4.2.10 R For *non-equity securities* listed at *PRM* 4.2.11R, the *registration document* must contain the information referred to in *PRM* Annex 7, unless (1) or (2) apply:

- (1) it is drawn up in accordance with:
 - (a) *PRM* 2.6 (Universal registration document); or
 - (b) *PRM* 7 (Simplified prospectus regime for secondary issuances); or
- (2) it contains the information in *PRM* Annex 1 or *PRM* Annex 6.

[**Note:** *PR Regulation* Art 8(1)]

- 4.2.11 R The *rule* at *PRM* 4.2.10R applies to *non-equity securities* that comply with 1 of the following conditions:

- (1) they are to be traded only on a *regulated market*, or a specific segment thereof, to which only *qualified investors* can have access for the purposes of trading in such securities; or
- (2) they have a denomination per unit of at least GBP 50,000, or, where there is no individual denomination, can only be acquired on issue for at least GBP 50,000 per security.

[Note: *PR Regulation Art 8(2)*]

Registration document for asset-backed securities

[Note: *PR Regulation Art 10*]

- 4.2.12 R A *registration document for asset-backed securities* must contain the information referred to in *PRM Annex 9*.

[Note: *PR Regulation Art 10*]

4.3 Minimum information to be included in the securities note

Securities note for equity securities or units issued by collective investment undertakings of the closed-end type

- 4.3.1 R Subject to *PRM 4.3.2R*, for *equity securities* or units issued by collective investment undertakings of the closed-end type, the *securities note* must contain the information referred to in Annex 11, unless it is drawn up in accordance with *PRM 7* (Simplified prospectus for secondary issuances).

[Note: *PR Regulation Art 12(1)*]

- 4.3.2 R A *securities note* for the securities referred to in *PRM 4.4.5R(1)* and (2) and *PRM 4.4.7R (1)* and (2), where those securities are not shares or other transferable securities equivalent to shares, must be drawn up in accordance with:

- (1) *PRM 4.3.6R* for retail securities (*PRM Annex 14*); or
- (2) *PRM 4.3.8R* for wholesale securities (*PRM Annex 15*).

[Note: *PR Regulation Art 12(2)*]

Securities note for secondary issuances of equity securities or of units issued by collective investment undertakings of the closed-end type

- 4.3.3 R Subject to *PRM 4.3.4R*, a specific *securities note* for secondary issuances of *equity securities* or units issued by collective investment undertakings of the closed-end type drawn up in accordance with *PRM 7* (Simplified prospectus for secondary issuances) must contain the information referred to in *PRM Annex 12*.

[Note: *PR Regulation Art 13(1)*]

- 4.3.4 R A specific *securities note* for the securities referred to in *PRM 4.4.5R(1)* and (2) and paragraphs 1 and 2 of Article 20, where those securities are not shares or other transferable securities equivalent to shares, must be drawn up in accordance with *PRM 7* (Simplified prospectus regime for secondary issuances) and contain the information referred to in *PRM Annex 16*.

[Note: *PR Regulation Art 13(2)*]

Securities note for depository receipts issued over shares

- 4.3.5 R For depository receipts issued over shares, the *securities note* must contain the information referred to in *PRM Annex 13*.

[Note: *PR Regulation Art 14*]

Securities note for retail non-equity securities

- 4.3.6 R Subject to *PRM 4.3.7R*, a securities note for retail non-equity securities must contain the information referred to in *PRM Annex 14*, unless a specific *securities note* is drawn up in accordance with *PRM 7* (Simplified prospectus regime for secondary issuances)

[Note: *PR Regulation Art 15*]

- 4.3.7 R *PRM 4.3.6R* does not apply to the securities referred to in *PRM 4.2.9R(1)*.

[Note: *PR Regulation Art 15*]

Securities note for wholesale non-equity securities

- 4.3.8 R A *securities note* for non-equity securities as referred to in *PRM 4.2.9R(1)* must contain the information referred to in *PRM Annex 15*, unless:
- (1) a specific *securities note* has been drawn up in accordance with *PRM 7* (Simplified prospectus regime for secondary issuances); or
 - (2) the *securities note* contains the information referred to in *PRM Annex 14*.

[Note: *PR Regulation Art 16*]

4.4 Additional information to be included in the prospectus

Complex financial history and significant financial commitment of issuers of equity securities

- 4.4.1 R Where the *issuer* of an *equity security* has a complex financial history by reference to *PRM 4.4.3R*, or has made a significant financial commitment by reference to *PRM 4.4.4R*, additional information with respect to an entity other than the *issuer* must be included in the *prospectus*.

[Note: *PR Regulation Art 18(1)*]

- 4.4.2 R The additional information referred to in *PRM 4.4.1R* must be sufficient to allow an investor to make an informed assessment of the *transferable securities*, in accordance with the requirements of regulation 23 of the *Public Offers and Admissions to Trading Regulations* and *PRM 7* (Simplified prospectus for secondary issuances), as if that entity were the *issuer* of the

equity security. In particular, the additional information must include:

[Note: *PR Regulation Art 18(2)*]

- (1) with respect to an entity other than the *issuer*, all the information referred to in *PRM Annex 1* and *PRM Annex 20*; and

[Note: *Prospectus Regulation Art 18(2)* first sub-para]

- (2) a clear explanation preceding the additional information:
- (a) explaining why the additional information is needed for investors to make an informed assessment; and
- (b) specifying the effects of the complex financial history or of the significant financial commitment on the *issuer* or on the *issuer's* business.

[Note: *Prospectus Regulation Art 18(2)* second sub-para]

4.4.3 R For the purposes of *PRM 4.4.1R*, an *issuer* will be considered as having a complex financial history where all of the following conditions are fulfilled:

- (1) at the time of drawing up the *prospectus*, the information referred to in the relevant *PRM Annexes* does not represent the *issuer's* undertaking accurately;

[Note: *PR Regulation Art 18(3)(a)*]

- (2) the inaccuracy referred to at (1) affects the ability of investors to make an informed assessment in accordance with the requirements of regulation 23 of the *Public Offers and Admissions to Trading Regulations* and *PRM 7* (Simplified prospectus for secondary issuances); and

[Note: *PR Regulation Art 18(3)(b)*]

- (3) additional information relating to an entity other than the *issuer* is needed for investors to make an informed assessment as referred to regulation 23 of the *Public Offers and Admissions to Trading Regulations* and *PRM 7* (Simplified prospectus for secondary issuances).

[Note: *PR Regulation Art 18(3)(c)*]

4.4.4 R For the purposes of *PRM 4.4.1R*, a significant financial commitment is a binding agreement to undertake a transaction that is likely to give rise to a variation of more than 25% relative to one or more indicators of the size of the *issuer's* business.

Additional information for securities that are exchangeable for or convertible into shares

- 4.4.5 R Where *transferable securities* are exchangeable for, or convertible into, shares:
- (1) for securities *admitted to trading* on a *regulated market*, the *securities note* must contain additional information referred to in item 2.2.2 of *PRM Annex 17*;
 [Note: *PR Regulation Art 19(1)*]
 - (2) for securities not *admitted to trading* on a *regulated market*, but which are, or will be, *issued* by the *issuer* or an entity belonging to that *issuer's* group, the *securities note* must contain additional information referred to in:
 - (a) items 3.1 and 3.2 of *PRM Annex 11* in respect of that *issuer* or of that entity belonging to the issuer's group; and
 - (b) the information referred to in *PRM Annex 18* in respect of the underlying share; and
 [Note: *PR Regulation Art 19(2)*]
 - (3) for securities not *admitted to trading* on a *regulated market*, but which are or will be *issued* by a third-party *issuer*, the *securities note* must contain the additional information referred to in *PRM Annex 18*.
 [Note: *PR Regulation Art 19(3)*]

Securities giving rise to payment or delivery obligations linked to an underlying asset

- 4.4.6 R The *rule* at *PRM 4.4.7R* and *PRM 4.4.8R* does not apply to the securities referred to in *PRM 4.4.5R*.
 [Note: *PR Regulation Art 20(1)*]
- 4.4.7 R For *transferable securities* that give the right to buy or subscribe for shares that are, or will be, *issued* by the *issuer* or by an entity belonging to that issuer's group, the *securities note* must the following information:
- (1) where the securities are *admitted to trading* on a *regulated market*, the *securities note* must contain as additional information the information referred to in *PRM Annex 17*; and
 [Note: *PR Regulation Art 20(1)*]
 - (2) where the securities are not *admitted to trading* on a *regulated market*, the *securities note* must contain as additional information:
 - (a) the information referred to in *PRM Annex 17*, except for the

information referred to item 2.2.2 of that Annex; and

[Note: *PR Regulation* Art 20(2)(a)]

- (b) the information referred to in *PRM* Annex 18 in respect of the underlying share.

[Note: *PR Regulation* Art 20(2)(b)]

- 4.4.8 R For all other *transferable securities* that are linked to an underlying asset other than those referred to in *PRM* 4.4.6R and *PRM* 4.4.7R, the *securities note* must contain the additional information referred to in *PRM* Annex 17.

[Note: *PR Regulation* Art 20(3)]

Asset-backed securities

- 4.4.9 R For *asset-backed securities*, the *securities note* must also contain the additional information referred to in *PRM* Annex 19.

[Note: *PR Regulation* Art 21]

Guarantees

- 4.4.10 R For *non-equity securities* that are supported by *guarantees*, the *securities notes* must also contain the additional information referred to in *PRM* Annex 21.

[Note: *PR Regulation* Art 22]

Historical financial information

[Note: *PR Regulation* Art 23a]

- 4.4.11 R In relation to any financial year beginning after 31 December 2020, *issuers* in the *United Kingdom* must present their historical financial information as follows:

[Note: *PR Regulation* Art 23a(4)]

- (1) *UK-adopted international accounting standards*; or

[Note: *PR Regulation* Art 23a (4)(a)]

- (2) if the standards in (1) are not available, *UK accounting standards*.

[Note: *PR Regulation* Art 23a (4)(b)]

- 4.4.12 R Subject to *PRM* 4.4.13R, for *overseas issuers* the historical financial information must be presented in accordance with one of the following accounting standards:

- (1) *UK-adopted international accounting standards*;
- (2) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as it applies in the European Union;
- (3) International Financial Reporting Standards, but only if the notes to the audited financial statements that form part of the historical financial information contain an explicit and unreserved statement that the financial statements comply with International Financial Reporting Standards in accordance with IAS 1 Presentation of Financial Statements;
- (4) Generally Accepted Accounting Principles of Japan;
- (5) Generally Accepted Accounting Principles of the United States of America;
- (6) Generally Accepted Accounting Principles of the People's Republic of China;
- (7) Generally Accepted Accounting Principles of Canada;
- (8) Generally Accepted Accounting Principles of the Republic of Korea; or
- (9) national accounting standards of a country that are equivalent to UK-adopted international accounting standards in accordance with a determination made by the Treasury in regulations under Commission Regulation (EC) No 1569/2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council.

[**Note:** regulation 24(2) of the *Public Offers and Admissions to Trading Regulations*]

- 4.4.13 R Subject to *PRM* 4.4.14R, if the historical financial information is not prepared in accordance with the required standards set out in *PRM* 4.4.12R, the financial statements must be restated in compliance with *UK-adopted international accounting standards*.

[**Note:** regulation 24(3) of the *Public Offers and Admissions to Trading Regulations*]

- 4.4.14 R An exemption from *PRM* 4.4.13R is available for *issuers* of wholesale *non-equity securities* and other persons whose financial information is required to be included in the *prospectus* as if they were the *issuer* of the securities that are the subject of the *prospectus*.

[**Note:** regulation 24(4) of the *Public Offers and Admissions to Trading Regulations*]

- 4.4.15 R Where a person is required to disclose information in relation to *transferable securities* as if the person were the *issuer* of those securities, *PRM 4.4.14R* is an available exemption to that person as if it were the *issuer* of *transferable securities*.

[**Note:** regulation 24(5) of the *Public Offers and Admissions to Trading Regulations*]

- 4.4.16 R Where an exemption under *PRM 4.4.14R* is relied on, the *prospectus* must include:
- (1) a statement that:
 - (a) the historical financial information included in the document has not been prepared in accordance with *UK-adopted international accounting standards*; and
 - (b) if the historical financial information had been prepared in accordance with *UK-adopted international accounting standards*, there might have been material differences in the financial information; and
 - (2) a narrative description of the differences between *UK-adopted international accounting standards* and the accounting principles adopted by the *issuer* in preparing its annual financial statements.

[**Note:** regulation 24(6) of the *Public Offers and Admissions to Trading Regulations*]

4.5 Risk factors

- 4.5.1 R The risk factors featured in a *prospectus* must be limited to risks which are specific to the *issuer* and/or to the *transferable securities* and which are material for making an informed investment decision as corroborated by the content of the *registration document* and the *securities note*.

[**Note:** *Prospectus Regulation* Art 16(1) first sub-para 1]

- 4.5.2 R When drawing up the *prospectus*, the *issuer*, the *offeror* or the person asking for *admission to trading* on a *regulated market* must assess the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

[**Note:** *Prospectus Regulation* Art 16(1) second sub-para]

- 4.5.3 R Each risk factor must be adequately described, explaining how it affects the *issuer* or the *transferable securities* being *admitted to trading*. The assessment of the materiality of the risk factors provided for in *PRM 4.5.2R*

may also be disclosed by using a qualitative scale of low, medium or high.

[**Note:** *Prospectus Regulation* Art 16(1) third sub-para]

- 4.5.4 R The risk factors must be presented in a limited number of categories depending on their nature. In each category the most material risk factors should be mentioned first according to the assessment provided for in *PRM* 4.5.3R.

[**Note:** *Prospectus Regulation* Art 16(1) fourth sub-para]

- 4.5.5 R Risk factors must also include those resulting from the level of subordination of a *transferable security* and the impact on the expected size or timing of payments to holders of the securities in the event of bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or restructuring in accordance with the *RRD*.

[**Note:** *Prospectus Regulation* Art 16(2)]

- 4.5.6 R Where the *transferable securities* are supported by a *guarantee*, the *prospectus* must contain the specific and material risk factors pertaining to the *guarantor* to the extent that they are relevant to the *guarantor's* ability to fulfil its commitment under the *guarantee*.

[**Note:** *Prospectus Regulation* Art 16(3)]

- 4.5.7 R Where the *transferable securities* are *non-equity securities*, the *prospectus* must contain the specific and material risk factors pertaining to the underlying assets, to the extent that they are relevant to:
- (1) the creditworthiness of the obligor of the underlying assets; or
 - (2) where the underlying assets are shares or securities equivalent to shares, the prospects of the *issuer* of the underlying assets.

4.6 Disclosure of climate-related information

Application

- 4.6.1 R For the purposes of *PRM* 4.6.2R, an *issuer* does not include a *shell company*.

Climate related risks and opportunities

- 4.6.2 R Where an *issuer* of *transferable securities* that are *equity securities* or depositary receipts issued over shares has identified:
- (1) climate-related risks that are material risk factors in accordance with *PRM* 4.6.1R; or
 - (2) climate-related opportunities that are material to the prospects of the *issuer*, in accordance with regulation 23(1) of the *Public Offers and Admissions to Trading Regulations*,

the *issuer* must provide further supporting information regarding that risk or opportunity, in a *universal registration document* or a *registration document*, noting the *rules* in *PRM Annex 2* or *PRM Annex 5*. Both these annexes cross refer to *PRM Annex 1*.

- 4.6.3 G (1) In complying with *PRM 4.6.2R*, the materials in (2) may be of assistance in identifying:
- (a) the risks and opportunities that are material to an investor; and
 - (b) the relevant supporting information to be disclosed.
- (2) The materials referred to in (1) are:
- (a) *TCFD Recommendations and Recommended Disclosures*; and
 - (b) IFRS S2 (the International Financial Reporting Standard S2 Climate-related Disclosures, published on 26 June 2023).
- [**Note:** <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/>]

4.7 Disclosure requirements for sustainability-labelled non-equity securities

- 4.7.1 R An *issuer of non-equity securities* must include in the *prospectus* a statement as to whether the securities are:
- (1) marketed as green, social, sustainable or sustainability-linked; or
 - (2) issued under a bond framework or equivalent document published by the *issuer*, a subsidiary of the *issuer* or an entity of the *issuer's group*.
- 4.7.2 R Where a statement referred to in *PRM 4.7.1R* is included in the *prospectus*, consideration must be given as to what further supporting information is required to satisfy *PRM 2.1.1R* (Necessary information). That information may include the items referred to in *PRM 4.7.3 R* to *PRM 4.7.5R*.

Supporting information for green, social, sustainable or sustainability-linked *non-equity securities*

- 4.7.3 G Where a bond framework or equivalent document on green, social, sustainable or sustainability-linked matters in respect of the *non-equity securities* being issued is available, further relevant information may include details of:
- (1) where the document may be inspected (website or other location);
 - (2) the standards and/or principles according to which the document has been prepared;

- (3) whether any external review or assessment of the bond framework or equivalent document has been performed; and
- (4) where the external review or assessment referred to in (3) may be inspected (website or other location).

Use-of-proceeds bonds

4.7.4

- G Where the *non-equity securities* are use-of-proceeds bonds – that is, *non-equity securities* whose proceeds are used for financing projects that entail green, social and/or sustainability considerations – further relevant information may include details of:
- (1) the eligible projects that are expected to be financed or re-financed, in part or in full, with the proceeds of the securities, including, in the case of refinancing:
 - (a) the maximum proportion of proceeds that is expected to be allocated to financing new projects;
 - (b) the proportion of proceeds that will be allocated to refinancing existing projects; and
 - (c) the expected look-back period – that is, the number of previous years that the issuer will look back to for the refinanced projects.
 - (2) the project evaluation prior to the issue of the use-of-proceeds bonds, including:
 - (a) the project objectives;
 - (b) risks specifically associated with the projects and related mitigation measures; and
 - (c) the criteria, metrics or performance indicators used to evaluate the projects;
 - (3) the criteria and rationale for selecting the projects, including how the use-of-proceeds bond aligns to the standards and /or principles referred to in *PRM 4.7.3G(2)*, by reference to:
 - (a) an external review of the bond, where available; or
 - (b) details of the *issuer's* methodology for determining the project's green, social and/or sustainability eligibility.
 - (4) the approach and methods for managing the proceeds of the securities, including temporary management;
 - (5) any post-issuance external review or assessment of the projects,

where arranged or intended to be arranged, including:

- (a) the areas of focus of the review or assessment;
 - (b) the relevance of the review or assessment by reference to the green, social and/or sustainable characteristics of the securities; and
 - (c) the persons responsible for the post-issuance assessment; and
- (6) the approach to reporting on the impacts of the eligible projects including:
- (a) the location of the reporting/where it may be inspected; and
 - (b) how frequently such reporting will be updated.

Sustainability-linked bonds

- 4.7.5 G Where the *non-equity securities* are securities whose structure or financial terms link to sustainability-related metrics ('sustainability-linked bonds'), further relevant information may include:
- (1) an explanation of how any relevant targets, metrics or indicators, including key performance indicators and sustainability performance targets, have been selected by reference to:
 - (a) the process and rationale for their selection;
 - (b) computation methodologies, measurability and verifiability of the key performance indicators, as well as their ability to be benchmarked; and
 - (c) the materiality and alignment of the relevant sustainability performance targets with the *issuer's* overall sustainability and business strategies; and
 - (2) whether the financial consequences of meeting or missing relevant targets, metrics or indicators referred to in (1) represents an adequate incentive to the issuer to meet those targets, including, for example, an explanation of the materiality of any step-up or step-down for the company in the context of their interest costs.

5 Incorporation by reference and use of hyperlinks

Incorporation by reference and forward incorporation by reference

- 5.1.1 R (1) Information of the type referred to in (3) may be incorporated by reference in a *prospectus* where the conditions in *PRM 5.1.2R* are met.

[**Note:** *Prospectus Regulation* Art 19(1)]

- (2) Information of the type referred to in (3)(c) and (3)(d) may be forward incorporated by reference in a *base prospectus*, where the conditions in *PRM 5.1.3R* are met.
- (3) The information referred to in (1) is contained in:

[**Note:** *Prospectus Regulation* Art 19(1)(b)]

- (a) documents referred to in *PRM 1.4.7R* to *PRM 1.4.10R* and *PRM 1.4.11R(3)*;
- (b) *regulated information*;
- (c) annual and interim financial information;
- (d) audit reports and financial statements;
- (e) management reports as referred to in *DTR 4*;
- (f) corporate governance statements as referred to in *DTR 7.2*;
- (g) reports on the determination of the value of an asset or a company;
- (h) remuneration reports as referred to in Article 9b of Directive 2007/36/EC of the European Parliament and of the Council;
- (i) annual reports or any disclosure of information required under *FUND 3.2* and *FUND 3.3*; and
- (j) memorandum and articles of association.

[**Note:** *Prospectus Regulation* Art 19(1)(b)]

5.1.2 R The conditions for incorporation by reference referred to in *PRM 5.1.1R(1)* are that the information:

- (1) has previously, or is simultaneously, published electronically;

[**Note:** *Prospectus Regulation* Art 19(1) penultimate sub-para]

- (2) is drawn up in English; and

[**Note:** *Prospectus Regulation* Art 19(1) penultimate sub-para]

- (3) is the most recent available to the *issuer*;

[**Note:** *Prospectus Regulation* Art 19(1) penultimate sub-para]

5.1.3 R The conditions for forward incorporation by reference referred to in *PRM*

5.1.1R(2) are that the information:

- (1) is drawn up in English;
- (2) will be published after the date of the approval of the *base prospectus*, but during its period of validity; and
- (3) will be published through an *RIS*.

Further rules for incorporation by reference under PRM 5.1.1R(1)

5.1.4 R Information incorporated by reference according to *PRM 5.1.1R(1)* must also satisfy the requirements in *PRM 5.1.5R*, *PRM 5.1.6R* and *5.1.7R*.

5.1.5 R In case only certain parts of a document are being incorporated by reference, the *prospectus* must include a statement specifying that the non-incorporated parts are either:

- (1) not relevant for the investor; or
- (2) covered elsewhere in the *prospectus*.

[**Note:** *Prospectus Regulation* Art 19(1) final sub-para]

5.1.6 R Information incorporated by reference must be accessible, easy to locate and identify. The *persons* responsible for the *prospectus* should consider the best way to achieve this and, as a minimum, must:

- (1) include a cross-reference list that will enable investors to identify easily specific items of information; and
- (2) provide hyperlinks to all documents containing information that is incorporated by reference.

[**Note:** *Prospectus Regulation* Art 19(2)]

5.1.7 R (1) Subject to (2), when submitting the *prospectus* to the *FCA* for review, the *person* responsible for the *prospectus* must:

- (a) submit any information that is incorporated by reference in searchable electronic format; and
- (b) submit the information in (a) with the first draft of the *prospectus* or as soon as possible before the completion of the *FCA's prospectus* review.

(2) Paragraph (1) does not apply where information has already been submitted and approved by the *FCA*.

[**Note:** *Prospectus Regulation* Art 19(3)]

Further rule for forward incorporation by reference under *PRM 5.1.1R(1)*

- 5.1.8 R A *prospectus* that wishes to include forward incorporation by reference according to *PRM 5.1.1R(2)* must contain a statement:
- (1) identifying what information will be forward incorporated by reference; and
 - (2) specifying the *RIS* through which the information will be published.

Hyperlinks

- 5.1.9 R Hyperlinks that are incorporated by reference in accordance with *PRM 5.1.1R(1)* are not subject to *PRM 5.1.10R*.
- 5.1.10 R Where a *prospectus*, whether a single document or consisting of separate documents, contains hyperlinks to websites, it must include a statement to the effect that the information on the websites does not form part of the *prospectus* and has not been scrutinised or approved by the *FCA*.

[**Note:** *Prospectus RTS Regulation Art 10(1)*]

6 Omission of information

- 6.1.1 UK The *FCA* may authorise the omission from a *prospectus* of any of the information required by *PRM 2.1.1R*, if the disclosure of the information would be contrary to the public interest.

[**Note:** regulation 25 of the *Public Offers and Admissions to Trading Regulations*]

- 6.1.2 UK In addition, to the extent that the required information does not fall within the *rule* in *PRM 2.1.1R(1)* in a particular case, the *FCA* may authorise the omission from the *prospectus* of information required by the other *rules* in *PRM*, by way of waiver, or modification where:
- (1) the disclosure of information would be seriously detrimental to the *issuer* or to the *guarantor*, if any, provided that the omission of such information would not be likely to mislead the public with regard to facts and circumstances essential for an informed assessment of the *issuer* or *guarantor*, if any, and of the rights attached to the *transferable securities* to which the *prospectus* relates; or
 - (2) the information is of minor importance in relation to a specific *admission to trading* on a *regulated market* and would not influence the assessment of the financial position and prospects of the *issuer* or *guarantor*, if any.

[**Note:** regulation 20 of the *Public Offers and Admissions to Trading Regulations*]

- 6.1.3 R When applying to omit information, the applicant must:

- (1) submit the application in writing to [*Editor's note: to be inserted at a later date*];
- (2) identify the specific information concerned and the *rule* in *PRM* requiring its inclusion;
- (3) explain the basis of the request to omit the information by reference to *PRM* 6.1.1UK or *PRM* 6.1.2UK; and
- (4) explain the reason for the omission of the information or the waiver or modification of the relevant rule.

7 Simplified disclosure regime for secondary issuances

Purpose

- 7.1.1 G In accordance with regulation 23 of the *Public Offers and Admissions to Trading Regulations*, information required to be included in a *prospectus* may vary depending on a number of factors, including whether the *transferable securities issued* have already been *admitted to trading* on a *regulated market*.
- [**Note:** regulation 23(2)(d) of the *Public Offers and Admissions to Trading Regulations*]
- 7.1.2 G The purpose of this chapter is to set out the particular circumstances where, in the *FCA's* view, it would normally be appropriate for a simplified *prospectus* to be prepared in respect of *transferable securities* that have already been *admitted to trading* on a *regulated market*.
- 7.1.3 R The following *persons* may choose to draw up a simplified *prospectus* under the simplified disclosure regime for secondary issuances in the case of an *admission to trading* of *transferable securities* on a *regulated market*:
- (1) *issuers* whose *securities* have been *admitted to trading* on a *regulated market* continuously for at least the past 18 months and who issue securities fungible with existing securities which have been previously issued;
 - (2) without prejudice to the exemptions listed at *PRM* 1.4.2R to *PRM* 1.4.12R, *issuers* whose *equity securities* have been *admitted to trading* on a *regulated market* continuously for at least the last 18 months and who issue *non-equity securities* or securities giving access to *equity securities* fungible with the existing *equity securities* of the *issuer* already *admitted to trading*; and
 - (3) offerors of securities *admitted to trading* on a *regulated market* continuously for at least the last 18 months.

[**Note:** *Prospectus Regulation* Art 14(1) first sub-para]

- 7.1.4 R The simplified *prospectus* must consist of:
- (1) a *prospectus summary* in accordance with *PRM 2.5.1R*;
 - (2) a specific *registration document* which may be used by *persons* referred to in *PRM 7.1.3R(1)*, (2) and (3); and
 - (3) a specific *securities note* which may be used by *persons* referred to in *PRM 7.1.3R(1)* and (3).

[**Note:** *Prospectus Regulation* Art 14(1) second sub-para]

Content of a simplified prospectus

- 7.1.5 R A simplified *prospectus* must take into account the *regulated information* that has already been disclosed to the public.

8 Protected forward-looking statements

8.1 Application, definitions, exclusions and criteria

Application

- 8.1.1 R This chapter applies to content in a *prospectus* or an *MTF admission prospectus*.

Definitions

- 8.1.2 UK A *forward-looking statement* includes:
- (1) a statement containing a projection, estimate, forecast or target;
 - (2) a statement giving guidance;
 - (3) a statement of opinion as to future events or circumstances; or
 - (4) a statement of intention.

[**Note:** the *Public Offers and Admissions to Trading Regulations* Schedule 2, paragraph 10(2)]

- 8.1.3 R Subject to *PRM 8.1.4R* and *PRM 8.1.5R*, a *forward-looking statement* in a *prospectus* or *MTF admission prospectus* is a *protected forward-looking statement* that satisfies (1) to (5) below:

- (1) the statement contains:
 - (a) financial information in accordance with *PRM 8.1.6R*; or
 - (b) operational information in accordance with *PRM 8.1.8R*;

- (2) the statement can only be verified for its truth, correctness and completeness by reference to events or sets of circumstances that occur after the statement has been published;
- (3) the statement includes an estimate as to when the event or set of circumstances to which the statement relates is expected to occur;
- (4) the statement contains information that a reasonable investor would be likely to use as part of the basis for their investment decision; and
- (5) the statement is accompanied by an accompanying statement as specified in *PRM* 8.2R.

Exclusions

8.1.4 R A statement containing information required to be disclosed by the *PRM* Annexes cannot be a *protected forward-looking statement*, except for the following items and sections:

- (1) *PRM* Annex 1 (Registration document for equities securities):
 - (a) Item 5.4;
 - (b) Item 5.8.2;
 - (c) Item 5.8.3;
 - (d) Item 5.8.5;
 - (e) Section 7;
 - (f) Item 10.2; and
 - (g) Section 11 (in relation to profit forecasts, but not profit estimates).
- (2) *PRM* Annex 3 (Registration document for secondary issuances of equity securities):
 - (a) Item 6.1(c); and
 - (b) Section 7 (in relation to profit forecasts, but not profit estimates).
- (3) *PRM* Annex 6 (Registration document for retail non-equity securities):
 - (a) Item 7.2; and
 - (b) Section 8 (in relation to profit forecasts, but not profit estimates).

- (4) Section 8 of *PRM Annex 7* (Registration document for wholesale non-equity securities) (in relation to profit forecasts, but not profit estimates).
- (5) Item 6.2 of *PRM Annex 8* (Registration document for secondary issuances of non-equity securities).

8.1.5 R For an *MTF admission prospectus*, a statement containing information required to be disclosed by the *rules* of a *primary MTF* operator cannot be a *protected forward-looking statement*.

Financial information criteria

8.1.6 R A *forward-looking statement* is a *protected forward-looking statement* if it contains financial information that:

- (1) expressly states, or by implication indicates, a figure or a minimum or maximum figure for the financial information or contains data from which a calculation of such a figure may be made; and
- (2) is prepared in a manner that is:
 - (a) understandable;
 - (b) reliable; and
 - (c) comparable with the actual future result and prepared on a basis consistent with any corresponding historical financial information in the *prospectus* or *MTF admission prospectus*.

8.1.7 G Additional guidance regarding the requirements in *PRM 8.1.6R* is available at [*Editor's note*: FCA Technical Note to follow]

Operational information criteria

8.1.8 R A *forward-looking statement* is a *protected forward-looking statement* if it contains operational information that is:

- (1) prepared in a manner that faithfully represents the *issuer's* actual and expected performance, strategies, plans, and risk analysis;
- (2) comparable with the actual future result; and
- (3) one of the following:
 - (a) information that expressly states or by implication indicates a figure or a minimum or maximum figure for the operational information or contains data from which a calculation of such a figure may be made;

- (b) information that cannot be expressed in numerical terms, but can be confirmed empirically through direct observation or objective measurements; or
- (c) a combination of (a) and (b).

8.2 Accompanying statement (document format)

Form of accompanying statement (document format)

- 8.2.1 R A *protected forward-looking statement* must be clearly demarcated within a *prospectus* or *MTF admission prospectus* and can be included in multiple locations throughout a *prospectus* or *MTF admission prospectus* document.
- 8.2.2 G A *protected forward-looking statement* can be included in multiple locations throughout a *prospectus* or *MTF admission prospectus* document.

Form of accompanying statement (content and placement of the accompanying statement)

- 8.2.3 R There should be 2 accompanying statements to a *protected forward-looking statement*:
 - (1) a general accompanying statement; and
 - (2) a content-specific accompanying statement.
- 8.2.4 R The general accompanying statement only needs to appear once in the *prospectus* or *MTF admission prospectus*.
- 8.2.5 R A content-specific accompanying statement should appear immediately next to the *protected forward-looking statement* to which it relates.
- 8.2.6 R The general accompanying statement must explain how to identify a *protected forward-looking statement* in the *prospectus*, and must include the following wording to draw attention to the general characteristics of the *protected forward-looking statements* in the *prospectus* or *MTF admission prospectus* including:
 - (1) there is no guarantee that the projected outcome of a *protected forward-looking statement* will prove to be accurate;
 - (2) there is a different liability standard for a *protected forward-looking statement* compared with other information in the *prospectus* or *MTF admission prospectus*, which will make it more difficult to succeed in a claim for compensation in the event of any loss caused by a *protected forward-looking statement*;
 - (3) any *protected forward-looking statement* in the *prospectus* or *MTF admission prospectus* is consistent with the issuer's internal projections; and

- (4) there is no obligation for a *protected forward-looking statement* to be updated, except in accordance with existing obligations where those apply.

8.2.7 R The content-specific accompanying statement should include the following information:

- (1) identification of a particular disclosure as a *protected forward-looking statement*;
- (2) the basis and assumptions upon which the *protected forward-looking statement* has been prepared;
- (3) any significant factors known to the issuer, or considered during the preparation of the *protected forward-looking statement*, that could cause the *protected forward-looking statement* to be inaccurate; and
- (4) to the extent there are disclosures of historical financial information of the same type of information as the *protected forward-looking statement* in the *prospectus* or *MTF admission prospectus*, an acknowledgement and an explanation of the relationship, if any, between the *protected forward-looking statement* and the historical financial information.

9 Approval of a prospectus

9.1 Scrutiny of a prospectus

Application

9.1.1 R This chapter applies to:

- (1) an applicant who submits either of the following for approval by the *FCA*:
 - (a) a *prospectus*; or
 - (b) a *supplementary prospectus*; or
- (2) a *person* who files a *universal registration document* or final terms.

Prospectus comprising separate documents

9.1.2 R If the *prospectus* is not a single document but comprises separate documents:

- (1) an application for approval may relate to one or more of those separate documents; and

- (2) a reference in this section to a *prospectus* is, unless the context otherwise requires, to be taken to be a reference to the document or documents to which the application relates.

Purpose

- 9.1.3 G The purpose of this chapter is to:
- (1) explain the process and procedure that the *FCA* will adopt in order to review and scrutinise a *prospectus* or amendments to a *prospectus*:
 - (a) submitted for approval; or
 - (b) filed; and
 - (2) provide the *rules* that an applicant submitting a *prospectus* for approval or filing without prior approval must follow.

Criteria for scrutiny of the completeness of the information contained in the draft prospectus

- 9.1.4 G For the purposes of scrutinising the completeness of the information in a draft *prospectus*, the *FCA* may consider all of the following:
- (1) whether any draft *prospectus* is drawn up in accordance with the *rules* in *PRM*, according to the type of *issuer*, the type of issuance, the type of *transferable* security and the type of *admission to trading*; and
 - (2) whether the issuer has a complex financial history or has made a significant financial commitment, as referred to in in *PRM* 4.4.1R

[Note: *PR Regulation* Art 36(1)]

- 9.1.5 R Where the *FCA* review carried out in accordance with *PRM* 9.1.4R determines any shortcomings in the draft *prospectus*, the *FCA* may require the *issuer* to include, modify or remove information from a draft *prospectus*, taking into account the following:
- (1) the type of *transferable securities*;
 - (2) the information already included in the *prospectus* and the existence and content of information already included in a *prospectus* of the entity other than the *issuer*, as well as the applicable accounting and auditing principles;
 - (3) the economic nature of the transactions by which the *issuer* has acquired, or disposed of, its undertaking or any part of it, and the specific nature of that undertaking; and

- (4) whether the *issuer* can obtain with reasonable effort information about the entity other than the *issuer*.

[**Note:** *PR Regulation* Art 36(2)]

Criteria for scrutiny of the comprehensibility of the information contained in the draft prospectus

- 9.1.6 G For the purposes of scrutinising the comprehensibility of the information in a draft *prospectus*, the *FCA* may consider whether the draft *prospectus*:
- (1) has a clear and detailed table of contents;
 - (2) is free from unnecessary reiterations;
 - (3) is grouped together;
 - (4) uses an easily readable font size;
 - (5) has a structure that enables investors to understand its contents;
 - (6) defines the components of mathematical formulas and, where applicable, clearly describes the product structure;
 - (7) is written in plain language;
 - (8) clearly describes the nature of the issuer's operations and its principal activities; and
 - (9) explains trade or industry specific terminology.

[**Note:** *PR Regulation* Art 37(1)(a) to (i)]

Criteria for the scrutiny of the consistency of the information contained in the prospectus

- 9.1.9 G For the purposes of scrutinising the consistency of the information in a draft *prospectus*, the *FCA* may consider all of the following:
- (1) whether the draft *prospectus* is free of material discrepancies between the different pieces of information contained in it, including any information incorporated by reference in accordance with *PRM* 5;
 - (2) whether any material and specific risks disclosed elsewhere in the draft *prospectus* are included in the risk factors section;
 - (3) whether the information in the *prospectus summary* is in line with information elsewhere in the draft *prospectus*;

- (4) whether any figures on the use of proceeds correspond to the amount of proceeds being raised and whether the disclosed use of proceeds is in line with the disclosed strategy of the *issuer*;
- (5) whether the description of the *issuer* in the operating and financial review, the historical financial information, the description of the *issuer's* activity and the description of the risk factors are consistent; and
- (6) whether the working capital statement is in line with the risk factors, the auditor's report, the use of proceeds and the disclosed strategy of the *issuer* and how that strategy will be funded.

[Note: *PR Regulation Art 38*]

Scrutiny of the information contained in the prospectus of specialist issuers

- 9.1.10 G The *FCA* may require additional information to be included in the *prospectus* based on the activities of the specialist *issuers* falling under one of the categories set out in *PRM Annex 29*.

[Note: *Prospectus Regulation Art 39*]

Additional criteria for the scrutiny of the completeness, consistency and comprehensibility of the information contained in the prospectus

- 9.1.11 G Where necessary for investor protection, the *FCA* may apply criteria in addition to those laid down in *PRM 9.1.4G* to *PRM 9.1.9G* for the purposes of scrutinising the completeness, comprehensibility and consistency of the information in the draft *prospectus*.

[Note: *PR Regulation Art 40*]

9.2 Submission requirements

- 9.2.1 R All drafts of a *prospectus* must be submitted to the *FCA* in searchable electronic format via electronic means.

[Note: *PR Regulation Art 42(1) sup-para 1*]

- 9.2.2 R When submitting the first draft of a *prospectus*, the *issuer*, *offeror* or person asking for *admission to trading* on a *regulated market* must provide the *FCA* with a contact point for the *FCA* to submit all notifications in writing and by electronic means.

[Note: *PR Regulation Art 42(1) sup-para 1*]

- 9.2.3 R The following information must also be submitted to the *FCA* in searchable electronic format via electronic means:

- (1) the list of cross references, where requested by the *FCA* in accordance with *PRM 2.5.4R* (Content of a prospectus summary);

[Note: *PR Regulation Art 42(2)(a)*]

- (2) where no list of cross reference is requested, a document that identifies any items set out in the *PRM Annexes* that, due to the nature or type of *issuer*, *transferable securities* or *admission to trading*, have not been included in the draft *prospectus*;

[Note: *PR Regulation Art 42(2)(b)*]

- (3) any information that is incorporated into the *prospectus* by reference as referred to in *PRM 5* (Incorporation by reference) unless such information has already been approved by or filed with the *FCA* in searchable electronic format;

[Note: *PR Regulation Art 42(2)(c)*]

- (4) any reasoned request to the *FCA* to authorise the omission of information from the *prospectus* in accordance with *PRM 2.8* (Omission of information); and

[Note: *PR Regulation Art 42(2)(d)*]

- (5) any other information requested by the *FCA* for the purposes of the scrutiny and approval of the *prospectus* or the scrutiny, review and approval of the universal registration document.

[Note: *PR Regulation Art 42(2)(j)*]

9.2.4 R In addition to the *rule* at *PRM 9.2.3R*, in respect of a *universal registration document*:

- (1) where the *issuer* is submitting a draft *universal registration document* for filing without prior approval and seeks to obtain the status of frequent *issuer*, confirmation from the *issuer* that, to the best of their knowledge, all *regulated information* has been filed and published in accordance with the rules applicable to that information over the shorter period of either:

[Note: *PR Regulation Art 42(2)(h)*]

- (a) the last 18 *months*; or
- (b) the period since the obligation to disclose that *regulated information* commenced; or

- (2) where a *universal registration document* is filed without prior approval, an explanation as to how a request for amendment or supplementary information as referred to in the second subparagraph

of *PRM 2.6* (Universal registration document) has been taken into account in the *universal registration document*.

[**Note:** *PR Regulation Art 42(2)(i)*]

- 9.2.5 R Where a *universal registration document* that is filed without prior approval is annotated in the margin in accordance with *PRM 9.4.5R*, it must be accompanied by an identical version without annotations in the margin.

[**Note:** *PR Regulation Art 42(3)*]

- 9.2.6 R (1) Subject to (2), the information referred to in *PRM 9.2.3R* and *PRM 9.2.4R* must be submitted together with the first draft of the *prospectus*.
- (2) Where a *universal registration document* is filed without prior approval or where a *universal registration document* is amended:
- (a) the information referred to in *PRM 9.2.3R(1)* to (4) and *PRM 9.2.4R* must be submitted at the time when the *universal registration document* is filed with the *FCA*; and
- (b) the information referred to in *PRM 9.2.3R(5)* must be submitted during the review process.

[**Note:** *PR Regulation Art 42 (4)*]

- 9.2.7 R Where a frequent *issuer* informs the *FCA* that it intends to submit an application for approval of a draft *prospectus* in accordance with *PRM 9.3.6R*, that frequent *issuer* must do so in writing and by electronic means, indicating the *PRM Annexes* that are relevant for the draft *prospectus*.

[**Note:** *PR Regulation Art 42(5)*]

Changes to a draft prospectus during the approval process

- 9.2.8 R (1) Subject to (2), each version of the draft *prospectus* submitted after the first *draft prospectus* must highlight all changes made to the preceding draft and must be accompanied by an unmarked draft.

[**Note:** *PR Regulation Art 43(1)*]

- (2) By way of derogation from (1), the *FCA* will accept marked extracts of the preceding *draft prospectus* only when limited changes have been made.

- 9.2.9 R Subject to *PRM 9.2.10R*, where the *FCA*, in accordance with *PRM 9.2.16R* to *PRM 9.2.18R* has notified the *issuer*, or person requesting *admission to trading on a regulated market* that the draft *prospectus* does not meet the standards of completeness, comprehensibility and consistency required, the subsequently submitted draft of the *prospectus* must be accompanied by an

explanation as to how the outstanding issues notified by the *FCA* have been addressed.

[Note: *PR Regulation* Art 43(2)]

- 9.2.10 G Where changes made to a draft *prospectus* are self-explanatory or clearly address the outstanding issues notified by the *FCA*, an indication of where the changes have been made to address the outstanding issues is likely to be considered sufficient explanation for the purposes of *PRM* 9.2.9R.

[Note: *PR Regulation* Art 4(3)]

Submission for approval of the final draft of the prospectus

- 9.2.11 R The final draft of the *prospectus* must be submitted for approval together with all the information referred to in *PRM* 4.1.18R to *PRM* 4.1.20R that has changed compared to the previous submission, with the exception of the information referred to in points *PRM* 9.3.3R(1) and *PRM* 9.2.4R(1).

[Note: *PR Regulation* Art 44(1) first sentence]

- 9.2.12 R The final draft of the *prospectus* must not be annotated in the margin.

[Note: *PR Regulation* Art 44(1) first sentence]

- 9.2.13 R Where no changes have been made to the information referred to in *PRM* 9.2.3R to *PRM* 9.2.4R, the *issuer* or person asking for *admission to trading* on a *regulated market* must confirm so in writing and by electronic means.

[Note: *PR Regulation* Art 44(2)]

Acknowledgment of receipt

- 9.2.14 G The *FCA* will acknowledge receipt of the initial application for approval of a draft *prospectus* or of the filing of a *universal registration document* or of an amendment to that *universal registration document* in writing and by electronic means as soon as possible and no later than by close of business on the second working day following the receipt of the application or filing.

[Note: *PR Regulation* Art 45 (1) sub-para 1]

- 9.2.15 G Upon receipt of the initial application for approval of a draft *prospectus* and of the filing of a *universal registration document*, or of an amendment, the *FCA* will inform the *issuer* or person asking for *admission to trading* on a *regulated market* of the following:

[Note: *PR Regulation* Art 45(1) sub-para 2]

- (1) the reference number of the application or of the filing; and
- (2) the contact point within the *FCA* to which queries regarding the application or the filing may be addressed.

- 9.2.16 G Where the draft *prospectus* does not meet the standards of completeness, comprehensibility and consistency necessary for its approval or where changes or supplementary information are needed, the *FCA* will inform the *issuer*, offeror or person asking for admission to trading on a *regulated market* thereof in writing and by electronic means.

[Note: *PR Regulation* Art 45(2) sub-para 1]

- 9.2.17 R Where the *universal registration document* referred to in *PRM* 2.6.4R or an amendment to that *universal registration document* does not meet the standards of completeness, comprehensibility and consistency or where amendments or supplementary information are needed, the *FCA* will:

- (1) inform the *issuer* of this in writing and by electronic means; and
- (2) where the shortcoming must be addressed without undue delay in accordance with *PRM* 2.6.11R(4), inform the *issuer* of this.

[Note: *PR Regulation* Art 45(2) sub-para 2]

- 9.2.18 G The *FCA* will notify the *issuer* or person requesting *admission to trading* on a *regulated market* about its decision regarding the approval of the draft *prospectus* in writing and by electronic means as soon as possible and by no later than by close of business of the day on which that decision is taken.

[Note: *PR Regulation* Art 45 (2) sub-para 3]

9.3 Time limits for approval of prospectus

- 9.3.1 G The *FCA* will notify the *issuer* or the person requesting *admission to trading* on a *regulated market* of its decision regarding the approval of the *prospectus* within 10 working days of the submission of the draft *prospectus*.

[Note: *Prospectus Regulation* Art 20(2) sub-para 1]

- 9.3.2 G The time limit set out in *PRM* 9.3.1R may be extended to 20 working days where the *admission to trading* involves *transferable* securities issued by an *issuer* that does not have any securities already *admitted to trading* on a *regulated market*.

[Note: *Prospectus Regulation* Art 20(3) sub-para 1]

- 9.3.3 G Where the *FCA* finds that the draft *prospectus* does not meet the standards of completeness, comprehensibility and consistency necessary for its approval and/or that changes or supplementary information are needed:

[Note: *Prospectus Regulation* Art 20(4) sub-para 1]

- (1) the *FCA* will inform the *issuer* or the person requesting the *admission to trading* on a *regulated market* of that fact promptly and at the latest within the time limits set out in *PRM* 9.3.2G or *PRM*

9.3.4G as applicable calculated from the submission of the draft *prospectus* and/or the supplementary information; and

- (2) the *FCA* will clearly specify the changes or supplementary information that are needed.

- 9.3.4 G Where *PRM 9.3.3G(2)* is engaged, the time limit in *PRM 9.3.1G* will then apply only from the date on which a revised draft *prospectus* or the supplementary information requested are submitted to the *FCA*.

[**Note:** *Prospectus Regulation* Art 20(4) sub-para 1]

- 9.3.5 G Where the *issuer* or the person requesting the *admission to trading* on a *regulated market* is unable or unwilling to make the necessary changes or to provide the supplementary information requested in accordance with *PRM 9.3.3G*, the *FCA* may refuse the approval of the *prospectus* and terminate the review process.

[**Note:** *Prospectus Regulation* Art 20(5) first sentence]

- 9.3.6 G If the *FCA* refuses to approve a *prospectus* according to the *guidance* in *PRM 9.3.5G*, the *FCA* will notify the *issuer* or the person requesting *admission to trading* on a *regulated market* of its decision and indicate the reasons for such refusal.

[**Note:** *Prospectus Regulation* Art 20(5) second sentence]

- 9.3.7 R By way of derogation from *PRM 9.3.1G*, *PRM 9.3.3G* and *PRM 9.3.4G*, the time limits referred to will be reduced to 5 working days for a *prospectus* consisting of separate documents drawn up by frequent *issuers* referred to in *PRM 2.6.15R*, subject to the frequent *issuer* informing the *FCA* at least 5 working days before the date envisaged for the submission of an application for approval.

[**Note:** *Prospectus Regulation* Art 20(6) sub-para 1]

- 9.3.8 R A frequent *issuer* must submit an application to the *FCA* containing the necessary amendments to the *universal registration document* and, where applicable, the *securities note* and the *summary* submitted for approval.

[**Note:** *Prospectus Regulation* Art 20(6) sub-para 2]

- 9.3.9 G Where the *FCA* does not reach a decision on the *prospectus* within the time limits indicated, such failure will not be deemed to constitute approval of the application.

[**Note:** *Prospectus Regulation* Art 20(2) sub-para 2]

9.4 Applying for approval

- 9.4.1 R A draft *prospectus* must be substantially complete prior to any submission for approval of that draft.

- 9.4.2 R An applicant must take all reasonable care to ensure that any *prospectus* submitted for approval, for which it is responsible:
- (1) contains the necessary information that is required under *PRM* 2.1.1R, including that information that is required by the *PRM* Annexes; and
 - (2) is, to the best of that person's knowledge, in accordance with the facts and contains no omission likely to affect its import.

[Note: *PRR* 3.1.5R]

- 9.4.3 R Where the order of information referred to in *PRM* Annex A 1R(1) is different from the order set out in the other *PRM* Annexes, an applicant must provide the *FCA* with a cross-reference list identifying the pages where each disclosure item can be found in the *prospectus*.

[Note: *PR Regulation* Art 24(5) sub-para 1]

- 9.4.4 R The list of cross-references referred to in the *PRM* 9.4.3R must identify any items set out in the *PRM* Annexes that have not been included in the draft *prospectus* due to the nature or type of *issuer*, securities, *offer* or *admission to trading*.

[Note: *PR Regulation* Art 24(5) sub-para 2]

- 9.4.5 R Where no list of cross-references is requested by the *FCA* or is not voluntarily submitted by the *issuer*, *offeror* or person asking for *admission to trading* on a *regulated market*, it must be indicated in the margin of the draft *prospectus* to which information in the draft *prospectus* the relevant information items set out in the *PRM* Annexes correspond.

[Note: *PR Regulation* Art 24(6)]

Timeframe for submission

- 9.4.6 R (1) The *applicant* must submit to the *FCA* by the date specified in (2):
- (a) a completed Form A;

[Note: *PR Regulation* Article 42(2)(j)]

[Editor's note: This form is available on the *FCA* website. See <https://www.fca.org.uk/markets/primary-markets/forms>.]

- (b) the relevant fee; and

[Note: *FEES* 3 sets out the relevant fee payable to the *FCA*.]

- (c) the first draft of the *prospectus* (accompanied, where relevant, by the additional information set out in *PRM 9.2.3R* and *PRM 9.2.4R*.
- (2) The date referred to in (1) is:
 - (a) at least 10 *working days* before the intended approval date of the *prospectus*;
 - (b) at least 20 *working days* before the intended approval date of the *prospectus* if the *applicant* does not have *transferable securities admitted to trading*; or
 - (c) as soon as practicable in the case of a *supplementary prospectus*.
 - (3) The applicant must submit the final version of the draft *prospectus* and the additional information set out in *PRM 9.2.11R* to *9.2.13R* to the *FCA* before midday on the *day* on which approval is required to be granted.

Copy of resolution to be kept

- 9.4.7 R An *applicant* must keep a copy of the board resolution allotting or issuing the *transferable securities* for 6 years after the application for approval of the *prospectus* for those *transferable securities*.

[**Note:** *PRR 3.1.7R*]

Decision-making procedures

- 9.4.8 G The *FCA* will follow the *executive procedures* for *statutory notice decisions* and *statutory notice associated decisions* if it:
- (1) proposes to refuse to approve a *prospectus*; or
 - (2) decides to refuse to approve a *prospectus* after having given the *applicant* a written notice.

[**Note:** *DEPP 4* sets out the *executive procedures* for *statutory notice decisions* and *statutory notice associated decisions*.]

[**Note:** *PRR 3.1.9R*]

Prospectus not to be published until approved

- 9.4.9 R A *prospectus* must not be published unless the *FCA* has approved it, or all of its constituent parts, in accordance with *PRM 2.2.7R* to *PRM 2.2.16R* (Approval of component parts of a prospectus).

[**Note:** *Prospectus Regulation Art 20(1)*]

Service of Notice Regulations

- 9.4.10 G Regulation 7 of the *Financial Services and Markets Act 2000 (Service of Notice Regulations) 2001* (SI 2001/1420) contains provisions relating to the possible methods of serving documents on the *FCA*. Regulation 7 does not apply to the submission of a draft *prospectus* or *listing particulars* to the *FCA* for approval because of the provisions set out in *PRM* 9.1.4G to *PRM* 9.1.11R.

[Note: *PRR* 3.1.14G]

9.5 Publication of the prospectus

- 9.5.1 R In the case of an initial *offer* to the public of a class of shares *admitted to trading* on a *regulated market* for the first time, the *prospectus* must be made available to the public at least 3 *working days* before the end of the *offer*.

[Note: *Prospectus Regulation* Art 21(1) para 2]

- 9.5.2 R In all other cases, following approval, a *prospectus* must be made available to the public either:

[Note: *Prospectus Regulation* Art 21(1) para 1]

- (1) at a reasonable time in advance of the *admission to trading* of the securities involved; or
- (2) at the latest, at the time at which the *admission to trading* of the securities involved begins.

Method of publishing

- 9.5.3 R The *prospectus*, whether a single document or consisting of separate documents, will be deemed available to the public when published in electronic form on any of the following websites:
- (1) the website of the *issuer*, the *offeror* or the person asking for *admission to trading* on a *regulated market*;
 - (2) the website of the financial intermediaries placing or selling the securities, including paying agents; and
 - (3) the website of the *regulated market* where the *admission to trading* is sought.

[Note: *Prospectus Regulation* Art 21(2) first sub-para]

- 9.5.4 R The *prospectus* must be published on a dedicated section of the website which is easily accessible on entering the website.

[**Note:** *Prospectus Regulation* Art 21(3) para 1]

- 9.5.5 R Access to the *prospectus* must not be subject to the completion of a registration process, the acceptance of a disclaimer limiting legal liability or the payment of a fee.

[**Note:** *Prospectus Regulation* Art 21(4) first sentence]

- 9.5.6 R Warnings specifying the jurisdiction(s) in which an *offer* or an *admission to trading* is being made will not be considered to be disclaimers limiting legal liability.

[**Note:** *Prospectus Regulation* Art 21(4) first sentence]

- 9.5.7 R The *prospectus* must be made available in an electronic format that cannot be modified and is:

- (1) downloadable;
- (2) printable; and
- (3) searchable.

- 9.5.8 R The following documents, as relevant, must be accessible under the same section on the website referred to in *PRM* 9.5.4R, alongside the *prospectus*:

- (1) documents that contain information incorporated by reference in accordance with *PRM* 5;
- (2) supplements related to the *prospectus*;
- (3) final terms related to the *prospectus*; and
- (4) a separate copy of the *summary*, clearly indicating the *prospectus* to which it relates.

[**Note:** *Prospectus Regulation* Art 21(3)]

Other publication requirements

- 9.5.9 R An approved *prospectus* must remain publicly available in electronic form for at least 10 years after its publication on the websites referred to in *PRM* 9.5.3R.

[**Note:** *Prospectus Regulation* Art 21(7) first sub-para]

- 9.5.10 R Where hyperlinks are used for information incorporated by reference in the *prospectus*, and the *supplementary prospectus* and/or final terms related to the *prospectus*, such hyperlinks must remain functional for at least 10 years after their publication.

[**Note:** *Prospectus Regulation* Art 21(7) second sub-para]

- 9.5.11 R An approved *prospectus* must contain a prominent warning stating when the validity of the *prospectus* will expire. The warning must also state that the obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies in accordance with *PRM* 10 does not apply when a *prospectus* is no longer valid.
- [Note: *Prospectus Regulation* Art 21(8)]
- 9.5.12 R In the case of a *prospectus* comprising several documents and/or incorporating information by reference in accordance with *PRM* 5, the documents and information that constitute the *prospectus* may be published and distributed separately, provided that those documents are made available to the public in accordance with *PRM* 9.5.3R.
- [Note: *Prospectus Regulation* Art 21(9) first sentence]
- 9.5.13 R Where a *prospectus* consists of separate documents in accordance with *PRM* 2.2.7R to *PRM* 2.2.16R, each of those constituent documents, except for documents incorporated by reference in accordance with *PRM* 5, must indicate that it is only one part of the *prospectus* and where the other constituent documents may be obtained.
- [Note: *Prospectus Regulation* Art 21(9) second sentence]
- 9.5.14 R The text and the format of the *prospectus*, and any *supplementary prospectus* made available to the public, must at all times be identical to the original version approved by the *FCA*.
- [Note: *Prospectus Regulation* Art 21(10)]
- 9.5.15 R A copy of the *prospectus* on a durable medium must be delivered to any potential investor, upon request and free of charge, by the *issuer*, the *offeror*, the person asking for *admission to trading* on a *regulated market* or the financial intermediaries placing or selling the securities.
- 9.5.16 R In the event that a potential investor in the *UK* makes a specific demand for a paper copy, the persons referred to in *PRM* 9.5.15R must deliver a printed version of the *prospectus*.
- [Note: *Prospectus Regulation* Art 21(11) first and second sentence]
- 9.5.17 R The obligation in *PRM* 9.5.16R does not extend to delivery to potential investors in jurisdictions outside the *UK*.
- [Note: *Prospectus Regulation* Art 21(11) third sentence]

9.6 Publication on FCA website and NSM upload

- 9.6.1 G The *FCA* will publish on its website all the *prospectuses* it approves or a list of the *prospectuses* it has approved, with hyperlinks to the dedicated website sections referred to in *PRM* 9.5.3R. The published list, including

the hyperlinks, will be kept up to date and each item will remain on the website at least for at least 10 years.

- 9.6.2 R The *FCA* will upload documents to the *national storage mechanism*. The *FCA* will upload *prospectuses* and related documents it approves after 6pm on the *working day* following the *day* on which it approved the document.

10 Supplementary prospectus

Requirement for a supplementary prospectus where there is a significant new factor, material mistake or material inaccuracy

- 10.1.1 R Every significant new factor, material mistake or material inaccuracy relating to the information included in a *prospectus*:
- (1) which may affect the assessment of the *transferable securities*; and
 - (2) which arises or is noted in the relevant periods referred to in *PRM* 10.1.2R,
- must be mentioned in a *supplementary prospectus* without undue delay.
- [**Note:** *Prospectus Regulation* Art 23(1) paragraph 1]
- 10.1.2 R The relevant periods during which a significant new factor, material mistake or material inaccuracy may trigger the preparation of a *supplementary prospectus* are between the time when the *prospectus* is approved and whichever is the later of:
- (1) the closing of the *offer* period for the *transferable securities* offered by the *issuer*, the intermediary or underwriter appointed by the *issuer*; and
 - (2) when trading of the *transferable securities* on a *regulated market* begins.
- 10.1.3 G *PRM* 10.1.18R specifies a non-exhaustive list of when a *supplementary prospectus* will be required according to the *rules* at *PRM* 10.1.1R and *PRM* 10.1.2R.
- Availability of a supplementary prospectus to amend a base prospectus without there being a significant new factor, material mistake or material inaccuracy
- 10.1.4 G *PRM* 10.1.5R and *PRM* 10.1.6R explain the limited circumstances in which a *supplementary prospectus* can be used to supplement a *base prospectus*, without the trigger of a significant new factor, material mistake or material inaccuracy referred to in *PRM* 10.1.1R and *PRM* 10.1.2R.
- 10.1.5 R A *supplementary prospectus* may be used to supplement the information in a *securities note* forming part of a *base prospectus*, where there is no significant new factor, material mistake or material inaccuracy, where the conditions in (1) to (4) are met:

- (1) there is no open *offer* or pending application for *admission to trading* on a *regulated market*;
- (2) the *base prospectus* has been used to issue *transferable securities* that have already been admitted to listing and continue to be listed on the *Official List*;
- (3) the supplement relates only to the *securities note*; and
- (4) the supplement does not supplement or amend the information in the *registration document* or the information in relation to a guarantee or guarantor.

10.1.6 R In respect of *transferable securities* issued under a *base prospectus*, a *supplementary prospectus* may not be used to change the terms and conditions and/or form of final terms of the securities that may be issued under a *base prospectus*, unless:

- (1) the change results in the securities in question remaining manifestly the same; or
- (2) where the securities cannot be considered manifestly the same, the conditions at (a), (b) and (c) are met:
 - (a) the new securities are to be admitted to the same listing category as those already admitted to the *Official List*;
 - (b) the new securities cannot be *asset-backed securities* or securities linked to an underlying asset; and
 - (c) the *supplementary prospectus* must supplement the relevant *base prospectus* with the minimum information required by the relevant *securities note* annexes in relation to the new securities.

10.1.7 R A *supplementary prospectus* must be approved in the same way as a *prospectus* and published in accordance with the same arrangements as were applied when the *prospectus* was published.

[Note: *Prospectus Regulation* Art 23(1) paragraph 2]

Updating the summary when a supplementary prospectus is prepared

10.1.8 R Where a *supplementary prospectus* is prepared, the *summary* of the original *prospectus* must also be supplemented, where necessary, to reflect the new information in the *supplementary prospectus*.

[Note: *Prospectus Regulation* Art 23(1) paragraph 2]

Withdrawal rights

- 10.1.9 R The *rules* at PRM 10.1.10R to PRM 10.1.13R must be read together with the *rule* at PRM 10.1.14R where there is a *supplementary prospectus* prepared in respect of a *base prospectus*.
- 10.1.10 R Where a *prospectus* relates to an *offer of transferable securities* to the public, an investor who has already agreed to buy or subscribe for those securities before the *supplementary prospectus* is published may withdraw their acceptance according to (1) and (2):
- (1) The withdrawal must take effect within 2 *working days* after publication of the *supplementary prospectus*, unless the *issuer*, the intermediary through whom the *transferable securities* were bought or subscribed for, or the underwriter appointed by the *issuer*, allows an extension of the withdrawal period.
 - (2) The significant new factor, material mistake or material inaccuracy referred to in PRM 10.1.1R and PRM 10.1.2R arose or was noted before the closing of the *offer* period, or the delivery of the *transferable securities*, whichever occurs earlier.
- [Note: *Prospectus Regulation* Art 23 (2) paragraph 1]
- 10.1.11 R The *supplementary prospectus* must contain a prominent statement detailing the right of withdrawal, clearly stating:
- [Note: *Prospectus Regulation* Art 23(2) paragraph 2]
- (1) that a right of withdrawal is only granted to an investor:
 - (a) who has already agreed to buy or subscribe for the *transferable securities* before the *supplementary prospectus* was published; and

[Note: *Prospectus Regulation* Art 23(2) paragraph 2(a)]

 - (b) where the *transferable securities* have not yet been delivered to the investor at the time when the significant new factor, material mistake or material inaccuracy arose or was noted;

[Note: *Prospectus Regulation* Art 23(2) paragraph 2(a)]
 - (2) the period during which an investor can exercise their right of withdrawal, including the final date on which the right of withdrawal may be exercised; and
- [Note: *Prospectus Regulation* Art 23(2) paragraph 2(b)]
- (3) who investors should contact if they wish to exercise the right of withdrawal.
- [Note: *Prospectus Regulation* Art 23(2) paragraph 2(c)]

Transferable securities bought or subscribed for directly from the issuer or through an intermediary

- 10.1.12 R Where the *transferable securities* are bought or subscribed for by an investor directly from the *issuer* or an underwriter appointed by the *issuer*, the *issuer* or underwriter must when making the *offer* inform the investor:

[Note: *Prospectus Regulation* Art 23(3) paragraph 3]

- (1) that a *supplementary prospectus* may be published if a significant new factor, material mistake or material inaccuracy arises;

[Note: *Prospectus Regulation* Art 23(3) paragraph 3]

- (2) where the *supplementary prospectus* would be published; and

[Note: *Prospectus Regulation* Art 23(3) paragraph 3]

- (3) that the investor may in such circumstances have a right to withdraw their acceptance for the securities in question.

[Note: *Prospectus Regulation* Art 23(3) paragraph 3]

- 10.1.13 R Where the *transferable securities* are bought or subscribed for through an intermediary, the intermediary must inform the investors:

[Note: *Prospectus Regulation* Art 23(3) paragraph 1]

- (1) that a *supplementary prospectus* may be published if a significant new factor, material mistake or material inaccuracy arises;

[Note: *Prospectus Regulation* Art 23(3) paragraph 1]

- (2) where and when the *supplementary prospectus* would be published;

[Note: *Prospectus Regulation* Art 23 (3) paragraph 1]

- (3) that they will assist the investor in exercising their withdrawal rights; and

[Note: *Prospectus Regulation* Art 23(3) paragraph 1]

- (4) of the existence of the *supplementary prospectus* on the day it is published.

[Note: *Prospectus Regulation* Art 23(3) paragraph 2]

Withdrawal rights arising in respect of a supplement to a base prospectus

- 10.1.14 R Where the *issuer* prepares a *supplementary prospectus* concerning information in the *base prospectus* that relates to only one or several individual issues, the right of an investor to withdraw their acceptance only

applies to the relevant issue that is the subject of the *supplementary prospectus* and not to any other issue of *transferable securities* referred to under the *base prospectus*.

[**Note:** *Prospectus Regulation* Art 23(4)]

Significant new factor, material mistake or material inaccuracy in a registration document or universal registration document

- 10.1.15 R In the event that the significant new factor, material mistake or material inaccuracy referred to in *PRM* 10.1.1R and *PRM* 10.1.2R concerns only the information contained in a *registration document* or a *universal registration document* and that document is simultaneously used as a constituent part of several *prospectuses*:

[**Note:** *Prospectus Regulation* Art 23(5)]

- (1) only one *supplementary prospectus* should be drawn up and approved; and
- (2) the *supplementary prospectus* must mention all the *prospectuses* to which it relates.

- 10.1.16 R Upon request by the *FCA*, a *supplementary prospectus* must contain a consolidated version of the *supplementary prospectus*, *registration document* or *universal registration document* in an annex. Such a request shall be deemed to be a request for supplementary information under *PRM* 9.3.3G

[**Note:** *Prospectus Regulation* Art 23(6)]

- 10.1.17 G An *issuer* may voluntarily include a consolidated version of the *supplementary prospectus*, *registration document* or *universal registration document* in an annex to the *supplementary prospectus*.

[**Note:** *Prospectus Regulation* Art 23(6)]

Triggers for a supplementary prospectus

[**Note:** *Prospectus RTS Regulation* Art 18]

- 10.1.18 R A *supplementary prospectus* must be published where:
- (1) new annual audited financial statements are published by any of the following:

[**Note:** *Prospectus RTS Regulation* Art 18 1(a)]

- (a) an *issuer* where a *prospectus* relates to shares or other *transferable securities* equivalent to shares;

[**Note:** *Prospectus RTS Regulation* Art 18 1(a)(i)]

- (b) an *issuer* of the underlying shares or other *transferable securities* equivalent to shares in case of securities referred to in *PRM 4.4.5R(2)* or *PRM 4.4.7R(2)*;

[**Note:** *Prospectus RTS Regulation Art 18 1(a)(ii)*]

- (c) an *issuer* of the underlying shares of depository receipts;

[**Note:** *Prospectus RTS Regulation Art 18 1(a)(iii)*]

- (2) an *issuer* has published a *profit forecast* or *profit estimate* following the approval of the *prospectus*, where a *profit forecast* or *profit estimate* is required to be included in the *prospectus*;

[**Note:** *Prospectus RTS Regulation Art 18 1(b)*]

- (3) an amendment to, or a withdrawal of, a *profit forecast* or a *profit estimate* is included in the *prospectus*;

[**Note:** *Prospectus RTS Regulation Art 18 1(c)*]

- (4) a change in control occurs in respect of any of the following:

[**Note:** *Prospectus RTS Regulation Art 18 1(d)*]

- (a) an *issuer* where a *prospectus* relates to shares or other *transferable securities* equivalent to shares;

[**Note:** *Prospectus RTS Regulation Art 18 1(d)(i)*]

- (b) an *issuer* of the underlying shares or other *transferable securities* equivalent to shares where a *prospectus* relates to *securities* referred to in *PRM 4.4.5R(2)* or *PRM 4.4.7R(2)*; or

[**Note:** *Prospectus RTS Regulation Art 18 1(d)(ii)*]

- (c) an *issuer* of the underlying shares of depository receipts;

[**Note:** *Prospectus RTS Regulation Art 18 1(d)(iii)*]

- (5) third parties make a new takeover bid as defined in paragraph 20(1) of Schedule 1C to the Companies Act 2006 or the result of any takeover bid becomes available in respect of any of the following:

[**Note:** *Prospectus RTS Regulation Art 18 1(e)*]

- (a) the equity of the *issuer* where a *prospectus* relates to shares or other *transferable securities* equivalent to shares;

[**Note:** *Prospectus RTS Regulation Art 18 1(e)(i)*]

- (b) the equity of the *issuer* of the underlying shares or other *transferable securities* equivalent to shares where a *prospectus* relates to *securities* referred to in *PRM 4.4.5R(2)* or *PRM 4.4.7R(2)*;

[**Note:** *Prospectus RTS Regulation* Art 18 1(e)(ii)]

- (c) the equity of the *issuer* of the underlying shares of depository receipts where a *prospectus* is drawn up in accordance with *PRM 2.1* and *PRM 2.5*;

[**Note:** *Prospectus RTS Regulation* Art 18 1(e)(iii)]

- (6) the working capital statement included in a *prospectus* becomes sufficient or insufficient for the *issuer's* present requirements, in relation to:

[**Note:** *Prospectus RTS Regulation* Art 18 1(f)]

- (a) shares or other *transferable securities* equivalent to shares;
- (b) securities as referred to in *PRM 4.4.5R(2)* or *PRM 4.4.7R(2)*;
- (c) depository receipts issued over shares.

- (7) in the case of a *prospectus* relating to shares or other *transferable securities* equivalent to shares or to the *securities* referred to in *PRM 4.4.5R(2)* or *PRM 4.4.7R(2)*, a new significant financial commitment is likely to give rise to a significant gross change as referred to in [*Editor's note:* Technical note regarding significant gross change to be updated: <https://www.fca.org.uk/publication/ukla/fca-tn-633-1-amendment.pdf>]; and

[**Note:** *Prospectus RTS Regulation* Art 18 1(h)]

- (8) the aggregate nominal amount of the offering programme is increased.

[**Note:** *Prospectus RTS Regulation* Art 18 1(i)]

11 Validity of a prospectus

Application

- 11.1.1 R A *prospectus*, whether a single document or consisting of separate documents, will be valid for 12 *months* after its approval for *admission to trading* on a *regulated market*, provided that it is completed by any supplement required in accordance with *PRM 9*.

[**Note:** *Prospectus Regulation* Art, 12(1) para 1]

- 11.1.2 R Where a *prospectus* consists of separate documents, the period of validity shall begin upon approval of the *securities note*.

[Note: *Prospectus Regulation* Art 12(1) para 2]

Validity of a registration document

- 11.1.3 R A *registration document* which has been previously approved will be valid for use as a constituent part of a *prospectus* for 12 months after its approval.

[Note: *Prospectus Regulation* Art 12(2) para 1]

- 11.1.4 R The end of the validity of such a *registration document* will not affect the validity of a *prospectus* of which it is a constituent part.

[Note: *Prospectus Regulation* Art 12(2) para 2]

Validity of a universal registration document

- 11.1.5 R A *universal registration document* will be valid for use as a constituent part of a *prospectus* for 12 months after its approval or filing.

[Note: *Prospectus Regulation* Art 12(3) para 1]

- 11.1.6 R The end of the validity period of such a *universal registration document* will not affect the validity of a *prospectus* of which it is a constituent part.

[Note: *Prospectus Regulation* Art 12(3) para 2]

12 Advertisements and other disclosure of information

Application

- 12.1.1 R This chapter applies to:

- (1) the communication and content of an *advertisement*; and
- (2) the disclosure of information otherwise than in an *advertisement*,
that relates to the *admission to trading* or proposed *admission to trading* of *transferable securities* on a *regulated market*.

Consistency of information

- 12.1.2 R All information disclosed in oral or written form, as an *advertisement* or otherwise disclosed, must be consistent with and not contradict:

[Note: *Prospectus Regulation* Art 22(4)]

- (1) information included in the *prospectus* or in a *supplementary prospectus*, where already published; or

- (2) information to be included in the *prospectus* or in a *supplementary prospectus*, where the *prospectus* or *supplementary prospectus* is to be published at a later date.

[**Note:** *Prospectus RTS Regulation Art 16(2)*]

Equality of information

- 12.1.3 R In the event that material information is disclosed by or on behalf of an *issuer* or *offeror*, and addressed to one or more selected investors in oral or written form, that information must:
- (1) in a case where:
- (a) (i) the *offer* is conditional on the securities being *admitted to trading* on a *regulated market*; or
- (ii) the *transferable securities* being *offered* are at the time of the *offer* already *admitted to trading* on a *regulated market*; and
- (b) there is a *prospectus*,
- be included in the *prospectus* or *supplementary prospectus*; or
- (2) where there is no *prospectus*, be disclosed to all other investors to whom the *offer* is addressed.

[**Note:** regulation 13(2) of the *Public Offers and Admissions to Trading Regulations*]

Advertisements

- 12.1.4 R An *advertisement* must comply with the requirements contained (1) to (4):

[**Note:** *Prospectus Regulation Art 22(1)*]

- (1) an *advertisement* must state that, where applicable, a *prospectus* has been or will be published and indicate where investors are or will be able to obtain it, noting the identification requirements in *PRM 12.1.7R*;

[**Note:** *Prospectus Regulation Art 22(2)*]

- (2) an *advertisement* must be clearly recognisable as such and identify itself as an *advertisement*;

[**Note:** *Prospectus Regulation Art 22(3), Prospectus RTS Regulation Art 14)*]

- (3) an *advertisement* must be accurate and not misleading; and

[**Note:** *Prospectus Regulation* Art 22(3)]

- (4) the information contained in an *advertisement* must be consistent with the information contained in the *prospectus*, where already published, or required to be in the *prospectus*, where the *prospectus* is yet to be published.

12.1.5 R Information disclosed in oral or written form concerning an *admission to trading* on a *regulated market*, whether as an *advertisement* or otherwise disclosed, must not:

- (1) present the information in the *prospectus* in a materially unbalanced way, including by way of presentation of negative aspects of such information with less prominence than the positive aspects, omission or selective presentation of certain information; or
- (2) contain alternative performance measures unless they are contained in the *prospectus*.

[**Note:** *Prospectus RTS Regulation* Art 16(1)(c) and (d)]

12.1.6 R For the purpose of *PRM* 12.1.5R(2), alternative performance measures means financial measures of historical or future financial performance, financial position or cash flows, other than financial measures defined in the applicable financial reporting framework.

[**Note:** *Prospectus RTS Regulation* Art 16]

Identification of the prospectus

12.1.7 R An *advertisement* must clearly identify the relevant *prospectus* by:

- (1) identifying the website where the *prospectus* is published, or will be published, where the *advertisement* is disseminated in written form and by means other than electronic means;
- (2) including a hyperlink to the *prospectus* and to the relevant *final terms* of a *base prospectus* where the *advertisement* is disseminated in written form by electronic means, or by including a hyperlink to the page of the website where the *prospectus* will be published if the *prospectus* has not yet been published; and
- (3) including accurate information on where the *prospectus* may be obtained, and accurate information on the *admission to trading* of *transferable securities* on a *regulated market* to which it relates, where the *advertisement* is disseminated in a form or by means not falling within the scope of (1) or (2).

[**Note:** *Prospectus RTS Regulation* Art 13]

Further content requirements for an advertisement disseminated to potential retail

investors

- 12.1.8 R *Advertisements* disseminated to potential retail investors must include the following:
- (1) the word ‘advertisement’, in a prominent manner. Where an *advertisement* is disseminated in an oral form, the purpose of the communication shall be clearly identified at the beginning of the message;

[Note: *Prospectus RTS Regulation* Art 14(1)(a)]
 - (2) a statement that the approval of the *prospectus* should not be understood as an endorsement of the securities offered or admitted to trading on a *regulated market* where the *advertisement* contains a reference to a *prospectus* approved by the *FCA*;

[Note: *Prospectus RTS Regulation* Art 14(1)(b)]
 - (3) a recommendation that potential investors read the *prospectus* before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities where the *advertisement* contains a reference to a *prospectus* approved by the *FCA*; and

[Note: *Prospectus RTS Regulation* Art 14(1)(c)]
 - (4) the comprehension alert at *PRM* 12.1.9R where:
 - (a) the *advertisement* relates to complex securities other than the *financial instruments* referred to in *COBS* 10A.4.1R(2)(a), (b) and (d); and
 - (b) the comprehension alert is, or will be, included in the *summary* of the *prospectus*.

[Note: *Prospectus RTS Regulation* Art 14(1)(d)]
- 12.1.9 R The comprehension alert required by *PRM* 12.1.8R(4) is: ‘You are about to purchase a product that is not simple and may be difficult to understand.’
- 12.1.10 R *Advertisements* in written form, which are disseminated to potential retail investors, must be sufficiently different in format and length from the *prospectus* that no confusion with the *prospectus* is possible.
- [Note: *Prospectus RTS Regulation* Art 14(2)]
- Dissemination of advertisements
- 12.1.11 R Subject to *PRM* 12.1.13R, *advertisements* disseminated to potential investors must be amended where:

- (1) a *supplementary prospectus* is subsequently published in accordance with *PRM 10*; and
- (2) the significant new factor, material mistake or material inaccuracy mentioned in the *supplementary prospectus* renders the previously disseminated *advertisement* materially inaccurate or misleading.

[**Note:** *Prospectus RTS Regulation Art 15(1)*]

12.1.12 R With the exception of orally disseminated *advertisements*, *advertisements* amended pursuant to *PRM 12.1.11R* must be disseminated through, as a minimum, the same method as the previous *advertisement*.

[**Note:** *Prospectus RTS Regulation Art 15(3)*]

12.1.13 R *PRM 12.1.11R* does not apply after the time when trading on a *regulated market* begins.

[**Note:** *Prospectus RTS Regulation Art 15(1)* second sub-paragraph]

12.1.14 R *Advertisements* amended pursuant to *PRM 12.1.11R* must be disseminated to potential investors without undue delay following the publication of the *supplementary prospectus* and must contain all of the following:

- (1) a clear reference to the inaccurate or misleading version of the *advertisement*;
- (2) an explanation that the *advertisement* has been amended as it contained materially inaccurate or misleading information; and
- (3) a clear description of the differences between the two versions of the *advertisement*.

[**Note:** *Prospectus RTS Regulation Art 15(2)*]

[*Editor's note:* the content in Annexes A, B and C can be found in the existing Prospectus Regulation Rules sourcebook, while the numbering used in Annexes 1 to 21 and Annex 28 is the same as in the Prospectus Regulation Rules Cross Reference lists (see <https://www.fca.org.uk/markets/primary-markets/forms/new-prospectus-rules-cross-reference-lists>) for the convenience of the reader. The numbering and structuring of these Annexes may be updated.]

Annex A Format of a prospectus

1	R	Where a <i>prospectus</i> is drawn up as a single document, it must be composed of the following elements set out in the following order:	
		(1)	A table of contents;

		(2)	A <i>summary</i> , where required by <i>PRM 2.5</i> (Prospectus summary);
		(3)	The risk factors referred to in <i>PRM 4</i> (Minimum information requirements);
		(4)	Any other information referred to in the Annexes to <i>PRM</i> that is to be included in that <i>prospectus</i> .
		The <i>issuer</i> or <i>person</i> requesting the <i>admission to trading</i> on a <i>regulated market</i> may only decide the order in which the information referred to in the <i>PRM</i> Annexes is set out in the <i>prospectus</i> .	
2	R	Where a <i>prospectus</i> is drawn up as separate documents, the <i>registration document</i> and the <i>securities note</i> must be composed of the following elements set out in the following order:	
		(1)	A table of contents;
		(2)	The risk factors referred to in <i>PRM 4.5</i> (Risk factors);
		(3)	Any other information referred to in the <i>PRM</i> Annexes that is to be included in the <i>registration document</i> and the <i>securities note</i> .
		The <i>issuer</i> or <i>person</i> requesting <i>admission to trading</i> on a <i>regulated market</i> may decide the order in which the information referred to in the <i>PRM</i> Annexes is set out in the <i>registration document</i> and the <i>securities note</i> .	
3	R	Where the <i>registration document</i> is drawn up in the form of a <i>universal registration document</i> , the <i>issuer</i> may include the risks factors referred to <i>PRM Annex A 2(b)R</i> amongst the information referred to in <i>PRM Annex A 2(c)</i> , provided that those risk factors remain identifiable as a single section.	
4	R	Where a <i>universal registration document</i> is used for the purposes of <i>PRM 2.6.17R</i> to <i>PRM 2.6.19R</i> , the information referred to in those <i>rules</i> must be presented in accordance with [Commission Delegated Regulation (EU) 2019/815].	
5	G	(1)	Where the order of the information referred to in <i>PRM Annex A1(4)R</i> and in <i>PRM Annex A2(3)</i> is different from the order in which that information is presented in the <i>PRM</i> Annexes, the <i>FCA</i> may request to provide a list of cross references indicating the items of those <i>PRM</i> Annexes to which that information corresponds.
		(2)	The list of cross references referred to in (1) must identify any items set out in the <i>PRM</i> Annexes that have not been included in the draft <i>prospectus</i> due to the nature or type of <i>issuer</i> , securities or <i>admission to trading</i> .
6	R	Where no list of cross-references is requested in accordance with <i>PRM Annex A5(e)</i> or is not voluntarily submitted by the <i>issuer</i> or person requesting <i>admission to trading</i> on a <i>regulated market</i> , it must be indicated	

		in the margin of the draft <i>prospectus</i> to which information in the draft <i>prospectus</i> the relevant information items set out in the <i>PRM Annexes</i> correspond.
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Annex B Prospectus summary

Note: *Prospectus Regulation* Art 7(3)–(12)

1		Application and purpose
1.1	R	This annex specifies the detailed and specific content and format requirements for the purpose of <i>PRM 2.5 (Prospectus summary)</i>
1.2	R	The <i>summary</i> must be drawn up as a short document written in a concise manner, no longer than 10 sides of A4-sized paper when printed. The <i>summary</i> must:
		(a) be presented and laid out in a way that is easy to read, using characters of readable size;
		(b) be written in a language and a style that facilitate the understanding of the information, in particular, in language that is clear, non-technical, concise and comprehensible for investors.
1.3	R	The <i>summary</i> must be made up of the following 5 sections:
		[Note: <i>Prospectus Regulation</i> Art 7(4)]
		(a) Section 1 a simple preliminary disclosure
		(b) Section 2 an introduction, containing warnings
		(c) Section 3 key information on the issuer
		(d) Section 4 key information on the securities
		(e) Section 5 key information on the <i>admission to trading</i> / proposed <i>admission to trading</i> on a <i>regulated market</i>
		Section 1 Preliminary disclosure
		1 This section must explain to the reader:
		(a) the purpose of the document (<i>prospectus</i>);
		(b) the reason(s) for the proposed <i>admission to trading</i> on a <i>regulated market</i> ;
		(c) the intended use of the proceeds from the purchase and/or

				subscription for the <i>transferable securities</i> that are being issued.
		Section 2 Introduction and warnings		
		1	This section must contain:	
			[Note: <i>Prospectus Regulation</i> Art 7(5)]	
			(a)	the name and international securities identification number (ISIN) of the securities;
			(b)	the identity and contact details of the issuer, including its legal entity identifier (LEI);
			(c)	where applicable, the identity and contact details of the offeror, including its LEI if the offeror has legal personality, or of the person asking for <i>admission to trading</i> on a <i>regulated market</i> ;
			(d)	the contact details of the <i>FCA</i> and an explanation that the <i>FCA</i> has approved the <i>registration document</i> or the <i>universal registration document</i> ;
			(e)	the date of approval of the <i>prospectus</i> ;
			(f)	the following warnings:
			(i)	that the <i>summary</i> should be read as an introduction to the <i>prospectus</i> ;
			(ii)	any decision to invest in the securities should be based on a consideration of the <i>prospectus</i> as a whole by the investor;
			(iii)	where applicable, that the investor could lose all or part of the invested capital and, where the investor's liability is not limited to the amount of the investment, a warning that the investor could lose more than the invested capital and the extent of such potential loss;
			(iv)	in respect of information other than that covered by <i>PRM 6</i> , civil liability attaches only to those <i>persons</i> who have tabled the <i>summary</i> , but only where the <i>summary</i> is misleading, inaccurate or inconsistent, when read together with the other parts of the <i>prospectus</i> , or where it does not provide, when read together with the other parts of the <i>prospectus</i> , key information in order to aid investors when considering whether to invest in such securities;
			(v)	In respect of information covered by <i>PRM 6</i> , civil liability attaches according to the liability standard set out in <i>The Public Offers and Admissions to Trading Regulations</i> Schedule 2, Part 3.

			(vi)	where applicable, the comprehension alert required in accordance with Article 8(3)(b) of the PRIIPs Regulation.
		Section 3 Key information on the issuer		
		1	This section must contain:	
			[Note: <i>Prospectus Regulation Art 7(6)</i>]	
			(a)	under a sub-section entitled ‘Who is the issuer of the securities?’, a brief description of the issuer of the securities, including at least the following:
			(i)	its domicile and legal form, its LEI, the law under which it operates and its country of incorporation;
			(ii)	its principal activities;
			(iii)	its major shareholders, including whether it is directly or indirectly owned or controlled and by whom;
			(iv)	the identity of its key managing directors; and
			(v)	the identity of its statutory auditors;
			(b)	Under a sub-section entitled ‘What is the key financial information regarding the issuer?’ a selection of historical key financial information presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period, accompanied by comparative data from the same period in the prior financial year, including relevant information about the assets and liabilities and financial position of the issuer including income statements, balance sheets and cash flow statements, as appropriate. The key financial information section should:
			(i)	be presented in tabular format;
			(ii)	identify any historical financial information in the <i>summary</i> of a <i>prospectus</i> , which is not extracted from the financial statements;
			(iii)	present pro forma information to be included in the <i>summary</i> in additional columns in the tables or as a separate table, where the pro forma information affects the key financial information;
			(iv)	accompany the pro forma information by a brief explanation of the figures presented in the additional columns or separate table, where that is necessary for its understanding;

			(v)	include a statement that, where applicable, only qualitative information is included in the <i>prospectus</i> in respect of a significant gross change; and
			(vi)	present the key financial information in a manner consistent with the <i>prospectus</i> where the issuer has a complex financial history according to the rules in <i>PRM 4.4.11R</i> ; and
			(c)	Under a sub-section entitled ‘What are the key risks that are specific to the issuer?’ a brief description of the most material risk factors specific to the issuer contained in the <i>prospectus</i> .
		2	The <i>issuer</i> may add further sub-headings beyond those specified above, where deemed necessary.	
			Note: <i>Prospectus Regulation Art 7(9)</i>	
			Section 4 Key information on the securities	
		1	The section must contain:	
			[Note: <i>Prospectus Regulation Art 7(7)</i>]	
			(a)	under a sub-section entitled ‘What are the main features of the securities?’, a brief description of the <i>transferable securities</i> or admitted to trading on a <i>regulated market</i> including at least:
			(i)	their type and class;
			(ii)	where applicable, their currency, denomination, par value, the number of securities issued and the term of the securities;
			(iii)	the rights attached to the securities;
			(iv)	the relative seniority of the securities in the <i>issuer’s</i> capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under the <i>UK</i> law which implemented the <i>RRD</i> ;
			(v)	any restrictions on the free transferability of the securities; and
			(vi)	where applicable, the dividend or payout policy;
			(b)	under a sub-section entitled ‘Where will the securities be traded?’, an indication as to whether the <i>transferable securities</i> are or will be subject to an application for <i>admission to trading</i> on a <i>regulated market</i> specifying which markets;

			(c)	where there is a guarantee attached to the securities, under a sub-section entitled ‘Is there a guarantee attached to the securities?’, the following information:
			(i)	a brief description of the nature and scope of the <i>guarantee</i> ;
			(ii)	a brief description of the <i>guarantor</i> , including its LEI;
			(iii)	the relevant key financial information for the purpose of assessing the <i>guarantor’s</i> ability to fulfil its commitments under the <i>guarantee</i> ; and
			(iv)	a brief description of the most material risk factors pertaining to the <i>guarantor</i> contained in the <i>prospectus</i> in accordance with <i>PRM</i> 4.5.6R.
			(d)	under a sub-section entitled ‘What are the key risks that are specific to the securities?’, a brief description of the most material risk factors specific to the securities contained in the <i>prospectus</i> .
			(e)	Where an <i>issuer</i> is in financial distress, this needs to be clearly stated and given sufficient prominence in the <i>prospectus summary</i> .
			(f)	Where a key information document is required to be prepared under [the PRIIPs Regulation], the issuer, the offeror or the person asking for <i>admission to trading</i> on a <i>regulated market</i> may substitute the content set out in Section 4 with the information set out in [points (c) to (i) of Article 8(3) of the PRIIPs Regulation].
			(g)	Where there is a substitution of content pursuant to sub-paragraph (f), the maximum length set out in Annex B Item 1.2 can be extended by 3 additional sides of A4-sized paper. The content of the key information document should be included as a distinct section of the <i>summary</i> . The page layout of that section must clearly identify it as the content of the key information document as set out in points (c) to (i) of Article 8(3) of the PRIIPs Regulation.
			(h)	Where, in accordance with the [third subparagraph of Article 8(9) of the PRIIPs Regulation], a single <i>summary</i> covers several securities which differ only in some very limited details, such as the issue price or maturity date, the maximum length set out in Annex B Item 1.2, may be extended by 2 additional sides of A4-sized paper. However, in the event that a key information document is required to be prepared for those securities under the PRIIPs Regulation and the issuer, the offeror or the person asking for <i>admission to trading</i> on a <i>regulated market</i> proceeds with the substitution of content referred to in sub-paragraph (f), the maximum length can be extended by 3 additional sides of A4-sized paper for each additional security.

		(i)	Where the <i>summary</i> contains the information referred to in (c), the maximum length set out in Annex B Item 1.2 may be extended by 1 additional side of A4-sized paper.
	2		The <i>issuer</i> may add further sub-headings beyond those specified above, where deemed necessary.
			[Note: <i>Prospectus Regulation Art 7(9)</i>]
		Section 5 Key information on the admission to trading / proposed admission to trading on a regulated market	
	1		The section ‘Key information on the <i>admission to trading</i> / proposed <i>admission to trading</i> on a <i>regulated market</i> ’ must contain:
			[Note: <i>Prospectus Regulation Art 7(8)</i>]
		(a)	under a sub-section entitled ‘Under which conditions and timetable can I invest in this security?’, where applicable, the general terms, conditions and expected timetable of the offer, the details of the <i>admission to trading</i> on a <i>regulated market</i> , the plan for distribution, the amount and percentage of immediate dilution resulting from the offer and an estimate of the total expenses of the issue and/or offer, including estimated expenses charged to the investor by the issuer or the offeror;
		(b)	if different from the issuer, under a sub-section entitled ‘Who is the offeror and/or the person asking for <i>admission to trading</i> ?’, a brief description of the offeror of the securities and/or the person asking for <i>admission to trading</i> on a <i>regulated market</i> , including its domicile and legal form, the law under which it operates and its country of incorporation; and
		(c)	under a sub-section entitled ‘Why is this <i>prospectus</i> being produced?’, a brief description of the reasons for the offer or for the <i>admission to trading</i> on a <i>regulated market</i> , as well as, where applicable:
		(i)	the use and estimated net amount of the proceeds;
		(ii)	an indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered;
		(iii)	an indication of the most material conflicts of interest pertaining to the offer or the <i>admission to trading</i> .
	2		The <i>issuer</i> may add further sub-headings beyond those specified above, where deemed necessary.

		[Note: <i>Prospectus Regulation</i> Art 7(9)]
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Annex C Base prospectus

Application and purpose		
1.1	R	This annex specifies the detailed and specific content and format requirements for the purpose of <i>PRM 2.3</i> (Base prospectus).
Format of a base prospectus		
1.2	R	(1) A <i>base prospectus</i> drawn up as a single document must be composed of the following elements set out in the following order:
		[Note: <i>PR Regulation</i> Art 25(1)]
		(a) a table of contents;
		(b) general description of the offering programme;
		(c) the risk factors referred to in <i>PRM 4.5</i> ;
		(d) any other information referred to in the <i>PRM Annexes</i> that is to be included in that <i>prospectus</i> .
		(2) The <i>issuer</i> or <i>person</i> requesting the <i>admission to trading</i> on a <i>regulated market</i> may decide the order in which the information referred to in the <i>PRM Annexes</i> is set out in the <i>base prospectus</i> .
		(3) Where a <i>base prospectus</i> is drawn up as separate documents, the <i>registration document</i> and the <i>securities note</i> must be composed of the following elements set out in the following order:
		(a) a table of contents;
		(b) in the <i>securities note</i> , a general description of the offering programme;
		(c) the risk factors referred to in <i>PRM 4.5</i> ;
		(d) any other information referred to in the <i>PRM Annexes</i> that is to be included in the <i>registration document</i> and the <i>securities note</i> .
		(4) The <i>issuer</i> or <i>person</i> requesting <i>admission to trading</i> on a <i>regulated market</i> may decide the order in which the information referred to in the <i>PRM Annexes</i> is set out in the <i>registration document</i> and the <i>securities note</i> .

		(5)	An <i>issuer</i> or person requesting <i>admission to trading</i> on a <i>regulated market</i> may compile in one single document two or more base <i>prospectuses</i> .
		(6)	Where the <i>registration document</i> is drawn up in the form of a <i>universal registration document</i> , the issuer may include the risks factors referred to in <i>PRM 4.5.1</i> amongst the information referred to in paragraph 1.2 (3)(d) of this Annex, provided that those risk factors remain identifiable as a single section.
		(7)	Where a <i>universal registration document</i> is used for the purposes of the information referred to in <i>PRM 2.6.18 R</i> to <i>PRM 2.6.19R</i> must be presented in accordance with Delegated Regulation (EU) 2019/815.
		(8)	(a) Where the order of the information referred to in paragraph 1(d) and 3(d) is different from the order in which that information is presented in the <i>PRM Annexes</i> , the <i>FCA</i> may request a list of cross references indicating the items of the <i>PRM Annexes</i> to which that information corresponds.
			(b) The list of cross references referred to in (8)(a) must identify any items set out in the <i>PRM Annexes</i> that have not been included in the draft base <i>prospectus</i> due to the nature or type of issuer, securities, offer or <i>admission to trading</i> .
		(9)	Where no list of cross-references is requested in accordance with (8) or is not voluntarily submitted by the <i>issuer</i> or person requesting <i>admission to trading</i> on a <i>regulated market</i> , it must be indicated in the margin of the draft <i>base prospectus</i> to which information in the draft <i>base prospectus</i> the relevant information items set out in the <i>PRM Annexes</i> correspond.
Information to be included in the base prospectus and the final terms			
[Note: PR Regulation Art 26]			
1.3	R	(1)	The information referred to as ‘Category A’ in Annexes 14 to 19 of the <i>PRM Annexes</i> must be included in the <i>base prospectus</i> .
		(2)	The information referred to as ‘Category B’ in Annexes 14 to 19 of the <i>PRM Annexes</i> must be included in the <i>base prospectus</i> except for details of that information that are not known at the time of approval of that <i>base prospectus</i> . Such details shall be inserted in the final terms.
		(3)	The information referred to as ‘Category C’ in Annexes 14 to 19 of the <i>PRM Annexes</i> must be inserted in the final terms, unless it is known at the time of approval of the <i>base prospectus</i> , in which case it may be inserted in that <i>base prospectus</i> instead.

	(4)	In addition to the information referred to in paragraphs 2 and 3 of this <i>rule</i> , the final terms should only contain the information referred to in Annex 28 of the PRM Annexes. The form of the final terms referred to in <i>PRM 2.3.2 R (1)</i> must indicate which of the information referred to in Annex 28 to the PRM Annexes is to be determined in the final terms.
	(5)	The final terms must not contradict the information included in the <i>base prospectus</i> .

Annex 1 Registration document for Equity Securities

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>registration document</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>registration document</i> that to the best of their knowledge, the information contained in the <i>registration document</i> is in accordance with the facts and that the <i>registration document</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>registration document</i> that, to the best of their knowledge, the information contained in those parts of the <i>registration document</i> for which they are responsible is in accordance with the facts and that those parts of the <i>registration document</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report attributed to a person as an expert, is included in the <i>registration document</i> , provide the following details for that person:	
	(a)	name;
	(b)	business address;
	(c)	qualifications;
	(d)	material interest, if any, in the <i>issuer</i> .
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>registration document</i> with the consent of the person who has authorised the contents of that part of the <i>registration document</i> for the purpose of the <i>prospectus</i> .	

Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
Item 1.5	A statement that:
	(a) the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b) the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c) such approval should not be considered as an endorsement of the <i>issuer</i> that is the subject of this [<i>registration document/prospectus</i>].
SECTION 2	STATUTORY AUDITORS
Item 2.1	Names and addresses of the <i>issuer's</i> auditors for the period covered by the historical financial information (together with their membership in a professional body).
Item 2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.
SECTION 3	RISK FACTORS
Item 3.1	A description of the material risks that are specific to the <i>issuer</i> , in a limited number of categories, in a section headed 'Risk Factors'.
	In each category, the most material risks, in the assessment undertaken by the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the probability of their occurrence must be set out first. The risks must be corroborated by the content of the <i>registration document</i> .
SECTION 4	INFORMATION ABOUT THE ISSUER
Item 4.1	The legal and commercial name of the <i>issuer</i> .
Item 4.2	The place of registration of the <i>issuer</i> , its registration number and legal entity identifier ('LEI').
Item 4.3	The date of incorporation and the length of life of the <i>issuer</i> , except where the period is indefinite.
Item 4.4	The domicile and legal form of the <i>issuer</i> , the legislation under which the <i>issuer</i> operates, its country of incorporation, the address, telephone number of its

	registered office (or principal place of business if different from its registered office) and website of the <i>issuer</i> , if any, with a disclaimer that the information on the website does not form part of the <i>prospectus</i> unless that information is incorporated by reference into the <i>prospectus</i> in accordance with <i>PRM 5</i> (Incorporation by reference).
SECTION 5	BUSINESS OVERVIEW
Item 5.1	Principal activities
Item 5.1.1	A description of, and key factors relating to, the nature of the <i>issuer's</i> operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information;
Item 5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development.
Item 5.2	Principal markets
	A description of the principal markets in which the <i>issuer</i> competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.
Item 5.3	The important events in the development of the <i>issuer's</i> business.
Item 5.4	Strategy and objectives
	A description of the <i>issuer's</i> business strategy and objectives, both financial and non-financial (if any). This description must take into account the <i>issuer's</i> future challenges and prospects.
Item 5.5	If material to the <i>issuer's</i> business or profitability, <i>summary</i> information regarding the extent to which the <i>issuer</i> is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.
Item 5.6	The basis for any statements made by the <i>issuer</i> regarding its competitive position.
Item 5.7	Investments
Item 5.7.1	A description, including the amount, of the <i>issuer's</i> material investments for each financial year for the period covered by the historical financial information up to the date of the <i>registration document</i> .
Item 5.7.2	A description of any material investments of the <i>issuer</i> that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing, whether internal or external.

Item 5.7.3	Information relating to the joint ventures and undertakings in which the <i>issuer</i> holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.
Item 5.7.4	A description of any environmental issues that may affect the <i>issuer's</i> utilisation of the tangible fixed assets.
Item 5.8	Climate-related information
Item 5.8.1	A description of the <i>issuer's</i> governance arrangements for assessing and managing climate-related risks and opportunities.
Item 5.8.2	A description of the actual and potential impacts of climate-related risks and opportunities on the <i>issuer's</i> businesses, strategy, and financial planning.
Item 5.8.3	If the <i>issuer</i> has published a transition plan, where the contents are material, a <i>summary</i> of key information about the transition plan and where it may be located and inspected.
	Guidance: The Transition Plan Taskforce Disclosure Framework issued on 9 October 2023. [https://transitiontaskforce.net/disclosure-framework/] may be of assistance in identifying the relevant information to be disclosed for the purpose of Item 5.8.3.
5.8.4	A description of how the <i>issuer</i> identifies, assesses, and manages climate-related risks.
5.8.5	If material, a description of the metrics and targets used to assess and manage relevant climate-related risks and opportunities.
SECTION 6	ORGANISATIONAL STRUCTURE
Item 6.1	If the <i>issuer</i> is part of a group, a brief description of the group and the <i>issuer's</i> position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.
Item 6.2	A list of the <i>issuer's</i> significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.
SECTION 7	OPERATING AND FINANCIAL REVIEW
Item 7.1	Financial condition
Item 7.1.1	To the extent not covered elsewhere in the <i>registration document</i> and to the extent necessary for an understanding of the <i>issuer's</i> business as a whole, a fair review of the development and performance of the <i>issuer's</i> business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes.

	The review must be a balanced and comprehensive analysis of the development and performance of the <i>issuer's</i> business and of its position, consistent with the size and complexity of the business.
	To the extent necessary for an understanding of the <i>issuer's</i> development, performance or position, the analysis must include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis must, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.
Item 7.1.2	To the extent not covered elsewhere in the <i>registration document</i> and to the extent necessary for an understanding of the <i>issuer's</i> business as a whole, the review must also give an indication of:
	(a) the <i>issuer's</i> likely future development;
	(b) activities in the field of research and development.
	The requirements set out in item 7.1 may be satisfied by the inclusion of the directors' report required by section 415 of the Companies Act 2006
Item 7.2	Operating results
Item 7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the <i>issuer's</i> income from operations and indicate the extent to which income was so affected.
Item 7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.
SECTION 8	CAPITAL RESOURCES
Item 8.1	Information concerning the <i>issuer's</i> capital resources, both short term and long term.
Item 8.2	An explanation of the sources and amounts of and a narrative description of the <i>issuer's</i> cash flows.
Item 8.3	Information on the borrowing requirements and funding structure of the <i>issuer</i> .
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the <i>issuer's</i> operations.
Item 8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2.
SECTION 9	REGULATORY ENVIRONMENT

Item 9.1	A description of the regulatory environment that the <i>issuer</i> operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the <i>issuer's</i> operations.	
SECTION 10	TREND INFORMATION	
Item 10.1	A description of:	
	(a)	the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the <i>registration document</i> ;
	(b)	any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the <i>registration document</i> , or provide an appropriate negative statement.
Item 10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the <i>issuer's</i> prospects for at least the current financial year.	
SECTION 11	PROFIT FORECASTS OR ESTIMATES	
Item 11.1	Where an <i>issuer</i> has published a <i>profit forecast</i> or a <i>profit estimate</i> , which is still outstanding and valid, that forecast or estimate must be included in the <i>registration document</i> . If a <i>profit forecast</i> or <i>profit estimate</i> has been published and is still outstanding, but no longer valid, then an <i>issuer</i> must provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 11.2 and 11.3.	
Item 11.2	Where an <i>issuer</i> chooses to include a new <i>profit forecast</i> or a new <i>profit estimate</i> , or a previously published <i>profit forecast</i> or a previously published <i>profit estimate</i> pursuant to item 11.1, the <i>profit forecast</i> or estimate must be clear and unambiguous and contain a statement setting out the principal assumptions upon which the <i>issuer</i> has based its forecast, or estimate.	
	The forecast or estimate must comply with the following principles:	
	(a)	there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;
	(b)	the assumptions must be reasonable, readily understandable by investors,

		specific and precise and not relate to the general accuracy of the estimates underlying the forecast;
	(c)	in the case of a forecast, the assumptions must draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 11.3	The <i>prospectus</i> must include a statement that the <i>profit forecast</i> or estimate has been compiled and prepared on a basis which is both:	
	(a)	comparable with the historical financial information;
	(b)	consistent with the <i>issuer's</i> accounting policies.
SECTION 12	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
Item 12.1	Names, business addresses and functions within the <i>issuer</i> of the following <i>persons</i> and an indication of the principal activities performed by them outside of that <i>issuer</i> where these are significant with respect to that <i>issuer</i> :	
	(a)	members of the administrative, management or supervisory bodies;
	(b)	partners with unlimited liability, in the case of a limited partnership with a share capital;
	(c)	founders, if the <i>issuer</i> has been established for fewer than five years;
	(d)	any senior manager who is relevant to establishing that the <i>issuer</i> has the appropriate expertise and experience for the management of the <i>issuer's</i> business.
	Details of the nature of any family relationship between any of the <i>persons</i> referred to in points (a) to (d).	
	In the case of each member of the administrative, management or supervisory bodies of the <i>issuer</i> and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:	
	(a)	the names of all companies and partnerships where those <i>persons</i> have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an <i>issuer</i> of which the person is also a member of the administrative, management or supervisory bodies;
	(b)	(i) details of any convictions in relation to fraudulent offences for at

			least the previous 5 years; and
		(ii)	details of any unspent convictions in relation to indictable offences
	(c)		details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those <i>persons</i> described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous 5 years;
	(d)		details of any official public incrimination and/or sanctions involving such <i>persons</i> by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an <i>issuer</i> or from acting in the management or conduct of the affairs of any <i>issuer</i> for at least the previous 5 years.
	If there is no such information required to be disclosed, a statement to that effect is to be made.		
Item 12.2	Administrative, management and supervisory bodies and senior management conflicts of interests		
	Potential conflicts of interests of the <i>persons</i> referred to in item 12.1 between any duties to the <i>issuer</i> and their private interests and/or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.		
	Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.		
	Details of any restrictions agreed by the <i>persons</i> referred to in item 12.1 on the disposal within a certain period of time of their holdings in the <i>issuer's</i> securities.		
SECTION 13	REMUNERATION AND BENEFITS		
	In relation to the last full financial year for those <i>persons</i> referred to in points (a) and (d) of the first subparagraph of item 12.1:		
Item 13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such <i>persons</i> by the <i>issuer</i> and its subsidiaries for services in all capacities to the <i>issuer</i> and its subsidiaries by any person.		
	That information must be provided on an individual basis unless individual		

	disclosure is not required in the <i>issuer's</i> home country and is not otherwise publicly disclosed by the <i>issuer</i> .
Item 13.2	The total amounts set aside or accrued by the <i>issuer</i> or its subsidiaries to provide for pension, retirement or similar benefits.
SECTION 14	BOARD PRACTICES
	In relation to the <i>issuer's</i> last completed financial year, and unless otherwise specified, with respect to those <i>persons</i> referred to in point (a) of the first subparagraph of item 12.1, the information in Item 14.1 to item 14.5 must be disclosed.
Item 14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.
Item 14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the <i>issuer</i> or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.
Item 14.3	Information about the <i>issuer's</i> audit committee and remuneration committee, including the names of committee members and a <i>summary</i> of the terms of reference under which the committee operates.
Item 14.4	A statement as to whether or not the <i>issuer</i> complies with the corporate governance regime(s) applicable to the <i>issuer</i> . In the event that the <i>issuer</i> does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the <i>issuer</i> does not comply with such regime.
Item 14.5	Potential material impacts on the corporate governance, including future changes in the board and committees' composition, in so far as this has been already decided by the board and/or shareholders meetings.
SECTION 15	EMPLOYEES
Item 15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the <i>registration document</i> (and changes in such numbers, if material) and, where possible and material, a breakdown of <i>persons</i> employed by main category of activity and geographic location. If the <i>issuer</i> employs a significant number of temporary employees, the <i>issuer</i> must include disclosure of the number of temporary employees on average during the most recent financial year.

Item 15.2	Shareholdings and stock options
	With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1 the <i>issuer</i> must provide information as to their share ownership and any options over such shares in the <i>issuer</i> as of the most recent practicable date.
Item 15.3	Description of any arrangements for involving the employees in the capital of the <i>issuer</i> .
SECTION 16	MAJOR SHAREHOLDERS
Item 16.1	In so far as is known to the <i>issuer</i> , the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the <i>issuer</i> 's capital or voting rights which is notifiable under the <i>issuer</i> 's national law, together with the amount of each such person's interest, as at the date of the <i>registration document</i> or, if there are no such <i>persons</i> , an appropriate statement to that effect that no such person exists.
Item 16.2	Whether the <i>issuer</i> 's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.
Item 16.3	To the extent known to the <i>issuer</i> , state whether the <i>issuer</i> is directly or indirectly owned or controlled and by whom and describe the nature of such control and the measures in place to ensure that such control is not abused.
Item 16.4	A description of any arrangements, known to the <i>issuer</i> , the operation of which may at a subsequent date result in a change in control of the <i>issuer</i> .
SECTION 17	RELATED PARTY TRANSACTIONS
Item 17.1	Details of <i>related party transactions</i> , which for these purposes are those set out in the UK-adopted international accounting standards, that the <i>issuer</i> has entered into during the period covered by the historical financial information and up to the date of the <i>registration document</i> , must be disclosed in accordance with UK-adopted international accounting standards if applicable.
	If such standards do not apply to the <i>issuer</i> the following information must be disclosed:
	(a) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the <i>issuer</i> . Where such related

		party transactions are not concluded at arm's length, the <i>issuer</i> must provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind, the <i>issuer</i> must indicate the amount outstanding;
	(b)	the amount or the percentage to which related party transactions form part of the turnover of the <i>issuer</i> .
SECTION 18	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Item 18.1	Historical financial information	
Item 18.1.1	Audited historical financial information covering the latest three financial years, or such shorter period as the <i>issuer</i> has been in operation, and the audit report in respect of each year.	
Item 18.1.2	Change of accounting reference date	
	If the <i>issuer</i> has changed its accounting reference date during the period for which historical financial information is required, the audited historical information must cover at least 36 months, or the entire period for which the <i>issuer</i> has been in operation, whichever is shorter.	
Item 18.1.3	Accounting standards	
	The financial information must be prepared in accordance with the <i>rules</i> in <i>PRM</i> 2.3.	
Item 18.1.4	Change of accounting framework	
	The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the <i>issuer's</i> next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.	
	Changes within the accounting framework applicable to an <i>issuer</i> do not require the audited financial statements to be restated solely for the purposes of the <i>prospectus</i> . However, if the <i>issuer</i> intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements, as defined by IAS 1 Presentation of Financial Statements as set out in the UK-adopted international accounting standards, including comparatives, must be presented in a form consistent with that which will be adopted in the <i>issuer's</i> next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual	

	financial statements.
Item 18.1.5	Where the audited financial information is prepared according to national accounting standards, it must include at least the following:
	(a) the balance sheet;
	(b) the income statement;
	(c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;
	(d) the cash flow statement;
	(e) the accounting policies and explanatory notes.
Item 18.1.6	Consolidated financial statements
	If the <i>issuer</i> prepares both stand-alone and consolidated financial statements, the <i>issuer</i> must include at least the consolidated financial statements in the <i>registration document</i> .
Item 18.1.7	Age of financial information
	The balance sheet date of the last year of audited financial information may not be older than one of the following:
	(a) 18 months from the date of the <i>registration document</i> if the <i>issuer</i> includes audited interim financial statements in the <i>registration document</i> ;
	(b) 16 months from the date of the <i>registration document</i> if the <i>issuer</i> includes unaudited interim financial statements in the <i>registration document</i> .
Item 18.2	Interim and other financial information
Item 18.2.1	If the <i>issuer</i> has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the <i>registration document</i> . If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, the <i>issuer</i> must state that fact.
	If the <i>registration document</i> is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited, in which case that fact must be stated, covering at least

	the first six months of the financial year.
	Interim financial information must be prepared in accordance with the requirements of section 403 of the Companies Act 2006 .
	For <i>issuers</i> not subject to section 403 of the Companies Act 2006 , the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.
Item 18.3	Auditing of historical annual financial information
Item 18.3.1	The historical annual financial information must be independently audited. The audit report must be prepared in accordance with the UK law which implemented Directive 2006/43/EC of the European Parliament and of the Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council.
	Where the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the <i>registration document</i> , it gives a true and fair view in accordance with auditing standards applicable in the United Kingdom or an equivalent standard.
Item 18.3.1a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers an emphasis of matter, material uncertainty relating to going concern, or any other matters reported on by exception, the reason must be given, and such qualifications, modifications of opinion, disclaimers, emphasis of matter paragraphs, material uncertainty relating to going concerns, or other matters reported on by exception must be reproduced in full.
Item 18.3.2	Indication of other information in the <i>registration document</i> that has been audited by the auditors.
Item 18.3.3	Where financial information in the <i>registration document</i> is not extracted from the <i>issuer's</i> audited financial statements the <i>issuer</i> must state the source of the information and that the information is not audited.
Item 18.4	Pro forma financial information
Item 18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the <i>issuer</i> , had the transaction been undertaken at the commencement of the period being reported on or at the date reported.
	This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information is to be presented as set out in Annex 20 and must include the information indicated therein.

	Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.
Item 18.5	Dividend policy
Item 18.5.1	A description of the <i>issuer's</i> policy on dividend distributions and any restrictions thereon. If the <i>issuer</i> has no such policy, it must include an appropriate negative statement.
Item 18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the <i>issuer</i> has changed, to make it comparable.
Item 18.6	Legal and arbitration proceedings
Item 18.6.1	Information on any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of, which the <i>issuer</i> is aware, during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the <i>issuer</i> and/or group's financial position or profitability, or provide an appropriate negative statement.
Item 18.7	Significant change in the <i>issuer's</i> financial position
Item 18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.
SECTION 19	ADDITIONAL INFORMATION
Item 19.1	Share capital
	The <i>issuer</i> must disclose the information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet.
Item 19.1.1	The amount of issued capital, and for each class of share capital:
	(a) the total of the <i>issuer's</i> authorised share capital;
	(b) the number of shares issued and fully paid and issued but not fully paid;
	(c) the par value per share, or state that the shares have no par value; and

	(d)	a reconciliation of the number of shares outstanding at the beginning and end of the year.
		If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.
Item 19.1.2		If there are shares not representing capital, state the number and main characteristics of such shares.
Item 19.1.3		The number, book value and face value of shares in the <i>issuer</i> held by or on behalf of the <i>issuer</i> itself or by subsidiaries of the <i>issuer</i> .
Item 19.1.4		The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.
Item 19.1.5		Information about and terms of, any acquisition rights, and/or obligations over authorised but unissued capital, or an undertaking to increase the capital.
Item 19.1.6		Information about any capital of any member of the group which is under option, or agreed conditionally, or unconditionally to be put under option and details of such options, including information of the <i>persons</i> to whom such options relate.
Item 19.1.7		A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.
Item 19.2		Memorandum and Articles of Association
Item 19.2.1		The register and the entry number therein, if applicable, and a brief description of the <i>issuer's</i> objects and purposes and where they can be found in the up-to-date memorandum and articles of association.
Item 19.2.2		Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.
Item 19.2.3		A brief description of any provision of the <i>issuer's</i> articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the <i>issuer</i> .
SECTION 20		MATERIAL CONTRACTS
Item 20.1		A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the <i>issuer</i> or any member of the group is a party, for the two years immediately preceding publication of the <i>registration</i>

	<i>document.</i>
	A summary of any other contract, not being a contract entered into in the ordinary course of business, entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the <i>registration document.</i>
SECTION 21	DOCUMENTS AVAILABLE
Item 21.1	A statement that for the term of the <i>registration document</i> the following documents, where applicable, can be inspected:
	(a) the up-to-date memorandum and articles of association of the <i>issuer</i> ;
	(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the <i>issuer's</i> request, any part of which is included or referred to in the <i>registration document.</i>
	An indication of the website on which the documents can be inspected.

Annex 2 Universal registration document

SECTION 1	INFORMATION TO BE DISCLOSED ABOUT THE <i>ISSUER</i>
Item 1.1	The <i>issuer</i> must disclose information in accordance with the disclosure requirements for the <i>registration document</i> for <i>equity securities</i> laid down in Annex 1.
Item 1.2	When the <i>universal registration document</i> is approved, item 1.5 of Annex 1 must be supplemented with a statement that the <i>universal registration document</i> may be used for the <i>admission to trading</i> of <i>transferable securities</i> on a <i>regulated market</i> if completed by amendments, if applicable, and a <i>securities note</i> and <i>summary</i> approved in accordance with the <i>rules</i> in <i>PRM.</i>
	When the <i>universal registration document</i> is filed and published without prior approval, item 1.5 of Annex 1 must be replaced with a statement that:
	(a) the <i>universal registration document</i> has been filed with the <i>FCA</i> without prior approval in accordance with <i>PRM 2.6</i> ;
	(b) the <i>universal registration document</i> may be used for the <i>admission to trading</i> of <i>transferable securities</i> on a <i>regulated market</i> if approved by the <i>FCA</i> together with any amendments, if applicable, and a <i>securities note</i> and <i>summary</i> approved in accordance with the <i>rules</i> in <i>PRM.</i>

Annex 3 Registration document for Secondary Issuances of Equity Securities

SECTION 1	<i>PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL</i>	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>registration document</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>registration document</i> that to the best of their knowledge, the information contained in the <i>registration document</i> is in accordance with the facts and that the <i>registration document</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>registration document</i> that, to the best of their knowledge, the information contained in those parts of the <i>registration document</i> for which they are responsible is in accordance with the facts and that those parts of the <i>registration document</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>Registration document</i> , provide the following details for that person:	
	(a)	name;
	(b)	business address;
	(c)	qualifications;
	(d)	material interest if any in the <i>issuer</i> .
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>registration document</i> with the consent of the person who has authorised the contents of that part of the <i>registration document</i> for the purpose of the <i>prospectus</i> .	
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	
Item 1.5	A statement that:	
	(a)	the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b)	the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as

		meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c)	such approval shall not be considered as an endorsement of the <i>issuer</i> that it the subject of this [<i>registration document/prospectus</i>].
	(d)	that the [<i>registration document/prospectus</i>] has been drawn up as part of a simplified <i>prospectus</i> in accordance with <i>PRM</i> 7.
SECTION 2	STATUTORY AUDITORS	
Item 2.1	Names of the <i>issuer</i> 's auditors for the period covered by the historical financial information, together with their membership in a professional body.	
SECTION 3	RISK FACTORS	
Item 3.1	A description of the material risks that are specific to the <i>issuer</i> , in a limited number of categories, in a section headed 'Risk Factors'.	
	In each category, the most material risks, in the assessment undertaken by the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the probability of their occurrence must be set out first. The risks must be corroborated by the content of the <i>registration document</i> .	
SECTION 4	INFORMATION ABOUT THE <i>ISSUER</i>	
Item 4.1	The legal and commercial name of the <i>issuer</i> .	
Item 4.2	The domicile and legal form of the <i>issuer</i> , legal entity identifier ('LEI'), the legislation under which the <i>issuer</i> operates, its country of incorporation, the address, telephone number of its registered office, or principal place of business if different from its registered office, and website of the <i>issuer</i> , if any, with a disclaimer that the information on the website does not form part of the <i>prospectus</i> unless that information is incorporated by reference into the <i>prospectus</i> .	
SECTION 5	BUSINESS OVERVIEW	
Item 5.1	A brief description of:	
	(a)	the key principal activities of the <i>issuer</i> ;
	(b)	of any significant changes impacting the <i>issuer</i> 's operations and principal activities since the end of the period covered by the latest published audited financial statements, including the following:
	(i)	an indication of any significant new products and services that have been introduced;

	(ii)	the status of the development of new products or services to the extent that they have been publicly disclosed;
	(iii)	any material changes in the <i>issuer's</i> regulatory environment since the period covered by the latest published audited financial statements.
Item 5.2	Investments	
Item 5.2.1	A description of the <i>issuer's</i> material investments made since the date of the last published financial statements and which are in progress and/or for which firm commitments have already been made, together with the anticipated source of funds.	
SECTION 6	TREND INFORMATION	
Item 6.1	A description of:	
	(a)	the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the <i>registration document</i> ;
	(b)	any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the <i>registration document</i> , or provide an appropriate negative statement;
	(c)	information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the <i>issuer's</i> prospects for at least the current financial year.
SECTION 7	PROFIT FORECASTS OR ESTIMATES	
Item 7.1	Where an <i>issuer</i> has published a <i>profit forecast</i> or a <i>profit estimate</i> , which is still outstanding and valid, that forecast or estimate must be included in the <i>registration document</i> . If a <i>profit forecast</i> or <i>profit estimate</i> has been published and is still outstanding, but no longer valid, then the <i>issuer</i> must provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 7.2 and 7.3.	
Item 7.2	Where an <i>issuer</i> chooses to include a new <i>profit forecast</i> or a new <i>profit estimate</i> , or where the <i>issuer</i> includes a previously published <i>profit forecast</i> or a previously published <i>profit estimate</i> pursuant to item 7.1, the <i>profit forecast</i> or estimate must be clear and unambiguous and must contain a statement setting out the principal assumptions upon which the <i>issuer</i> has based its forecast, or estimate.	
	The forecast or estimate must comply with the following principles:	

	(a)	there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;
	(b)	the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast;
	(c)	in the case of a forecast, the assumptions must draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 7.3	The <i>prospectus</i> must include a statement that the <i>profit forecast</i> or estimate has been compiled and prepared on a basis which is both:	
	(a)	comparable with the historical financial information;
	(b)	consistent with the <i>issuer's</i> accounting policies.
SECTION 8	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
Item 8.1	Names, business addresses and functions within the <i>issuer</i> of the following <i>persons</i> and an indication of the principal activities performed by them outside of that <i>issuer</i> where these are significant with respect to that <i>issuer</i> :	
	(a)	members of the administrative, management or supervisory bodies;
	(b)	partners with unlimited liability, in the case of a limited partnership with a share capital;
	(c)	founders, if the <i>issuer</i> has been established for fewer than five years;
	(d)	any senior manager who is relevant to establishing that the <i>issuer</i> has the appropriate expertise and experience for the management of the <i>issuer's</i> business.
	Details of the nature of any family relationship between any of the <i>persons</i> referred to in points (a) to (d).	
	To the extent not already disclosed, and in the case of new members of the administrative, management or supervisory bodies of the <i>issuer</i> (since the date of the latest audited annual financial statements) and of each person referred to in points (b) and (d) of the first subparagraph the following information:	
	(a)	the names of all companies and partnerships where those <i>persons</i> have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or

		not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an <i>issuer</i> of which the person is also a member of the administrative, management or supervisory bodies;
	(b)	details of any convictions in relation to fraudulent offences for at least the previous five years;
	(c)	details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those <i>persons</i> described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years;
	(d)	details of any official public incrimination and/or sanctions involving such <i>persons</i> by statutory or regulatory authorities, including designated professional bodies, and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an <i>issuer</i> or from acting in the management or conduct of the affairs of any <i>issuer</i> for at least the previous five years.
		If there is no such information required to be disclosed, a statement to that effect is to be made.
Item 8.2		Potential conflicts of interest between any duties carried out on behalf of the <i>issuer</i> by the <i>persons</i> referred to in item 8.1 and their private interests or other duties must be clearly stated. In the event that there are no such conflicts a statement to that effect must be made.
		Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 8.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.
		Details of any restrictions agreed by the <i>persons</i> referred to in item 8.1 on the disposal within a certain period of time of their holdings in the <i>issuer's</i> securities.
SECTION 9	MAJOR SHAREHOLDERS	
Item 9.1		In so far as is known to the <i>issuer</i> , the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the <i>issuer's</i> capital or voting rights which is notifiable under the <i>issuer's</i> national law, together with the amount of each such person's interest, as of the date of the <i>registration document</i> or, if there are no such <i>persons</i> , an appropriate statement to that effect that no such person exists.
Item 9.2		Whether the <i>issuer's</i> major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.

Item 9.3	To the extent known to the <i>issuer</i> , state whether the <i>issuer</i> is directly or indirectly owned or controlled and by whom and describe the nature of such control and the measures in place to ensure that such control is not abused.	
Item 9.4	A description of any arrangements, known to the <i>issuer</i> , the operation of which may at a subsequent date result in a change in control of the <i>issuer</i> .	
SECTION 10	RELATED PARTY TRANSACTIONS	
Item 10.1	Details of related party transactions, which for these purposes are those set out in the UK-adopted international accounting standards, that the <i>issuer</i> has entered into since the date of the last financial statements, must be disclosed in accordance with the UK-adopted international accounting standards if applicable.	
	If such standards do not apply to the <i>issuer</i> the following information must be disclosed:	
	(a)	the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the <i>issuer</i> . Where such related party transactions are not concluded at arm's length, the <i>issuer</i> must provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind, the <i>issuer</i> must indicate the amount outstanding;
	(b)	the amount or the percentage to which related party transactions form part of the turnover of the <i>issuer</i> .
SECTION 11	FINANCIAL INFORMATION CONCERNING THE <i>ISSUER'S</i> ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES	
Item 11.1	Financial statements	
	Financial statements (annual and half-yearly) are required to be published covering the period of 12 months prior to the approval of the <i>prospectus</i> .	
	Where both annual and half-yearly financial statements have been published, only the annual statements will be required where they postdate the half-yearly financial statements.	
Item 11.2	Auditing of annual financial information	
Item 11.2.1	Audit report	
	The annual financial statements must be independently audited. The audit report must be prepared in accordance with the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014].	
	Where the UK law which implemented Directive 2006/43/EC and Regulation	

	(EU) No 537/2014] do not apply, the annual financial statements must be audited or reported on as to whether or not, for the purposes of the <i>registration document</i> , it gives a true and fair view in accordance with auditing standards applicable in the United Kingdom or an equivalent standard. Otherwise, the following information must be included in the <i>registration document</i> :
	(a) a prominent statement disclosing which auditing standards have been applied;
	(b) an explanation of any significant departures from International Standards on Auditing.
Item 11.2.1a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers an emphasis of matter, material uncertainty relating to going concern, or any other matters reported on by exception, the reason must be given, and such qualifications, modifications of opinion, disclaimers, emphasis of matter paragraphs, material uncertainty relating to going concerns, or other matters reported on by exception must be reproduced in full.
Item 11.2.2	Indication of other information in the <i>registration document</i> which has been audited by the auditors.
Item 11.2.3	Where financial information in the <i>registration document</i> is not extracted from the <i>issuer's</i> audited financial statements the <i>issuer</i> must state the source of the data and that the data is not audited.
Item 11.3	Legal and arbitration proceedings
	Information on any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of, which the <i>issuer</i> is aware, during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the <i>issuer</i> and/or group's financial position or profitability, or provide an appropriate negative statement.
Item 11.4	Significant change in the issuer's financial position
	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.
Item 11.5	Pro forma financial information
	In the case of a significant gross change, a description of how the transaction may have affected the assets and liabilities and earnings of the <i>issuer</i> , had the transaction been undertaken at the commencement of the period being reported on or at the date reported.
	This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information must be presented as

	set out in Annex 20 and must include the information indicated therein.
	Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.
Item 11.6	Dividend policy
	A description of the <i>issuer's</i> policy on dividend distributions and any restrictions thereon.
Item 11.6.1	The amount of the dividend per share for the last financial year adjusted, where the number of shares in the <i>issuer</i> has changed, to make it comparable.
SECTION 12	ADDITIONAL INFORMATION
Item 12.1	Share capital
	Where there is no balance sheet dated later than the annual financial information referred to in Section 11, the disclosure in this Section 12 is not required.
	Subject to the above paragraph, the <i>issuer</i> must disclose the information in items 12.1.1 and 12.1.2 in the annual financial statements as of the date of the most recent balance sheet.
Item 12.1.1	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.
Item 12.1.2	Information about and terms of any acquisition rights and or obligations over authorised but un-issued capital or an undertaking to increase the capital.
SECTION 13	REGULATORY DISCLOSURES
Item 13.1	A summary of the information disclosed under the <i>Market Abuse Regulation</i> over the last 12 months which is relevant as at the date of the <i>prospectus</i> . The summary must be presented in an easily analysable, concise and comprehensible form and shall not be a replication of information already published under the <i>Market Abuse Regulation</i> .
	The summary must be presented in a limited number of categories depending on their subject.
SECTION 14	MATERIAL CONTRACTS
Item 14.1	A brief summary of each material contract, other than contracts entered into in the ordinary course of business, to which the <i>issuer</i> or any member of the group

	is a party, for the two years immediately preceding publication of the <i>registration document</i> .
	A brief summary of any other contract, not being a contract entered into in the ordinary course of business, entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the <i>registration document</i> .
SECTION 15	DOCUMENTS AVAILABLE
Item 15.1	A statement that for the term of the <i>registration document</i> the following documents, where applicable, can be inspected:
	(a) the up-to-date memorandum and articles of association of the <i>issuer</i> ;
	(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the <i>issuer's</i> request any part of which is included or referred to in the <i>registration document</i> .
	An indication of the website on which the documents can be inspected.

Annex 4 Registration document for Units of Closed-End Collective Investment Undertaking

Application	
1.1	In addition to the information required in this Annex, a collective investment undertaking must provide the information required in Annex 1, specified in Table 1 below.
1.2	In addition to the information required in this Annex, a collective investment undertaking meeting the requirements of <i>PRM 7</i> (Simplified prospectus regime for secondary issuances) must provide the information required in Annex 3, specified in Table 2 below.
1.3	Where units are issued by a collective investment undertaking which is constituted as a common fund managed by a fund manager, the information referred to in table 3 below must be provided.

Table 1	
Annex 1 Section/Item	Application/ amendment of requirements for a closed-end collective investment undertaking
1	

2	
3	
4	
6	
8.4	
9	The description of the regulatory environment that the <i>issuer</i> operates in, need only relate to the regulatory environment relevant to the <i>issuer's</i> investments.
11	
12	
13	
14	
15.2	
16	
17	
18	Applicable except in respect of pro forma financial information
19	
20	
21	

Table 2	
Annex 3 Section/Item	Title
1	
2	
3	
4	

7	
8	
9	
10	
11	
12	
13	
14	
15	

Table 3

Annex 1 Section/item	To be disclosed in relation to the fund manager	To be disclosed in relation to both the fund and the fund manager
2		●
4		●
6	●	
12	●	
13	●	
14	●	
15.1	●	
15.2		●*
16	●	
18		●
20	●	

	* to be disclosed by the fund manager and/or any entity providing investment advice.	
	Where units are issued by a collective investment undertaking which is constituted as a common fund managed by a fund manager, the information referred to in sections/items 6, 12, 13, 14, 15.1,15.2, 16 and 20 of Annex 1 must be disclosed in relation to the fund manager, while the information referred to in items 2, 4 and 18 of Annex 1 must be disclosed in relation to both the fund and the fund manager.	
SECTION 1	INVESTMENT OBJECTIVE AND POLICY	
Item 1.1	The <i>issuer</i> must disclose the following:	
	(a)	description of the investment policy, strategy and objectives of the collective investment undertaking;
	(b)	information on where the underlying collective investment undertaking(s) is/are established if the collective investment undertaking is a fund comprising of funds;
	(c)	a description of the types of assets in which the collective investment undertaking may invest;
	(d)	the techniques it may employ and all associated risks together with the circumstances in which the collective investment undertaking may use leverage;
	(e)	the types and sources of leverage permitted and the associated risks;
	(f)	any restrictions on the use of leverage and any collateral and asset reuse arrangements; and
	(g)	the maximum level of leverage which may be employed on behalf of the collective investment undertaking.
Item 1.2	A description of the procedures by which the collective investment undertaking may change its investment strategy or investment policy, or both.	
Item 1.3	The leverage limits of the collective investment undertaking. If there are no such limits, include a statement to that effect.	
Item 1.4	The regulatory status of the collective investment undertaking together with the name of any regulator in its country of incorporation.	
Item 1.5	The profile of a typical investor for whom the collective investment undertaking is designed.	
Item 1.6	A statement confirming the following:	

	(a)	the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b)	the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c)	such approval should not be considered as an endorsement of the <i>issuer</i> that is the subject of this [<i>registration document/prospectus</i>].
SECTION 2	INVESTMENT RESTRICTIONS	
Item 2.1	A statement of the investment restrictions which apply to the collective investment undertaking, if any, and an indication of how the holders of securities will be informed of the actions that the investment manager will take in the event of a breach.	
Item 2.2	(1)	Certain information is required to be disclosed, where more than 25% of the gross assets of any collective investment undertaking, except where the <i>registration document</i> is being prepared for an entity as a result of the application of item 2.3 or 2.5, may be either:
	(a)	invested in, either directly or indirectly, or loaned to any single underlying <i>issuer</i> (including the underlying <i>issuer's</i> subsidiaries or affiliates);
	(b)	invested in one or more collective investment undertakings which may invest in excess of 25 % of its gross assets in other collective investment undertakings (open-end and/or closed-end type);
	(c)	exposed to the creditworthiness or solvency of any one counterparty (including its subsidiaries or affiliates);
	(2)	The information, referred to in paragraph 1, must comprise the following in either of the following circumstances:
	(a)	where the underlying securities are not admitted to trading on a <i>regulated market</i> or an equivalent market <i>overseas</i> or an <i>SME growth market</i> , information relating to each underlying <i>issuer/collective investment undertaking/counterparty</i> as if it were an <i>issuer</i> for the purposes of the minimum disclosure requirements for the <i>registration document</i> for <i>equity securities</i> (in the case of point 1. (a)) or minimum disclosure requirements for the <i>registration document</i> for units issued by closed-end collective investment undertakings (in the case of point 1. (b)) or the minimum disclosure requirements for the <i>registration document</i> for wholesale <i>non-equity securities</i> (in the case of point 1. (c));
	(b)	if the securities issued by the underlying <i>issuer/collective investment undertaking/counterparty</i> have already been

		admitted to trading on a regulated or equivalent market overseas or an <i>SME growth market</i> , or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market or an <i>SME growth market</i> , the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.
	The disclosure requirement referred to in points 2. (a) and (b) will not apply where the 25 % threshold is exceeded due to appreciations or depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, provided the investment manager has regard to the threshold when considering changes in the investment portfolio.	
	Where the collective investment undertaking can reasonably demonstrate to the <i>FCA</i> that it is unable to access some or all of the information required under point 2. (a), the collective investment undertaking must disclose all of the information that it is able to access, that it is aware of, and/or that it is able to ascertain from information published by the underlying <i>issuer</i> /collective investment undertaking/counterparty in order to satisfy as far as is practicable the requirements laid down in point 1. (a). In this case, the <i>prospectus</i> must include a prominent warning that the collective investment undertaking has been unable to access specified items of information that would otherwise be required to be included in the <i>prospectus</i> and therefore a reduced level of disclosure has been provided in relation to a specified underlying <i>issuer</i> , collective investment undertaking or counterparty.	
Item 2.3	Where a collective investment undertaking invests in investments in excess of 25 % of its gross assets in other collective investment undertakings, open ended and/or closed ended, a description of the investment and how the risk is spread in relation to those investments must be disclosed. In addition, item 2.2 shall apply, in addition to all underlying investments of the collective investment undertaking as if those investments had been made directly.	
Item 2.4	With reference to point 1(c) of item 2.2, if collateral is advanced to cover that portion of the exposure to any one counterparty in excess of 25% of the gross assets of the collective investment undertaking, set out the details of such collateral arrangements.	
Item 2.5	Where a collective investment undertaking invests in investments in excess of 40 % of its gross assets in another collective investment undertaking, then one of the following must be disclosed:	
	(a)	information relating to each underlying collective investment undertaking as if it were an <i>issuer</i> under minimum disclosure requirements as set out in this Annex;
	(b)	if securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market overseas or an <i>SME growth market</i> , or the obligations are guaranteed by an entity admitted to trading on a regulated or an <i>SME</i>

		<i>growth market</i> , then the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.
		Where the collective investment undertaking can reasonably demonstrate to the <i>FCA</i> that it is unable to access some or all of the information required under point 2. (a) of Item 2.2, the collective investment undertaking must disclose all of the information that it is able to access, that it is aware of, and/or that it is able to ascertain from information published by the underlying <i>issuer</i> /collective investment undertaking/counterparty in order to satisfy as far as is practicable the requirements laid down in point (a). In this case, the <i>prospectus</i> must include a prominent warning that the collective investment undertaking has been unable to access specified items of information that would otherwise be required to be included in the <i>prospectus</i> and therefore a reduced level of disclosure has been provided in relation to a specified underlying <i>issuer</i> , collective investment undertaking or counterparty.
Item 2.6		Physical commodities
		Where a collective investment undertaking invests directly in physical commodities a disclosure of that fact and the percentage of the gross assets that will be so invested.
Item 2.7		Property collective investment undertakings
		Where a collective investment undertaking holds property as part of its investment objective and where that property is more than ancillary to its business, the percentage of the portfolio that is to be invested in property, the description of the property and any material costs relating to the acquisition and holding of such property must be disclosed. In addition, a valuation report relating to the properties must be included.
		The disclosure requirements set out in item 4.1 shall apply to:
	(a)	the entity producing the valuation report; and
	(b)	any other entity responsible for the administration of the property.
Item 2.8		Derivatives financial instruments/money market instruments/currencies
		Where a collective investment undertaking invests in derivatives, financial instruments, money market instruments or currencies other than for the purposes of efficient portfolio management, namely solely for the purpose of reducing, transferring or eliminating investment risk in the underlying investments of a collective investment undertaking, including any technique or instrument used to provide protection against exchange and credit risks, a statement of whether those investments are used for hedging or for investment purposes, and a description of where and how risk is spread in relation to those investments must be included.
Item 2.9		Item 2.2 does not apply to investment in securities issued or guaranteed by a government, government agency or instrumentality of the <i>UK</i> , , its regional or

	local authorities, or of any <i>OECD</i> Member State.
Item 2.10	Point 1(a) of item 2.2 does not apply to a collective investment undertaking whose investment objective is to track, without material modification, a broadly based and recognised published index. A statement setting out details of where information about the index can be obtained must be included.
SECTION 3	THE APPLICANT'S SERVICE PROVIDERS
Item 3.1	The actual or estimated maximum amount of all material fees payable directly or indirectly by the collective investment undertaking for any services provided under arrangements entered into on, or prior to, the date of the <i>registration document</i> and a description of how these fees are calculated.
Item 3.2	A description of any fee payable directly or indirectly by the collective investment undertaking which cannot be quantified under item 3.1 and which is or which may be material.
Item 3.3	If any service provider to the collective investment undertaking is in receipt of any benefits from third parties, other than the collective investment undertaking, by virtue of providing any services to the collective investment undertaking, and those benefits may not accrue to the collective investment undertaking, a statement of that fact, the name of that third party, if available, and a description of the nature of the benefits must be disclosed.
Item 3.4	The identity of the service providers and a description of their duties and the investor's rights.
Item 3.5	A description of any material potential conflicts of interest which any of the service providers to the collective investment undertaking may have as between their duty to the collective investment undertaking and duties owed by them to third parties and their other interests. A description of any arrangements which are in place to address such potential conflicts.
SECTION 4	INVESTMENT MANAGER/ADVISERS
Item 4.1	In respect of any investment manager the information required to be disclosed under items 4.1 to 4.4 and, if material, under item 5.3 of Annex 1 together with a description of its regulatory status and experience.
Item 4.2	In respect of any entity providing investment advice in relation to the assets of the collective investment undertaking, the name and a brief description of the entity.
SECTION	CUSTODY
Item 5.1	A full description of how the assets of the collective investment undertaking will be held and by whom and any fiduciary or similar relationship between the collective investment undertaking and any third party in relation to custody.
	Where a depositary, trustee, or other fiduciary is appointed, the following must

	be provided:
	(a) such information as is required to be disclosed under items 4.1 to 4.4 and, if material, under item 5.3 of Annex 1;
	(b) a description of the obligations of each party under the custody or similar agreement;
	(c) any delegated custody arrangements; and
	(d) the regulatory status of each party and their delegates.
Item 5.2	Where any entity other than those entities referred to in item 5.1 holds any assets of the collective investment undertaking, a description of how these assets are held together with a description of any additional risks.
SECTION 6	VALUATION
Item 6.1	A description of the valuation procedure and of the pricing methodology for valuing assets.
Item 6.2	Details of all circumstances in which valuations may be suspended and a statement of how such suspension will be communicated or made available to investors.
SECTION 7	CROSS LIABILITIES
Item 7.1	In the case of an umbrella collective investment undertaking, a statement of any cross liability that may occur between classes of investments in other collective investment undertakings and any action taken to limit such liability.
SECTION 8	FINANCIAL INFORMATION
Item 8.1	Where a collective investment undertaking has not commenced operations and no financial statements have been made up as at the date of the <i>registration document</i> , since the date of incorporation or establishment, a statement to that effect.
	Where a collective investment undertaking has commenced operations, the provisions of section 18 of Annex 1 or section 11 of Annex 3 will apply as appropriate.
Item 8.2	A comprehensive and meaningful analysis of the collective investment undertaking's portfolio. Where the portfolio is not audited, this must be clearly marked as such.
Item 8.3	An indication of the latest net asset value of the collective investment undertaking or the latest market price of the unit or share of the collective investment undertaking. Where the net asset value or the latest market price of the unit or share is not audited, this must be clearly marked as such.

Annex 5 Registration document for Depository Receipts Issued Over Shares

SECTION 1	INFORMATION ABOUT THE <i>ISSUER</i> OF THE UNDERLYING SHARES		
	<p>For depository receipts issued over shares, the information about the <i>issuer</i> of the underlying share must be provided in accordance with Annex 1.</p> <p>For depository receipts issued over shares that meet the requirements of <i>PRM 7</i> (Simplified disclosure regime for secondary issuances), the information about the <i>issuer</i> of the underlying share must be provided in accordance with Annex 3.</p>		
SECTION 2	INFORMATION ABOUT THE <i>ISSUER</i> OF THE DEPOSITORY RECEIPTS	Primary Issuance	Secondary Issuances
Item 2.1	Name, registered office, legal entity identifier ('LEI') and principal administrative establishment if different from the registered office.	•	•
Item 2.2	Date of incorporation and length of life of the <i>issuer</i> , except where the period is indefinite.	•	•
Item 2.3	Legislation under which the <i>issuer</i> operates and legal form which it has adopted under that legislation.	•	•

Annex 6 Registration document for Retail Non-Equity *Securities*

SECTION 1	<i>PERSONS</i> RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL		
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>registration document</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.		
Item 1.2	A declaration by those responsible for the <i>registration document</i> that to the best of their knowledge, the information contained in the <i>registration document</i> is in accordance with the facts and that the <i>registration document</i>		

	makes no omission likely to affect its import.
	Where applicable, a declaration by those responsible for certain parts of the <i>registration document</i> that, to the best of their knowledge, the information contained in those parts of the <i>registration document</i> for which they are responsible is in accordance with the facts and that those parts of the <i>registration document</i> make no omission likely to affect their import.
Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>registration document</i> , provide the following in relation to that person:
	(a) name;
	(b) business address;
	(c) qualifications; and
	(d) material interest if any in the <i>issuer</i> .
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>registration document</i> with the consent of the person who has authorised the contents of that part of the <i>registration document</i> for the purpose of the <i>prospectus</i> .
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
Item 1.5	A statement that:
	(a) the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b) the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c) such approval should not be considered as an endorsement of the <i>issuer</i> that is the subject of this [<i>registration document/prospectus</i>].
SECTION 2	STATUTORY AUDITORS
Item 2.1	Names and addresses of the <i>issuer's</i> auditors for the period covered by the historical financial information (together with their membership in a professional body).
Item 2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.

SECTION 3	RISK FACTORS
Item 3.1	A description of the material risks that are specific to the <i>issuer</i> and that may affect the <i>issuer's</i> ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.
	In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the probability of their occurrence, must be set out first. The risk factors must be corroborated by the content of the <i>registration document</i> .
SECTION 4	INFORMATION ABOUT THE ISSUER
Item 4.1	History and development of the <i>issuer</i> .
Item 4.1.1	The legal and commercial name of the <i>issuer</i> .
Item 4.1.2	The place of registration of the <i>issuer</i> , its registration number and legal entity identifier ('LEI').
Item 4.1.3	The date of incorporation and the length of life of the <i>issuer</i> , except where the period is indefinite.
Item 4.1.4	The domicile and legal form of the <i>issuer</i> , the legislation under which the <i>issuer</i> operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the <i>issuer</i> , if any, with a disclaimer that the information on the website does not form part of the <i>prospectus</i> unless that information is incorporated by reference into the <i>prospectus</i> .
Item 4.1.5	Details of any recent events particular to the <i>issuer</i> and which are to a material extent relevant to an evaluation of the <i>issuer's</i> solvency.
Item 4.1.6	Credit ratings assigned to an <i>issuer</i> at the request or with the cooperation of the <i>issuer</i> in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.
Item 4.1.7	Information on the material changes in the <i>issuer's</i> borrowing and funding structure since the last financial year;
Item 4.1.8	Description of the expected financing of the <i>issuer's</i> activities.
SECTION 5	BUSINESS OVERVIEW
Item 5.1	Principal activities
Item 5.1.1	A description of the <i>issuer's</i> principal activities, including:

	(a)	the main categories of products sold and/or services performed;
	(b)	an indication of any significant new products or activities; and
	(c)	the principal markets in which the <i>issuer</i> competes.
Item 5.2	The basis for any statements made by the <i>issuer</i> regarding its competitive position.	
SECTION 6	ORGANISATIONAL STRUCTURE	
Item 6.1	If the <i>issuer</i> is part of a group, a brief description of the group and the <i>issuer's</i> position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	
Item 6.2	If the <i>issuer</i> is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	
SECTION 7	TREND INFORMATION	
Item 7.1	A description of:	
	(a)	any material adverse change in the prospects of the <i>issuer</i> since the date of its last published audited financial statements;
	(b)	any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the <i>registration document</i> .
	If neither of the above are applicable then the <i>issuer</i> must include an appropriate statement to the effect that no such changes exist.	
Item 7.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the <i>issuer's</i> prospects for at least the current financial year.	
SECTION 8	PROFIT FORECASTS OR ESTIMATES	
Item 8.1	Where an <i>issuer</i> includes on a voluntary basis a <i>profit forecast</i> or a <i>profit estimate</i> which is still outstanding and valid, that forecast or estimate included in the <i>registration document</i> must contain the information set out in items 8.2 and 8.3. If a <i>profit forecast</i> or <i>profit estimate</i> has been published and is still outstanding, but no longer valid, then the <i>issuer</i> must provide a statement to that effect and an explanation of why such <i>profit forecast</i> or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 8.2 and 8.3.	
Item 8.2	Where an <i>issuer</i> chooses to include a new <i>profit forecast</i> or a new <i>profit estimate</i> , or where the <i>issuer</i> includes a previously published <i>profit forecast</i> or a previously published <i>profit estimate</i> pursuant to item 8.1, the <i>profit forecast</i>	

	or estimate must be clear and unambiguous and contain a statement setting out the principal assumptions upon which the <i>issuer</i> has based its forecast, or estimate.
	The forecast or estimate must comply with the following principles:
	(a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;
	(b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; and
	(c) In the case of a forecast, the assumptions must draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 8.3	The <i>prospectus</i> must include a statement that the <i>profit forecast</i> or estimate has been compiled and prepared on a basis which is both:
	(a) comparable with the historical financial information;
	(b) consistent with the <i>issuer's</i> accounting policies.
SECTION 9	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES
Item 9.1	Names, business addresses and functions within the <i>issuer</i> of the following <i>persons</i> and an indication of the principal activities performed by them outside of that <i>issuer</i> where these are significant with respect to that <i>issuer</i> :
	(a) members of the administrative, management or supervisory bodies;
	(b) partners with unlimited liability, in the case of a limited partnership with a share capital.
Item 9.2	Administrative, management, and supervisory bodies' conflicts of interests
	Potential conflicts of interests of the <i>persons</i> referred to in item 9.1 between any duties to the <i>issuer persons</i> and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.
SECTION 10	MAJOR SHAREHOLDERS
Item 10.1	To the extent known to the <i>issuer</i> , state whether the <i>issuer</i> is directly or indirectly owned or controlled and by whom and describe the nature of such control and the measures in place to ensure that such control is not abused.

Item 10.2	A description of any arrangements, known to the <i>issuer</i> , the operation of which may at a subsequent date result in a change in control of the <i>issuer</i> .	
SECTION 11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Item 11.1	Historical financial information	
Item 11.1.1	Audited historical financial information covering the latest two financial years, or such shorter period as the <i>issuer</i> has been in operation, and the audit report in respect of each year.	
Item 11.1.2	Change of accounting reference date	
	If the <i>issuer</i> has changed its accounting reference date during the period for which historical financial information is required, the audited historical financial information must cover at least 24 months, or the entire period for which the <i>issuer</i> has been in operation, whichever is shorter.	
Item 11.1.3	Accounting Standards	
	The financial information must be prepared in accordance with the <i>rules</i> in <i>PRM</i> 4.4.11R to <i>PRM</i> 4.4.15R.	
Item 11.1.4	Change of accounting framework	
	The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the <i>issuer's</i> next published annual financial statements.	
	Changes within the <i>issuer's</i> existing accounting framework do not require the audited financial statements to be restated. However, if the <i>issuer</i> intends to adopt a new accounting standards framework in its next published financial statements, the latest year of financial statements must be prepared and audited in line with the new framework.	
Item 11.1.5	Where the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:	
	(a)	the balance sheet;
	(b)	the income statement;
	(c)	the cash flow statement; and
	(d)	the accounting policies and explanatory notes.
Item 11.1.6	Consolidated financial statements	

	If the <i>issuer</i> prepares both stand-alone and consolidated financial statements, the <i>issuer</i> must include at least the consolidated financial statements in the <i>registration document</i> .
Item 11.1.7	Age of financial information
	The balance sheet date of the last year of audited financial information statements may not be older than 18 months from the date of the <i>registration document</i> .
Item 11.2	Interim and other financial information
Item 11.2.1	If the <i>issuer</i> has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the <i>registration document</i> . If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is not audited or has not been reviewed the <i>issuer</i> must state that fact.
	If the <i>registration document</i> is dated more than 9 months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited, in which case that fact must be stated, covering at least the first 6 months of the financial year.
	Interim financial information prepared in accordance with either the requirements of the UK law which implemented the Directive 2013/34/EU or Regulation (EC) No 1606/2002 as the case may be.
	For <i>issuers</i> not subject to either the UK law which implemented Directive 2013/34/EU or section 403 of the Companies Act 2006, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet.
Item 11.3	Auditing of historical annual financial information
Item 11.3.1	The historical annual financial information must be independently audited. The audit report must be prepared in accordance with the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014.
	Where the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the historical financial information must be audited or reported on as to whether or not, for the purposes of the <i>registration document</i> , it gives a true and fair view in accordance with auditing standards applicable in the United Kingdom or an equivalent standard.
Item 11.3.1 a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers an emphasis of matter, material uncertainty relating to going concern, or any other matters reported on by exception, the reason must be given, and such qualifications, modifications of opinion, disclaimers,

	emphasis of matter paragraphs, material uncertainty relating to going concerns, or other matters reported on by exception must be reproduced in full.
Item 11.3.2	Indication of other information in the <i>registration document</i> which has been audited by the auditors.
Item 11.3.3	Where financial information in the <i>registration document</i> is not extracted from the <i>issuer's</i> audited financial statements the <i>issuer</i> must state the source of the data and that the data is not audited.
Item 11.4	Legal and arbitration proceedings
Item 11.4.1	Information on any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the <i>issuer</i> is aware of, during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the <i>issuer</i> and/or group's financial position or profitability, or provide an appropriate negative statement.
Item 11.5	Significant change in the <i>issuer's</i> financial position
Item 11.5.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.
SECTION 12	ADDITIONAL INFORMATION
Item 12.1	Share capital
	The <i>issuer</i> must disclose the amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up with an indication of the number, or total nominal value and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.
Item 12.2	Memorandum and Articles of Association
	The register and the entry number therein, if applicable, and a description of the <i>issuer's</i> objects and purposes and where they can be found in the up-to-date memorandum and articles of association.
SECTION 13	MATERIAL CONTRACTS
Item 13.1	A brief summary of all material contracts that are not entered into in the ordinary course of the <i>issuer's</i> business, which could result in any group member being under an obligation or an entitlement that is material to the <i>issuer's</i> ability to meet its obligations to security holders in respect of the

	securities being issued.	
SECTION 14	DOCUMENTS AVAILABLE	
Item 14.1	A statement that for the term of the <i>registration document</i> the following documents, where applicable, can be inspected:	
	(a)	the up-to-date memorandum and articles of association of the <i>issuer</i> ;
	(b)	all reports, letters, and other documents, valuations and statements prepared by any expert at the <i>issuer's</i> request, any part of which is included or referred to in the <i>registration document</i> .
	An indication of the website on which the documents can be inspected.	

Annex 7 Registration document for wholesale non-equity securities

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>registration document</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person. In the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>registration document</i> that to the best of their knowledge, the information contained in the <i>registration document</i> is in accordance with the facts and that the <i>registration document</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>registration document</i> that, to the best of their knowledge, the information contained in those parts of the <i>registration document</i> for which they are responsible is in accordance with the facts and that those parts of the <i>registration document</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>registration document</i> , provide the following information in relation to that person:	
	(a)	name;
	(b)	(business address;
	(c)	qualifications; and

	(d)	material interest if any in the <i>issuer</i> .
		If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>registration document</i> with the consent of the person who has authorised the contents of that part of the <i>registration document</i> for the purpose of the <i>prospectus</i> .
Item 1.4		Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
Item 1.5		A statement that:
	(a)	the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b)	the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c)	such approval should not be considered as an endorsement of the <i>issuer</i> that is the subject of this [<i>registration document/prospectus</i>].
SECTION 2		STATUTORY AUDITORS
Item 2.1		Names and addresses of the <i>issuer's</i> auditors for the period covered by the historical financial information (together with their membership in a professional body).
Item 2.2		If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.
SECTION 3		RISK FACTORS
Item 3.1		A description of the material risks that are specific to the <i>issuer</i> and that may affect the <i>issuer's</i> ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.
		In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the probability of their occurrence, must be set out first. The risk factors must be corroborated by the content of the <i>registration document</i> .
SECTION 4		INFORMATION ABOUT THE <i>ISSUER</i>
Item 4.1		History and development of the <i>issuer</i> .

Item 4.1.1	The legal and commercial name of the <i>issuer</i> .	
Item 4.1.2	The place of registration of the <i>issuer</i> , its registration number and legal entity identifier ('LEI').	
Item 4.1.3	The date of incorporation and the length of life of the <i>issuer</i> , except where the period is indefinite.	
Item 4.1.4	The domicile and legal form of the <i>issuer</i> , the legislation under which the <i>issuer</i> operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the <i>issuer</i> , if any, with a disclaimer that the information on the website does not form part of the <i>prospectus</i> unless that information is incorporated by reference into the <i>prospectus</i> .	
Item 4.1.5	Any recent events particular to the <i>issuer</i> and which are to a material extent relevant to an evaluation of the <i>issuer's</i> solvency.	
Item 4.1.6	Credit ratings assigned to the <i>issuer</i> at the request or with the cooperation of the <i>issuer</i> in the rating process.	
SECTION 5	BUSINESS OVERVIEW	
Item 5.1	Principal activities	
Item 5.1.1	A brief description of the <i>issuer's</i> principal activities stating the main categories of products sold and/or services performed.	
Item 5.1.2	The basis for any statements made by the <i>issuer</i> regarding its competitive position.	
SECTION 6	ORGANISATIONAL STRUCTURE	
Item 6.1	If the <i>issuer</i> is part of a group, a brief description of the group and the <i>issuer's</i> position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	
Item 6.2	If the <i>issuer</i> is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	
SECTION 7	TREND INFORMATION	
Item 7.1	A description of:	
	(a)	any material adverse change in the prospects of the <i>issuer</i> since the date of its last published audited financial statements; and

	(b)	any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the <i>registration document</i> .
SECTION 8	PROFIT FORECASTS OR ESTIMATES	
Item 8.1	<p>Where an <i>issuer</i> includes on a voluntary basis a <i>profit forecast</i> or a <i>profit estimate</i>, that <i>profit forecast</i> or estimate must be clear and unambiguous and contain a statement setting out the principal assumptions upon which the <i>issuer</i> has based its forecast or estimate.</p> <p>The forecast or estimate must comply with the following principles:</p>	
	(a)	there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;
	(b)	the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast.
	(c)	in the case of a forecast, the assumptions must draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 8.2	The <i>prospectus</i> must include a statement that the <i>profit forecast</i> or estimate has been compiled and prepared on a basis which is both:	
	(a)	comparable with the historical financial information;
	(b)	consistent with the <i>issuer's</i> accounting policies.
SECTION 9	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
Item 9.1	Names, business addresses and functions within the <i>issuer</i> of the following <i>persons</i> and an indication of the principal activities performed by them outside of that <i>issuer</i> where these are significant with respect to that <i>issuer</i> :	
	(a)	members of the administrative, management or supervisory bodies;
	(b)	partners with unlimited liability, in the case of a limited partnership with a share capital.
Item 9.2	<p>Administrative, management, and supervisory bodies conflicts of interests</p> <p>Potential conflicts of interests of the <i>persons</i> referred to in item 9.1 between any duties to the <i>issuer persons</i> and their private interests and/or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p>	

SECTION 10	MAJOR SHAREHOLDERS
Item 10.1	To the extent known to the <i>issuer</i> , state whether the <i>issuer</i> is directly or indirectly owned or controlled and by whom and describe the nature of such control and the measures in place to ensure that such control is not abused.
Item 10.2	A description of any arrangements, known to the <i>issuer</i> , the operation of which may at a subsequent date result in a change in control of the <i>issuer</i> .
SECTION 11	FINANCIAL INFORMATION CONCERNING THE <i>ISSUER'S</i> ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES
Item 11.1	Historical financial information
Item 11.1.1	Historical financial information covering the latest 2 financial years (at least 24 months) or such shorter period as the <i>issuer</i> has been in operation and the audit report in respect of each year.
Item 11.1.2	Change of accounting reference date
	If the <i>issuer</i> has changed its accounting reference date during the period for which historical financial information is required, the audited historical financial information must cover at least 24 months, or the entire period for which the <i>issuer</i> has been in operation, whichever is shorter.
Item 11.1.3	Accounting standards The financial information must be prepared in accordance with the <i>rules</i> in <i>PRM</i> 4.4.11R to <i>PRM</i> 4.4.16R.
Item 11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:
	(a) the balance sheet;
	(b) the income statement; and
	(c) the accounting policies and explanatory notes.
Item 11.1.5	Consolidated financial statements
	If the <i>issuer</i> prepares both stand-alone and consolidated financial statements, the <i>issuer</i> must include at least the consolidated financial statements in the <i>registration document</i> .
Item 11.1.6	Age of financial information

	The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the <i>registration document</i> .
Item 11.2	Auditing of Historical financial information
Item 11.2.1	The historical annual financial information must be independently audited. The audit report must be prepared in accordance with the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014.
	Where the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014] do not apply, the historical financial information must be audited or reported on as to whether or not, for the purposes of the <i>registration document</i> , it gives a true and fair view in accordance with auditing standards applicable in the United Kingdom or an equivalent standard. Otherwise, the following information must be included in the <i>registration document</i> :
	(a) a prominent statement disclosing which auditing standards have been applied;
	(b) an explanation of any significant departures from International Standards on Auditing.
Item 11.2.1a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers an emphasis of matter, material uncertainty relating to going concern, or any other matters reported on by exception, the reason must be given, and such qualifications, modifications of opinion, disclaimers, emphasis of matter paragraphs, material uncertainty relating to going concerns, or other matters reported on by exception must be reproduced in full.
Item 11.2.2	Indication of other information in the <i>registration document</i> which has been audited by the auditors.
Item 11.2.3	Where financial information in the <i>registration document</i> is not extracted from the <i>issuer's</i> audited financial statements the <i>issuer</i> must state the source of the data and that the data is not audited.
Item 11.3	Legal and arbitration proceedings
Item 11.3.1	Information on any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the <i>issuer</i> is aware, during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the <i>issuer</i> and/or group's financial position or profitability, or provide an appropriate negative statement.
Item 11.4	Significant change in the <i>issuer's</i> financial position

Item 11.4.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	
SECTION 12	MATERIAL CONTRACTS	
Item 12.1	A brief summary of all material contracts that are not entered into in the ordinary course of the <i>issuer's</i> business, which could result in any group member being under an obligation or entitlement that is material to the <i>issuer's</i> ability to meet its obligations to security holders in respect of the securities being issued.	
SECTION 13	DOCUMENTS AVAILABLE	
Item 13.1	A statement that for the term of the <i>registration document</i> the following documents, where applicable, can be inspected:	
	(a)	the up-to-date memorandum and articles of association of the <i>issuer</i> ;
	(b)	all reports, letters, and other documents, valuations and statements prepared by any expert at the <i>issuer's</i> request any part of which is included or referred to in the <i>registration document</i> .
	An indication of the website on which the documents may be inspected.	

Annex 8 Registration document for secondary issuances of non-equity securities

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>registration document</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>registration document</i> that to the best of their knowledge, the information contained in the <i>registration document</i> is in accordance with the facts and that the <i>registration document</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>registration document</i> that, to the best of their knowledge, the information contained in those parts of the <i>registration document</i> for which they are responsible is in accordance with the facts and that those parts of the <i>registration document</i> make no omission likely to affect their import.	

Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>registration document</i> , provide the following details for that person:	
	(a)	name;
	(b)	business address;
	(c)	qualifications; and
	(d)	material interest if any in the <i>issuer</i> .
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>registration document</i> with the consent of the person who has authorised the contents of that part of the <i>registration document</i> for the purpose of the <i>prospectus</i> .	
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	
Item 1.5	A statement that:	
	(a)	the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b)	the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c)	such approval must not be considered as an endorsement of the <i>issuer</i> that it the subject of this [<i>registration document/prospectus</i>]; and
	(d)	the [<i>registration document/prospectus</i>] has been drawn up as part of a simplified <i>prospectus</i> in accordance with the <i>rules</i> in <i>PRM</i> 7.
SECTION 2	STATUTORY AUDITORS	
Item 2.1	Names of the <i>issuer's</i> auditors for the period covered by the historical financial information (together with their membership in a professional body).	
SECTION 3	RISK FACTORS	
Item 3.1	A description of the material risks that, are specific to the <i>issuer</i> and that may affect the <i>issuer's</i> ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.	

	In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the probability of their occurrence, must be set out first. The risk factors must be corroborated by the content of the <i>registration document</i> .
SECTION 4	INFORMATION ABOUT THE <i>ISSUER</i>
Item 4.1	The legal and commercial name of the <i>issuer</i> .
Item 4.2	The domicile and legal form of the <i>issuer</i> , legal entity identifier ('LEI'), the legislation under which the <i>issuer</i> operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the <i>issuer</i> , if any, with a disclaimer that the information on the website does not form part of the <i>prospectus</i> unless that information is incorporated by reference into the <i>prospectus</i> .
SECTION 5	BUSINESS OVERVIEW
Item 5.1	A brief description of the <i>issuer's</i> principal activities stating the main categories of products sold and/or services performed.
SECTION 6	TREND INFORMATION
Item 6.1	A description of:
	(a) any material adverse change in the prospects of the <i>issuer</i> since the date of its last published audited financial statements;
	(b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the <i>registration document</i> .
	If neither of points (a) or (b) are applicable, then the <i>issuer</i> should include an appropriate negative statement.
Item 6.2 (Retail only)	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the <i>issuer's</i> prospects for at least the current financial year.
SECTION 7	<i>PROFIT FORECASTS</i> OR ESTIMATES
Item 7.1	Where an <i>issuer</i> includes on a voluntary basis a <i>profit forecast</i> or a <i>profit estimate</i> , which is still outstanding and valid, that forecast or estimate included in the <i>registration document</i> must contain the information set out in items 7.2 and 7.3. If a <i>profit forecast</i> or <i>profit estimate</i> has been published and is still outstanding, but no longer valid, then an <i>issuer</i> must provide a statement to that effect and an explanation of why such <i>profit forecast</i> or

	estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 7.2 to 7.3.	
Item 7.2	Where an <i>issuer</i> chooses to include a new <i>profit forecast</i> or a new <i>profit estimate</i> , or where the <i>issuer</i> includes a previously published <i>profit forecast</i> or a previously published <i>profit estimate</i> pursuant to item 7.1, the <i>profit forecast</i> or estimate must be clear and unambiguous and must contain a statement setting out the principal assumptions upon which the <i>issuer</i> has based its forecast, or estimate.	
	The forecast or estimate must comply with the following principles:	
	(a)	there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;
	(b)	the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; and
	(c)	in the case of a forecast, the assumptions must draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 7.3	The <i>prospectus</i> must include a statement that the <i>profit forecast</i> or estimate has been compiled and prepared on a basis which is both:	
	(a)	comparable with the historical financial information; and
	(b)	consistent with the <i>issuer's</i> accounting policies.
SECTION 8	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
Item 8.1	Names, business addresses and functions within the <i>issuer</i> of the following <i>persons</i> and an indication of the principal activities performed by them outside of that <i>issuer</i> where these are significant with respect to that <i>issuer</i> :	
	(a)	members of the administrative, management or supervisory bodies; and
	(b)	partners with unlimited liability, in the case of a limited partnership with a share capital.
Item 8.2	Potential conflicts of interest of the <i>persons</i> referred to in item 8.1 between any duties carried out on behalf of the <i>issuer persons</i> and their private interests or other duties must be clearly stated. In the event that there are no such conflicts a statement to that effect must be made.	

SECTION 9	MAJOR SHAREHOLDERS
Item 9.1	To the extent known to the <i>issuer</i> , state whether the <i>issuer</i> is directly or indirectly owned or controlled and by whom and describe the nature of such control and the measures in place to ensure that such control is not abused.
Item 9.2	A description of any arrangements, known to the <i>issuer</i> , the operation of which may at a subsequent date result in a change in control of the <i>issuer</i> .
SECTION 10	FINANCIAL INFORMATION CONCERNING THE <i>ISSUER'S</i> ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES
Item 10.1	Financial statements
	Financial statements, annual and half-yearly, required to be published covering the period of 12 months prior to the approval of the <i>prospectus</i> .
	Where both annual and half-yearly financial statements have been published, only the annual statements shall be required where they postdate the half-yearly financial statements.
Item 10.2	Auditing of annual financial information
Item 10.2.1	Audit report The audit report must be prepared in accordance with <i>PRM 4.4.11R</i> to <i>PRM 4.4.16R</i> .
Item 10.2.1a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers an emphasis of matter, material uncertainty relating to going concern, or any other matters reported on by exception, the reason must be given, and such qualifications, modifications of opinion, disclaimers, emphasis of matter paragraphs, material uncertainty relating to going concerns, or other matters reported on by exception must be reproduced in full.
Item 10.2.2	Indication of other information in the <i>registration document</i> which has been audited by the auditors.
Item 10.2.3	Where financial information in the <i>registration document</i> is not extracted from the <i>issuer's</i> audited financial statements, the <i>issuer</i> must state the source of the data and identify the data that has not been audited.
Item 10.3	Legal and arbitration proceedings
	Information on any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the <i>issuer</i> is aware, during a period covering at least the previous 12 months which may

	have, or have had in the recent past significant effects on the <i>issuer</i> and/or group's financial position or profitability, or provide an appropriate negative statement.
Item 10.4	Significant change in the <i>issuer's</i> financial position
	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.
SECTION 11	REGULATORY DISCLOSURES
Item 11.1	A summary of the information disclosed under the <i>Market Abuse Regulation</i> over the last 12 months which is relevant as at the date of the <i>prospectus</i> . The summary must be presented in an easily analysable, concise and comprehensible form and must not be a replication of information already published under the <i>Market Abuse Regulation</i> .
	The summary must be presented in a limited number of categories depending on their subject.
SECTION 12	MATERIAL CONTRACTS
Item 12.1	A brief summary of all material contracts that are not entered into in the ordinary course of the <i>issuer's</i> business, which could result in any group member being under an obligation or an entitlement that is material to the <i>issuer's</i> ability to meet its obligations to security holders in respect of the securities being issued.
SECTION 13	DOCUMENTS AVAILABLE
Item 13.1	A statement that for the term of the <i>registration document</i> the following documents, where applicable, can be inspected:
	(a) the up-to-date memorandum and articles of association of the <i>issuer</i> ; and
	(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the <i>issuer's</i> request any part of which is included or referred to in the <i>registration document</i> .
	An indication of the website on which the documents can be inspected.

Annex 9

Registration document for Asset-Backed Securities

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL
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Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>registration document</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>registration document</i> that to the best of their knowledge, the information contained in the <i>registration document</i> is in accordance with the facts and that the <i>registration document</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>registration document</i> that, to the best of their knowledge, the information contained in those parts of the <i>registration document</i> for which they are responsible is in accordance with the facts and that those parts of the <i>registration document</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>registration document</i> , provide the following details for that person:	
	(a)	name;
	(b)	business address;
	(c)	qualifications;
	(d)	material interest if any in the <i>issuer</i> .
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>registration document</i> with the consent of the person who has authorised the contents of that part of the <i>registration document</i> for the purpose of the <i>prospectus</i> .	
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the <i>issuer</i> must identify the source(s) of the information.	
Item 1.5	A statement that:	
	(a)	the [<i>registration document/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b)	the <i>FCA</i> only approves this [<i>registration document/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;

	(c)	such approval should not be considered as an endorsement of the <i>issuer</i> that is the subject of this [<i>registration document/prospectus</i>].
SECTION 2	STATUTORY AUDITORS	
Item 2.1	Names and addresses of the <i>issuer's</i> auditors for the period covered by the historical financial information (together with any membership in a professional body).	
SECTION 3	RISK FACTORS	
Item 3.1	A description of the material risks that are specific to the <i>issuer</i> in a limited number of categories, in a section headed 'Risk Factors'.	
	In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the probability of their occurrence, must be set out first. The risk factors must be corroborated by the content of the <i>registration document</i> .	
SECTION 4	INFORMATION ABOUT THE <i>ISSUER</i>	
Item 4.1	A statement whether the <i>issuer</i> has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.	
Item 4.2	The legal and commercial name of the <i>issuer</i> and the legal entity identifier ('LEI').	
Item 4.3	The place of registration of the <i>issuer</i> and its registration number.	
Item 4.4	The date of incorporation and the length of life of the <i>issuer</i> , except where the period is indefinite.	
Item 4.5	The domicile and legal form of the <i>issuer</i> , the legislation under which the <i>issuer</i> operates, its country of incorporation, the address and telephone number of its registered office (or principal place of business if different from its registered office) and website of the <i>issuer</i> , if any, or website of a third party or guarantor, with a disclaimer that the information on the website does not form part of the <i>prospectus</i> unless that information is incorporated by reference into the <i>prospectus</i> .	
Item 4.6	Description of the amount of the <i>issuer's</i> authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities of which it is composed.	
SECTION 5	BUSINESS OVERVIEW	
Item 5.1	A brief description of the <i>issuer's</i> principal activities.	

SECTION 6	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	
Item 6.1	Names, business addresses and functions within the <i>issuer</i> of the following <i>persons</i> , and an indication of the principal activities performed by them outside of that <i>issuer</i> where these are significant with respect to that <i>issuer</i> :	
	(a)	members of the administrative, management or supervisory bodies;
	(b)	partners with unlimited liability, in the case of a limited partnership with a share capital.
SECTION 7	MAJOR SHAREHOLDERS	
Item 7.1	To the extent known to the <i>issuer</i> , state whether the <i>issuer</i> is directly or indirectly owned or controlled and by whom, and describe the nature of such control and the measures in place to ensure that such control is not abused.	
SECTION 8	FINANCIAL INFORMATION CONCERNING THE <i>ISSUER'S</i> ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES	
Item 8.1	Where, since the date of incorporation or establishment, an <i>issuer</i> has not commenced operations and no financial statements have been drawn up as at the date of the <i>registration document</i> , a statement to that effect must be provided in the <i>registration document</i> .	
Item 8.2	Historical Financial Information	
	Where, since the date of incorporation or establishment, an <i>issuer</i> has commenced operations and financial statements have been drawn up, the <i>registration document</i> must contain audited historical financial information covering the latest two financial years (at least 24 months or such shorter period as the <i>issuer</i> has been in operation) and the audit report in respect of each year.	
Item 8.2.1	Change of accounting reference date	
	If the <i>issuer</i> has changed its accounting reference date during the period for which historical financial information is required, the historical financial information must cover at least 24 months, or the entire period for which the <i>issuer</i> has been in operation, whichever is the shorter.	
Item 8.2.2	Accounting standards	
	The financial information must be prepared in accordance with the <i>rules</i> in <i>PRM</i> 4.4.11R to <i>PRM</i> 4.4.16R.	
Item 8.2.3	Change of accounting framework	
	The last year's historical financial information, containing comparative information for the previous year, must be presented and prepared in a form	

	consistent with the accounting standards framework that will be adopted in the <i>issuer's</i> next annual published financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.	
	Changes within the <i>issuer's</i> existing accounting framework do not require the audited financial statements to be restated. However, if the <i>issuer</i> intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements, as defined by IAS 1 Presentation of Financial Statements as set out in the UK- adopted international accounting standards, including comparatives, must be presented in a form consistent with that which will be adopted in the <i>issuer's</i> next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	
Item 8.2.4	Where the audited financial information is prepared according to national accounting standards, financial information required under this heading must include at least the following:	
	(a)	the balance sheet;
	(b)	the income statement; and
	(c)	the accounting policies and explanatory notes.
	The disclosure requirements in items 8.2.5, 8.2.6, 8.2.7 and 8.2.8 may be used only for issues of <i>asset-backed securities</i> having a denomination per unit of at least £50000 or which are to be traded only on a <i>regulated market</i> , and/or a specific section thereof, to which only <i>qualified investors</i> have access for the purpose of trading in the securities.	
Item 8.2.5	50 Historical financial information	
	Where, since the date of incorporation or establishment, an <i>issuer</i> has commenced operations and financial statements have been drawn up, the <i>registration document</i> must contain historical financial information covering the latest two financial years (at least 24 month or such shorter period as the <i>issuer</i> has been in operation) and the audit report in respect of each year.	
Item 8.2.6	Accounting standards The financial information must be prepared in accordance with the rules in <i>PRM 4.4.11R</i> to <i>PRM 4.4.16R</i> .	
Item 8.2.7	Where the audited financial information is prepared according to national accounting standards, it must include at least the following:	
	(a)	the balance sheet;

	(b)	the income statement; and
	(c)	the accounting policies and explanatory notes.
Item 8.2.8	Audit report	
	The historical annual financial information must be independently audited. The audit report must be prepared in accordance with the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014.	
	Where the UK law which implemented Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the historical financial information must be audited or reported on as to whether or not, for the purposes of the <i>registration document</i> , it gives a true and fair view in accordance with auditing standards applicable in the United Kingdom or an equivalent standard. Otherwise, the following information must be included in the <i>registration document</i> :	
	(a)	a prominent statement disclosing which auditing standards have been applied;
	(b)	an explanation of any significant departures from International Standards on Auditing.
Item 8.2.9	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers an emphasis of matter, material uncertainty relating to going concern, or any other matters reported on by exception, the reason must be given, and such qualifications, modifications of opinion, disclaimers, emphasis of matter paragraphs, material uncertainty relating to going concerns, or other matters reported on by exception must be reproduced in full.	
Item 8.3	Legal and arbitration proceedings	
	Information on any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the company is aware, during a period covering at least the previous 12 months, which may have, or have had in the recent past, significant effects on the <i>issuer</i> and/or group's financial position or profitability. If the <i>issuer</i> is not aware of any such proceedings they must provide an appropriate negative statement.	
Item 8.4	Material adverse change in the <i>issuer's</i> financial position	
	Where an <i>issuer</i> has prepared financial statements, include a statement that there has been no material adverse change in the financial position or prospects of the <i>issuer</i> since the date of its last published audited financial statements. Where a material adverse change has occurred, this must be disclosed in the <i>registration document</i> .	
SECTION 9	DOCUMENTS AVAILABLE	

Item 9.1	A statement that for the term of the <i>registration document</i> the following documents, where applicable, may be inspected:	
	(a)	the memorandum and up to date articles of association of the <i>issuer</i> ; and
	(b)	all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the <i>issuer's</i> request any part of which is included or referred to in the <i>registration document</i> .
	An indication of the website on which the documents can be inspected.	

Annex 11 Securities note for Equity Securities or Units Issued by Collective Investment Undertakings of the Closed-End Type

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>securities note</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>securities note</i> that to the best of their knowledge, the information contained in the <i>securities note</i> is in accordance with the facts and that the <i>securities note</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>securities note</i> that, to the best of their knowledge, the information contained in those parts of the <i>securities note</i> for which they are responsible is in accordance with the facts and that those parts of the <i>securities note</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report attributed to a person as an expert, is included in the <i>securities note</i> , provide the following in relation to that person:	
	(a)	name;
	(b)	business address;
	(c)	qualifications; and
	(d)	material interest, if any, in the <i>issuer</i> .
	If the statement or report has been produced at the <i>issuer's</i> request, state that	

	such statement or report has been included in the <i>securities note</i> with the consent of the person who has authorised the contents of that part of the <i>securities note</i> for the purpose of the <i>prospectus</i> .
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information
Item 1.5	A statement that:
	(a) this [<i>securities note/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b) the <i>FCA</i> only approves this [<i>securities note/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;
	(c) such approval should not be considered as an endorsement of the quality of the securities that are the subject of this [<i>securities note/prospectus</i>]; and
	(d) investors should make their own assessment as to the suitability of investing in the securities.
SECTION 2	RISK FACTORS
Item 2.1	A description of the material risks that are specific to the securities admitted to trading in a limited number of categories, in a section headed ‘Risk Factors’.
	In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the securities and the probability of their occurrence, must be set out first. The risks must be corroborated by the content of the <i>securities note</i> .
SECTION 3	ESSENTIAL INFORMATION
Item 3.1	Working capital statement
	Statement by the <i>issuer</i> that, in its opinion, the working capital is sufficient for the <i>issuer</i> ’s present requirements or, if not, how it proposes to provide the additional working capital needed.
Item 3.2	Capitalisation and indebtedness
	A statement of capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. The term

	‘indebtedness’ also includes indirect and contingent indebtedness.		
	In the case of material changes in the capitalisation and indebtedness position of the <i>issuer</i> within the 90-day period, additional information must be given through the presentation of a narrative description of such changes or through the updating of those figures.		
Item 3.3	Interest of natural and legal <i>persons</i> involved in the issue/offer		
	A description of any interest, including a conflict of interest that is material to the issue, detailing the <i>persons</i> involved and the nature of the interest.		
Item 3.4	Reasons for the offer and use of proceeds		
	Reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented in order of priority of such uses. If the <i>issuer</i> is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then state the amount and sources of other funds needed. Details must be also given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.		
SECTION 4	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING		
Item 4.1	A description of the type and the class of the securities admitted to trading, including the international security identification number (‘ISIN’).		
Item 4.2	Legislation under which the securities have been created.		
Item 4.3	An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.		
Item 4.4	Currency of the securities issue.		
Item 4.5	A description of the rights attached to the securities, including any limitations of those rights and procedure for the exercise of those rights:		
	(a)	dividend rights:	
		(i)	fixed date(s) on which entitlement arises;
		(ii)	time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates;
		(iii)	dividend restrictions and procedures for non-resident holders; and
		(iv)	rate of dividend or method of its calculation, periodicity and

		cumulative or non-cumulative nature of payments;
	(b)	voting rights;
	(c)	pre-emption rights in offers for subscription of securities of the same class;
	(d)	right to share in the <i>issuer's</i> profits;
	(e)	rights to share in any surplus in the event of liquidation;
	(f)	redemption provisions; and
	(g)	conversion provisions.
Item 4.6	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.	
Item 4.7	In the case of new issues, the expected issue date of the securities.	
Item 4.8	A description of any restrictions on the transferability of the securities.	
Item 4.9	Statement on the existence of any national legislation on takeovers applicable to the <i>issuer</i> which may frustrate such takeovers if any. A brief description of the shareholders' rights and obligations in case of mandatory takeover bids and/or squeeze-out or sell-out rules in relation to the securities.	
Item 4.10	An indication of public takeover bids by third parties in respect of the <i>issuer's</i> equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.	
Item 4.11	A warning that the tax legislation of the investor's home country and of the <i>issuer's</i> country of incorporation may have an impact on the income received from the securities.	
	Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.	
Item 4.12	Where applicable, the potential impact on the investment in the event of resolution under the UK law which implemented Directive 2014/59/EU of the European Parliament and of the Council.	
Item 4.13	If different from the <i>issuer</i> , the identity and contact details of the offeror of the securities and/or the person asking for <i>admission to trading</i> , including the legal entity identifier ('LEI') where the offeror has legal personality.	
SECTION 5	[Deleted]	

SECTION 6	ADMISSION TO TRADING AND DEALING ARRANGEMENTS
Item 6.1	An indication as to whether the securities offered are or will be the object of an application for <i>admission to trading</i> , with a view to their distribution in a <i>regulated market</i> or overseas market, <i>SME growth market</i> with an indication of the markets in question. This circumstance must be set out, without creating the impression that the <i>admission to trading</i> will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.
Item 6.2	All the <i>regulated markets</i> , overseas markets, <i>SME growth market</i> on which, to the knowledge of the <i>issuer</i> , securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.
Item 6.3	If simultaneously or almost simultaneously with the application for the <i>admission to trading</i> of the securities to a <i>regulated market</i> , securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number, characteristics and price of the securities to which they relate.
Item 6.4	In case of an <i>admission to trading</i> on a <i>regulated market</i> , details of the entities which have given a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and a description of the main terms of their commitment.
Item 6.5	Details of any stabilisation in line with items 6.5.1 to 6.6 in case of an <i>admission to trading</i> on a <i>regulated market</i> , overseas market, <i>SME growth market</i> , where an <i>issuer</i> or a selling shareholder has granted an over-allotment option or it is otherwise proposed that price stabilising activities may be entered into in connection with an offer.
Item 6.5.1	The fact that stabilisation may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time;
Item 6.5.1.1	The fact that stabilisation transactions aim at supporting the market price of the securities during the stabilisation period;
Item 6.5.2	The beginning and the end of the period during which stabilisation may occur;
Item 6.5.3	The identity of the stabilisation manager for each relevant jurisdiction unless this is not known at the time of publication
Item 6.5.4	The fact that stabilisation transactions may result in a market price that is higher than would otherwise prevail;
Item 6.5.5	The place where the stabilisation may be undertaken including, where relevant, the name of the trading venue(s).
Item 6.6	Over-allotment and ‘green shoe’:

	In case of an <i>admission to trading</i> on a <i>regulated market</i> or <i>SME growth market</i> :	
	(a)	the existence and size of any over-allotment facility and/or ‘green shoe’;
	(b)	the existence period of the over-allotment facility and/or ‘green shoe’; and
	(c)	any conditions for the use of the over-allotment facility or exercise of the ‘green shoe’.
SECTION 7	SELLING SECURITIES HOLDERS	
Item 7.1	Name and business address of the person or entity offering to sell the securities, the nature of any position office or other material relationship that the selling <i>persons</i> has had within the past three years with the <i>issuer</i> or any of its predecessors or affiliates.	
Item 7.2	The number and class of securities being offered by each of the selling security holders.	
Item 7.3	Where a major shareholder is selling the securities, the size of its shareholding both before and immediately after the issuance.	
Item 7.4	In relation to lock-up agreements, provide details of the following:	
	(a)	the parties involved;
	(b)	the content and exceptions of the agreement; and
	(c)	an indication of the period of the lock up.
SECTION 8	EXPENSE OF THE ISSUE	
Item 8.1	The total net proceeds and an estimate of the total expenses of the issue.	
SECTION 9	DILUTION	
Item 9.1	A comparison of:	
	(a)	participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumption that existing shareholders do not subscribe for the new shares; and
	(b)	the net asset value per share as of the date of the latest balance sheet before the public offer (selling offer and/or capital increase) and the offering price per share within that public offer.
Item 9.2	Where existing shareholders will be diluted regardless of whether they	

	subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (e.g. an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience must also be presented on the basis that they do take up their entitlement, in addition to the situation in item 9.1 where they do not.
SECTION 10	ADDITIONAL INFORMATION
Item 10.1	If advisors connected with an issue are referred to in the securities note, a statement of the capacity in which the advisors have acted.
Item 10.2	An indication of other information in the <i>securities note</i> which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the <i>FCA</i> , a <i>summary</i> of the report.

Annex 12 Securities note for Secondary Issuances of Equity Securities or of Units Issued By Collective Investment Undertakings of the Closed-End Type

SECTION 1	<i>PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL</i>	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>securities note</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>securities note</i> that to the best of their knowledge, the information contained in the <i>securities note</i> is in accordance with the facts and that the <i>securities note</i> makes no omission likely to affect its import.	
	Where applicable, a declaration by those responsible for certain parts of the <i>securities note</i> that, to the best of their knowledge, the information contained in those parts of the <i>securities note</i> for which they are responsible is in accordance with the facts and that those parts of the <i>securities note</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>securities note</i> , provide the following details for that person:	
	(a)	name;
	(b)	business address;
	(c)	qualifications;

	(d)	material interest if any in the <i>issuer</i> .
		If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>securities note</i> with the consent of the person who has authorised the contents of that part of the <i>securities note</i> for the purpose of the <i>prospectus</i> .
Item 1.4		Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
Item 1.5		A statement that:
	(a)	this [<i>securities note/prospectus</i>] has been approved by the <i>FCA</i> ;
	(b)	the <i>FCA</i> only approves this [<i>securities note/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in <i>PRM</i> ;
	(c)	such approval should not be considered as an endorsement of the quality of the securities that are the subject of this [<i>securities note/prospectus</i>];
	(d)	investors should make their own assessment as to the suitability of investing in the securities; and
	(e)	the [<i>securities note/prospectus</i>] has been drawn up as part of a simplified <i>prospectus</i> in accordance with <i>PRM 7</i> .
SECTION 2		RISK FACTORS
Item 2.1		A description of the material risks that are specific to the securities being admitted to trading, in a limited number of categories, in a section headed 'Risk Factors'.
		In each category the most material risks, in the assessment of the <i>issuer</i> or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the securities and the probability of their occurrence, must be set out first. The risks must be corroborated by the content of the <i>securities note</i> .
SECTION 3		ESSENTIAL INFORMATION
Item 3.1		Interest of natural and legal <i>persons</i> involved in the issue.
		A description of any interest, including a conflict of interest that is material to the issue, detailing the <i>persons</i> involved and the nature of the interest.
Item 3.2		Reasons for the issue and use-of-proceeds

	Reasons for the issue and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented in order of priority of such uses. If the <i>issuer</i> is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then the <i>issuer</i> must state the amount and sources of other funds needed. Details must also be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.
Item 3.3	Working capital statement
	Statement by the <i>issuer</i> that, in its opinion, the working capital is sufficient for the <i>issuer's</i> present requirements or, if not, how it proposes to provide the additional working capital needed.
Item 3.4	Capitalisation and indebtedness
	A statement of capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. The term 'indebtedness' also includes indirect and contingent indebtedness.
	In the case of material changes in the capitalisation and indebtedness position of the <i>issuer</i> within the 90-day period additional information must be given through the presentation of a narrative description of such changes or through the updating of those figures.
SECTION 4	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING
Item 4.1	A description of the type, class and amount of the securities being admitted to trading, including the international security identification number ('ISIN').
Item 4.2	Currency of the securities issue.
Item 4.3	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.
Item 4.4	A description of any restrictions on the transferability of the securities.
Item 4.5	A warning that the tax legislation of the investor's home country and of the <i>issuer's</i> country of incorporation may have an impact on the income received from the securities.
	Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.
Item 4.6	If different from the <i>issuer</i> , the identity and contact details of the securities and/or the person asking for <i>admission to trading</i> including the legal entity

	identifier ('LEI').
Item 4.7	A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights:
	(a) dividend rights:
	(i) fixed date(s) on which the entitlement arises;
	(ii) time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates;
	(iii) dividend restrictions and procedures for non-resident holders;
	(iv) rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments;
	(b) voting rights;
	(c) pre-emption rights in offers for subscription of securities of the same class;
	(d) right to share in the <i>issuer's</i> profits;
	(e) rights to share in any surplus in the event of liquidation;
	(f) redemption provisions; and
	(g) conversion provisions.
Item 4.8	Statement on the existence of national legislation on takeovers applicable to the <i>issuer</i> which may frustrate such takeovers, if any.
Item 4.9	An indication of public takeover bids by third parties in respect of the <i>issuer's</i> equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.
SECTION 5	TERMS AND CONDITIONS OF THE ISSUE
Item 5.1	Conditions, offer statistics, expected timetable and action required to apply for the issue.
Item 5.1.1	Conditions to which the issue is subject.
Item 5.1.2	The time period, including any possible amendments, during which the issue will be open and a description of the application process together with the issue date of new securities.
Item 5.1.3	A description of any possibility to reduce subscriptions and the manner for refunding amounts paid in excess by applicants.

Item 5.1.4	Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).	
Item 5.1.5	Method and time limits for paying up the securities and for delivery of the securities.	
Item 5.1.6	A full description of the manner and date in which results of the issue are to be made public.	
Item 5.1.7	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	
Item 5.1.8	Total amount of the issue, distinguishing the securities offered for sale and those offered for subscription; if the amount is not fixed, an indication of the amount of securities to be offered, if available, and a description of the arrangements and time for announcing to the public through a <i>primary information provider</i> the definitive amount of the issue.	
	Where the maximum amount of securities to be offered cannot be provided in the <i>securities note</i> , the <i>securities note</i> must specify that acceptances of the purchase of subscription of securities may be withdrawn up to 2 working days after the amount of securities to be admitted to trading has been filed.	
Item 5.1.9	An indication of when, and under which circumstances, the issue may be revoked or suspended and whether revocation can occur after dealing has begun.	
Item 5.1.10	An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.	
Item 5.2	Plan of distribution and allotment	
Item 5.2.1.	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.	
Item 5.2.2	To the extent known to the <i>issuer</i> , an indication of whether major shareholders or members of the <i>issuer's</i> management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the issue.	
Item 5.3	Pricing	
Item 5.3.1	An indication of the price at which the securities will be admitted to trading and the amount of any expenses and taxes charged to the subscriber or purchaser.	
	If the price is not known, then pursuant to <i>PRM 2.4</i> indicate either:	
	(a)	the maximum price of securities, as far as they are available; or
	(b)	the valuation methods and criteria, and/or conditions, in accordance with which the final issue price is to be determined and an explanation of any

	valuation methods used.
	Where neither (a) nor (b) can be provided in the <i>securities note</i> , the <i>securities note</i> must specify that acceptances of the purchase or subscription of securities may be withdrawn up to two working days after the final offer price of securities to be offered to the public has been filed.
Item 5.3.2	Process for the disclosure of the issue price.
Item 5.3.3	If the <i>issuer's</i> equity holders have pre-emptive purchase rights and this right is restricted or withdrawn, an indication of the basis for the issue price if the issue is for cash, together with the reasons for and beneficiaries of such restriction or withdrawal.
Item 5.4	Placing and underwriting
Item 5.4.1	Name and address of the coordinator(s) of the global issue and of single parts of the issue and, to the extent known to the <i>issuer</i> , the placers in the various countries where the issue takes place.
Item 5.4.2	Name and address of any paying agents and depository agents in each country.
Item 5.4.3	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.
Item 5.4.4	When the underwriting agreement has been or will be reached.
SECTION 6	ADMISSION TO TRADING AND DEALING ARRANGEMENTS
Item 6.1	An indication of which <i>regulated market</i> , other equivalent markets overseas or an <i>SME growth market</i> the securities will be admitted to trading. This circumstance must be set out, without creating the impression that the <i>admission to trading</i> will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.
Item 6.2	All the <i>regulated markets</i> equivalent markets overseas or <i>SME growth markets</i> on which, to the knowledge of the <i>issuer</i> , securities of the same class of the securities to be offered or <i>admitted to trading</i> are already <i>admitted to trading</i> .
Item 6.3	If simultaneously or almost simultaneously with the application for <i>admission to trading</i> of the securities to a <i>regulated market</i> , securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number, characteristics and price of the securities to which they relate.
Item 6.4	Details of the entities which have given a firm commitment to act as

	intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.
SECTION 7	SELLING SECURITIES HOLDERS
Item 7.1	Lock-up agreements In relation to lock up agreements, provide details of the following:
	(a) the parties involved;
	(b) content and exceptions of the agreement; and
	(c) an indication of the period of the lock up.
SECTION 8	EXPENSE OF THE ISSUE
Item 8.1	The total net proceeds and an estimate of the total expenses of the issue.
SECTION 9	DILUTION
Item 9.1	A comparison of
	(a) participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from tissue, with the assumption that existing shareholders do not subscribe for the new shares; and
	(b) the net asset value per share as of the date of the latest balance sheet before the issue (selling offer and/or capital increase) and the offering price per share within that issue.
Item 9.2	Where existing shareholders will be diluted regardless of whether they subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (eg, an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience should also be presented on the basis that they do take up their entitlement (in addition to the situation where they do not).
SECTION 10	ADDITIONAL INFORMATION
Item 10.1	If advisors connected with an issue are referred to in the <i>securities note</i> , a statement of the capacity in which the advisors have acted.
Item 10.2	An indication of other information in the <i>securities note</i> which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the FCA, a summary of the report.

Annex 13 Securities note for Depository Receipts Issued Over Shares

SECTION 1	ESSENTIAL INFORMATION	Primary Issuance	Secondary Issuances
Item 1.1	<p>Working Capital Statement</p> <p>Statement by the <i>issuer</i> of the underlying securities that, in its opinion, the working capital is sufficient for the <i>issuer</i> of the underlying securities' present requirements or, if not, how it proposes to provide the additional working capital needed.</p>	√	√
Item 1.2	<p>Capitalisation and indebtedness</p> <p>A statement of capitalisation and indebtedness of the <i>issuer</i> of the underlying securities (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the <i>securities note</i>. The term 'indebtedness' also includes indirect and contingent indebtedness.</p>	√	√
	<p>In the case of material changes in the capitalisation and indebtedness position of the <i>issuer</i> within the 90 day period additional information must be given through the presentation of a narrative description of such changes or through the</p>		

	updating of those figures.		
Item 1.3	A description of the type and the class of the underlying shares including the international security identification number ('ISIN')	√	√
Item 1.4	Legislation under which the securities have been created.	√	√
Item 1.5	An indication whether the underlying shares are in registered form or bearer form and whether the underlying shares are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.	√	√
Item 1.6	Currency of the underlying shares.	√	√
Item 1.7	A description of the rights, including any limitations of these, attached to the underlying shares and procedure for the exercise of those rights.	√	√
Item 1.8	Dividend rights:	√	√
	(a) fixed date(s) on which the entitlement arises;		
	(b) time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates;		
	(c) dividend		

		restrictions and procedures for non-resident holders;		
	(d)	rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.		
Item 1.9	Voting rights.		√	√
	Pre-emption rights in offers for subscription of securities of the same class.			
	Right to share in the <i>issuer's</i> profits.			
	Rights to share in any surplus in the event of liquidation.			
	Redemption provisions.			
	Conversion provisions.			
Item 1.10	The issue date of the underlying shares if new underlying shares are being created for the issue of depository receipts and they are not in existence at the time of issue of the depository receipts.		√	√
Item 1.11	If new underlying shares are being created for the issue of the depository receipts, the <i>issuer</i> must state the resolutions, authorisations and approvals by virtue of which the new underlying shares have been or will be created or issued.		√	√
Item 1.12	A description of any		√	√

	restrictions on the transferability of the underlying shares.			
Item 1.13	A warning that the tax legislation of the investor's home country and of the <i>issuer's</i> country of incorporation may have an impact on the income received from the securities.		√	√
	Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.			
Item 1.14	(a)	Statement on the existence of any national legislation on takeovers applicable to the <i>issuer</i> which may frustrate such takeovers, if any.	√	√
	(b)	A brief description of the shareholders' rights and obligations in case of mandatory takeover bids and/or squeeze-out or sell-out rules in relation to the securities	√	
Item 1.15	An indication of public takeover bids by third parties in respect of the <i>issuer's</i> equity, which have occurred during the last financial year and the current financial year.		√	√

	The price or exchange terms attaching to such offers and the outcome thereof must be stated.			
Item 1.16	Where applicable, the potential impact on the investment in the event of resolution under the UK law which implemented the Directive 2014/59/EU.		√	
Item 1.17	Lock-up agreements		√	√
	(a)	The parties involved.		
	(b)	Content and exceptions of the agreement.		
	(c)	An indication of the period of the lock up.		
Item 1.18	Information about selling shareholders if any.		√	√
Item 1.18.1	Name and business address of the person or entity offering to sell the underlying shares, the nature of any position office or other material relationship that the selling <i>persons</i> has had within the past three years with the <i>issuer</i> or any of its predecessors or affiliates.		√	√
Item 1.19	Dilution			
Item 1.19.1	A comparison of:		√	√
	(a)	participation in share capital and voting rights for existing		

	shareholders before and after the capital increase resulting from the issue, with the assumption that existing shareholders do not subscribe for the new shares; and		
	(b) the net asset value per share as of the date of the latest balance sheet before the issue (selling offer and/or capital increase) and the offering price per share within that public offer.		
Item 1.19.2	Where existing shareholders will be diluted regardless of whether they subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (e.g. an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience must also be presented on the basis that they do take up their entitlement (in addition to the situation in 1.19.1 where they do not).	√	√
Item 1.20	Additional information where there is a simultaneous or almost simultaneous <i>admission to trading</i> of the same class of underlying shares	√	√

	as those underlying shares over which the depository receipts are being issued.		
Item 1.20.1	If simultaneously or almost simultaneously with the creation of the depository receipts for which <i>admission to trading</i> to a <i>regulated market</i> is being sought underlying shares of the same class as those over which the depository receipts are being issued are subscribed for or placed privately, details are to be given of the nature of such operations and of the number and characteristics of the underlying shares to which they relate.	√	√
Item 1.20.2	Disclose all <i>regulated markets</i> or equivalent markets on which, to the knowledge of the <i>issuer</i> of the depository receipts, underlying shares of the same class as those over which the depository receipts are being issued are offered or admitted to trading.	√	√
Item 1.20.3	To the extent known to the <i>issuer</i> of the depository receipts, the <i>issuer</i> must indicate whether major shareholders, members of the administrative, management or supervisory bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.	√	√

SECTION 2	INFORMATION ABOUT THE DEPOSITORY RECEIPTS	Primary Issuance	Secondary Issuances
Item 2.1	Indicate the number of shares represented by each depository receipts	√	√
Item 2.2	A description of the type and class of depository receipts admitted to trading.	√	√
Item 2.3	Legislation under which the depository receipts have been created.	√	√
Item 2.4	An indication whether the depository receipts are in registered or bearer form and whether the depository receipts are in certificated or book-entry form. In the latter case, the <i>issuer</i> must include the name and address of the entity in charge of keeping the records.	√	√
Item 2.5	Currency of the depository receipts	√	√
Item 2.6	The <i>issuer</i> must describe the rights attaching to the depository receipts, including any limitations of these attached to the depository receipts and the procedure if any for the exercise of these rights.	√	√
Item 2.7	If the dividend rights attaching to depository receipts are different from the dividend rights disclosed in relation to the underlying shares, the <i>issuer</i> must disclose the	√	√

	following information about dividend rights:		
	(a) fixed date(s) on which the entitlement arises;		
	(b) time limit after which the entitlement to dividend lapses and an indication of the person in whose favour the lapse operates;		
	(c) dividend restrictions and procedures for non-resident holders;		
	(d) rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.		
Item 2.8	If the voting rights attaching to the depository receipts are different from the voting rights disclosed in relation to the underlying shares the <i>issuer</i> must disclose the following about those rights:	√	√
	(a) voting rights;		
	(b) pre-emption rights in offers for subscription of securities of the same class;		
	(c) right to share in the <i>issuer's</i> profits;		

	(d)	rights to share in any surplus in the event of liquidation;		
	(e)	redemption provisions;		
	(f)	conversion provisions.		
Item 2.9		The <i>issuer</i> must describe the exercise of and benefit from rights attaching to the underlying shares, in particular voting rights, the conditions on which the <i>issuer</i> of the depository receipts may exercise such rights, and measures envisaged to obtain the instructions of the depository receipt holders – and the right to share in profits and any liquidation surplus which are not passed on to the holder of the depository receipt.	√	√
Item 2.10		The expected issue date of the depository receipts.	√	√
Item 2.11		A description of any restrictions on the transferability of the depository receipts.	√	√
Item 2.12		A warning that the tax legislation of the investor's home country and of the <i>issuer's</i> country of incorporation may have an impact on the income received from the securities.	√	√
		Information on the taxation treatment of the depository receipts where		

	the proposed investment attracts a tax regime specific to that type of investment.		
Item 2.13	Bank or other guarantees attached to the depository receipts and intended to underwrite the <i>issuer's</i> obligations.	√	√
Item 2.14	Possibility of obtaining the delivery of the depository receipts into original shares and procedure for such delivery.	√	√
SECTION 3	INFORMATION ABOUT THE TERMS AND CONDITIONS OF THE OFFER OF THE DEPOSITORY RECEIPTS	Primary Issuance	Secondary Issuances
Item 3.1	Conditions, offer statistics, expected timetable and action required to apply for the offer		
Item 3.1.1	Total amount of the issue, distinguishing the securities issued for sale and those issued for subscription; if the amount is not fixed, an indication of the maximum amount of securities to be issued (if available) and a description of the arrangements and the time period for announcing to the public the definitive amount of the issue.	√	√
	Where the maximum amount of securities to be offered cannot be provided in the <i>prospectus</i> , the		

	<i>prospectus</i> must specify that acceptances of the purchase or subscription of securities may be withdrawn for not less than 2 working days after the amount of securities have been admitted to trading.		
Item 3.1.2	The time period, including any possible amendments, during which the purchase or subscription period will be open and description of the application process.	√	√
Item 3.1.3	An indication of when, and under which circumstances, the issue may be revoked or suspended and whether revocation can occur after dealing has begun.	√	√
Item 3.1.4	A description of the possibility to reduce subscriptions and the manner for refunding amounts paid in excess by applicants.	√	√
Item 3.1.5	Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).	√	√
Item 3.1.6	An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.	√	√
Item 3.1.7	Method and time limits for paying up the securities and for delivery	√	√

	of the securities.		
Item 3.1.8	A full description of the manner and date in which results of the offer are to be made public.	√	√
Item 3.1.9	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	√	√
Item 3.2	Plan of distribution and allotment		
Item 3.2.1	The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, they <i>issuer</i> must indicate any such tranche.	√	√
Item 3.2.2	To the extent known to the <i>issuer</i> , an indication of whether major shareholders or members of the <i>issuer's</i> management, supervisory or administrative bodies intended to subscribe in the issue, or whether any person intends to subscribe for more than five per cent of the issue.	√	√
Item 3.2.3	Pre-allotment disclosure:	√	√
	(a) the division into tranches of the offer including the institutional, retail and <i>issuer's</i>		

		employee tranches and any other tranches;		
	(b)	the conditions under which the claw- back may be used, the maximum size of such claw back and any applicable minimum percentages for individual tranches;		
	(c)	the allotment method or methods to be used for the retail and <i>issuer's</i> employee tranche in the event of an over-subscription of these tranches;		
	(d)	a description of any pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups (including friends and family programmes) in the allotment, the percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such classes or groups;		
	(e)	whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on		

		the basis of which firm they are made through or by;		
	(f)	a target minimum individual allotment, if any, within the retail tranche;		
	(g)	the conditions for the closing of the issue as well as the date on which the issue may be closed at the earliest;		
	(h)	whether or not multiple subscriptions are admitted, and where they are not, how any multiple subscriptions will be handled.		
Item 3.2.4	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.		√	√
Item 3.3	Pricing			
Item 3.3.1	An indication of the price at which the securities will be offered and the amount of any expenses and taxes charged to the subscriber or purchaser.		√	√
	If the price is not known, then pursuant to <i>PRM</i> 2.4 indicate either:			
	(a)	the maximum price of the securities, as far as they are		

		available; or		
	(b)	the valuation methods and criteria, and/or conditions, in accordance with which the final issue price has been or will be determined and an explanation of any valuation methods used.		
		Where neither (a) nor (b) can be provided in the <i>prospectus</i> , the <i>prospectus</i> must specify that acceptances of the purchase or subscription of securities may be withdrawn for not less than 2 working days after the final issue price of securities to be admitted to trading has been filed.		
Item 3.3.2		Process for the disclosure of the issue price.	√	√
Item 3.3.3		Where there is or could be a material disparity between the issue price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated <i>persons</i> , of securities acquired by them in transactions during the past year, or which they have the right to acquire, the <i>issuer</i> must include a comparison of the public contribution in the proposed issue and the effective cash	√	√

	contributions of such <i>persons</i> .		
Item 3.4	Placing and Underwriting		
Item 3.4.1	Name and address of the coordinator(s) of the global offer and of single parts of the issue and, to the extent known to the <i>issuer</i> or to the offeror, of the placers in the various countries where the issue takes place.	√	√
Item 3.4.2	Name and address of any paying agents and depository agents in each country.	√	√
Item 3.4.3	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, the <i>issuer</i> must include a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission are required.	√	√
Item 3.4.4	When the underwriting agreement has been or will be reached.	√	√
SECTION 4	ADMISSION TO TRADING AND DEALING ARRANGEMENTS IN	Primary Issuance	Secondary Issuances

	THE DEPOSITORY RECEIPTS		
Item 4.1	An indication as to whether the securities offered are or will be the object of an application for <i>admission to trading</i> , with a view to their distribution in a <i>regulated market</i> or equivalent overseas market, <i>SME growth market</i> with an indication of the markets in question. This circumstance must be set out, without creating the impression that the <i>admission to trading</i> will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.	√	√
Item 4.2	All the <i>regulated markets</i> or equivalent markets overseas, <i>SME growth market</i> on which, to the knowledge of the <i>issuer</i> , securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	√	√
Item 4.3	If simultaneously, or almost simultaneously, with the creation of the securities for which <i>admission to trading</i> to a <i>regulated market</i> is being sought, securities of the same class are subscribed for, or placed privately, or if securities of other classes are created for public or private placing, the <i>issuer</i> must give details of the nature of	√	√

	such operations and of the number and characteristics of the securities to which they relate.		
	In case of an <i>admission to trading</i> on a <i>regulated market</i> , details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.	√	√
Item 4.4	The issue price of the securities.	√	√
Item 4.5	Details of stabilisation	√	√
	Where an <i>issuer</i> or a selling shareholder has granted an over-allotment option or it is otherwise proposed that price stabilising activities may be entered into in connection with an offer, the <i>issuer</i> must state:		
	(a) the fact that stabilisation may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time;	√	
	(b) the fact that stabilisation transactions aim at supporting the market price of the securities during	√	

		the stabilisation period;		
	(c)	the beginning and the end of the period during which stabilisation may occur;	√	
	(d)	the identity of the stabilisation manager for each relevant jurisdiction unless this is not known at the time of publication;	√	
	(e)	the fact that stabilisation transactions may result in a market price that is higher than would otherwise prevail; and	√	
	(f)	the place where the stabilisation may be undertaken including, where relevant, the name of the trading venue(s).	√	
Item 4.6		Over-allotment and 'green shoe':	√	√
		In case of an <i>admission to trading</i> on a <i>regulated market</i> the <i>issuer</i> must state:		
	(a)	the existence and size of any over-allotment facility and/or 'green shoe';		
	(b)	the existence		

		period of the over-allotment facility and/or 'green shoe'; and		
	(c)	any conditions for the use of the over-allotment facility or exercise of the 'green shoe'.		
SECTION 5	ESSENTIAL INFORMATION ABOUT THE ISSUANCE OF THE DEPOSITORY RECEIPTS		Primary Issuance	Secondary Issuances
Item 5.1	Reasons for the issue and use of proceeds			
Item 5.1.1	Reasons for the issue and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented in order of priority of such uses. If the <i>issuer</i> is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then they must state the amount and sources of other funds needed. Details must also be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.	√	√	
Item 5.2	Interest of natural and legal <i>persons</i> involved in the issuer/offer			
Item 5.2.1	A description of any interest, including a	√	√	

	conflict of interest that is material to the issue, detailing the <i>persons</i> involved and the nature of the interest.		
Item 5.3	Risk Factors		
Item 5.3.1	A description of the material risks that are specific to the securities being issued and/or admitted to trading in a limited number of categories, in a section headed 'Risk Factors'.	√	√
	In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the securities and the probability of their occurrence, must be set out first. The risks must be corroborated by the content of the <i>prospectus</i> .		
SECTION 6	EXPENSE OF THE ISSUE OF THE DEPOSITORY RECEIPTS	Primary Issuance	Secondary Issuances
Item 6.1	The total net proceeds and an estimate of the total expenses of the issue.	√	√

Annex 14

Securities note for Retail Non-Equity Securities

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL	
Item 1.1	Identify all <i>persons</i> responsible for the	Category A

	information or any parts of it, given in the <i>securities note</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	
Item 1.2	A declaration by those responsible for the <i>securities note</i> that to the best of their knowledge, the information contained in the <i>securities note</i> is in accordance with the facts and that the <i>securities note</i> makes no omission likely to affect its import.	Category A
	Where applicable, a declaration by those responsible for certain parts of the <i>securities note</i> that, to the best of their knowledge, the information contained in those parts of the <i>securities note</i> for which they are responsible is in accordance with the facts and that those parts of the <i>securities note</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report, attributed to a person as an expert, is included in the <i>securities note</i> , provide the following details for that person:	Category A
	(a) name;	
	(b) business address;	
	(c) qualifications; and	
	(d) material interest if any in the <i>issuer</i> .	
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>securities note</i> with the consent of the person who has authorised the contents of that part of the <i>securities note</i> for the purpose of the <i>prospectus</i> .	
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would	Category C

	render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	
Item 1.5	A statement that:	Category A
	(a) this [<i>securities note/prospectus</i>] has been approved by the <i>FCA</i> .	
	(b) the <i>FCA</i> only approves this [<i>securities note/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;	
	(c) such approval should not be considered as an endorsement of the quality of the securities that are the subject of this [<i>securities note/prospectus</i>];	
	(d) investors should make their own assessment as to the suitability of investing in the securities.	
SECTION 2	RISK FACTORS	
Item 2.1	A description of the material risks that are specific to the securities being offered and/or admitted to trading in a limited number of categories, in a section headed 'Risk Factors'.	Category A
	Risks to be disclosed must include:	
	(a) those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities under bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or restructuring in accordance with the UK law which implemented Directive 2014/59/EU;	
	(b) in cases where the securities are guaranteed, the specific and material risks related to the guarantor, to the extent they are relevant to its ability to fulfil its commitment under the guarantee.	
	In each category the most material risks, in the assessment of the <i>issuer</i> , offeror or person asking	

	for <i>admission to trading</i> on a regulated market, taking into account the negative impact on the <i>issuer</i> and the securities and the probability of their occurrence, must be set out first. The risks must be corroborated by the content of the <i>securities note</i> .		
SECTION 3	ESSENTIAL INFORMATION		
Item 3.1	Interest of natural and legal <i>persons</i> involved in the issue		
	A description of any interest, including a conflict of interest that is material to the issue, detailing the <i>persons</i> involved and the nature of the interest.		Category C
Item 3.2	Reasons for the offer and use of proceeds		
	Reasons for the offer to the public or for the <i>admission to trading</i> . Where applicable, disclosure of the estimated total expenses of the issue and the estimated net amount of the proceeds. These expenses and proceeds must be broken into each principal intended use and presented in order of priority of such uses. If the <i>issuer</i> is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then they must state the amount and sources of other funds needed.		Category C
SECTION 4	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING		
Item 4.1	(a)	A description of the type and the class of the securities being admitted to trading.	Category B
	(b)	The international security identification number ('ISIN') for those classes of securities referred to in (a).	Category C
Item 4.2	Legislation under which the securities have been created.		Category A
Item 4.3	(a)	An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form.	Category A
	(b)	In the case of securities registered in book-entry form, the name and address of	Category C

		the entity in charge of keeping the records.	
Item 4.4	Total amount of the securities admitted to trading. If the amount is not fixed, an indication of the maximum amount of the securities to be offered, if available, and a description of the arrangements and time for announcing to the public the definitive amount of the offer.		Category C
	Where the maximum amount of securities to be offered cannot be provided in the <i>securities note</i> , the <i>securities note</i> must specify that acceptances of the purchase or subscription of securities may be withdrawn up to two working days after the amount of securities to issued has been filed.		
Item 4.5	Currency of the securities issue.		Category C
Item 4.6	The relative seniority of the securities in the <i>issuer's</i> capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under the UK law which implemented Directive 2014/59/EU.		Category A
Item 4.7	A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.		Category B
Item 4.8	(a)	The nominal interest rate;	Category C
	(b)	the provisions relating to interest payable;	Category B
	(c)	the date from which interest becomes payable;	Category C
	(d)	the due dates for interest;	Category C
	(e)	the time limit on the validity of claims to interest and repayment of principal.	Category B
Item 4.8a	Where the rate is not fixed:		
	(a)	a statement setting out the type of underlying;	Category A

	(b)	a description of the underlying on which the rate is based;	Category C
	(c)	the method used to relate the rate with the underlying;	Category B
	(d)	an indication where information about the past and the future performance of the underlying and its volatility can be obtained by electronic means and whether or not it can be obtained free of charge;	Category C
	(e)	a description of any market disruption or settlement disruption events that affect the underlying;	Category B
	(f)	any adjustment rules with relation to events concerning the underlying;	Category B
	(g)	the name of the calculation agent;	Category C
	(h)	if the security has a derivative component in the interest payment, a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.	Category B
Item 4.9	(a)	Maturity date	Category C
	(b)	Details of the arrangements for the amortisation of the loan, including the repayment procedures. Where advance amortisation is contemplated, on the initiative of the <i>issuer</i> or of the holder, it must be described, stipulating the amortisation terms and conditions.	Category B
Item 4.10	(a)	An indication of yield.	Category C
	(b)	Description of the method whereby the yield in point (a) is to be calculated in summary form.	Category B
Item 4.11		Representation of non-equity security holders including an identification of the organisation representing the investors and provisions	Category B

	applying to such representation. Indication of the website where the public may have free access to the contracts relating to these forms of representation.		
Item 4.12	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.		Category C
Item 4.13	The issue date or in the case of new issues, the expected issue date of the securities.		Category C
Item 4.14	A description of any restrictions on the transferability of the securities.		Category A
Item 4.15	<p>A warning that the tax legislation of the investor's home country and of the <i>issuer's</i> country of incorporation may have an impact on the income received from the securities.</p> <p>Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.</p>		Category A
Item 4.16	If different from the <i>issuer</i> , the identity and contact details of the offeror, of the securities and/or the person asking for <i>admission to trading</i> , including the legal entity identifier ('LEI') where the offeror has legal personality.		Category C
SECTION 5	[Deleted]		
SECTION 6	ADMISSION TO TRADING AND DEALING ARRANGEMENTS		
Item 6.1	(a)	an indication as to whether the securities offered are or will be the object of an application for <i>admission to trading</i> , with a view to their distribution in a <i>regulated market</i> or other overseas markets, <i>SME growth market</i> with an indication of the markets in question. This circumstance must be set out, without creating the impression that the <i>admission to trading</i> will necessarily be approved.	Category B
	(b)	If known, the <i>issuer</i> must give the earliest dates on which the securities will be admitted to trading.	Category C

Item 6.2	All the <i>regulated markets</i> or overseas markets, <i>SME growth market</i> on which, to the knowledge of the <i>issuer</i> , securities of the same class of the securities to be admitted to trading are already admitted to trading.	Category C
Item 6.3	In the case of <i>admission to trading</i> on a <i>regulated market</i> , the name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.	Category C
Item 6.4	The issue price of the securities.	Category C
SECTION 7	ADDITIONAL INFORMATION	
Item 7.1	If advisors connected with an issue are referred to in the <i>securities note</i> , the <i>issuer</i> must include a statement of the capacity in which the advisors have acted.	Category C
Item 7.2	An indication of other information in the <i>securities note</i> which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the <i>FCA</i> , a <i>summary</i> of the report.	Category A
Item 7.3	Credit ratings assigned to the securities at the request or with the cooperation of the <i>issuer</i> in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.	Category C
Item 7.4	Where the <i>summary</i> of the report is substituted in part with the information set out in points (c) to (i) of paragraph 3 of Article 8 of the <i>PRIIPS Regulation</i> , all such information to the extent it is not already disclosed elsewhere in the <i>securities note</i> , must be disclosed.	Category C

Annex 15

Securities note for wholesale non-equity securities

SECTION 1	<i>PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL</i>
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Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>securities note</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	Category A
Item 1.2	A declaration by those responsible for the <i>securities note</i> that to the best of their knowledge, the information contained in the <i>securities note</i> is in accordance with the facts and that the <i>securities note</i> makes no omission likely to affect its import.	Category A
	Where applicable, a declaration by those responsible for certain parts of the <i>securities note</i> that, to the best of their knowledge, the information contained in those parts of the <i>securities note</i> for which they are responsible is in accordance with the facts and that those parts of the <i>securities note</i> make no omission likely to affect their import.	
Item 1.3	Where a statement or report, attributed to a person as an expert, is included in the <i>securities note</i> , provide the following details for that person:	Category A
	(a) name;	
	(b) business address;	
	(c) qualifications; and	
	(d) material interest if any in the <i>issuer</i> .	
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>securities note</i> with the consent of the person who has authorised the contents of that part of the <i>securities note</i> for the purpose of the <i>prospectus</i> .	
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	Category C

Item 1.5	A statement that:		Category A
	(a)	this [<i>securities note/prospectus</i>] has been approved by the <i>FCA</i> ;	
	(b)	the <i>FCA</i> only approves this [<i>securities note/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;	
	(c)	such approval should not be considered as an endorsement of the quality of the securities that are the subject of this [<i>securities note/prospectus</i>]; and	
	(d)	investors should make their own assessment as to the suitability of investing in the securities.	
SECTION 2	RISK FACTORS		
Item 2.1	A description of the material risks that are specific to the securities being admitted to trading in a limited number of categories, in a section headed 'Risk Factors'.		Category A
	Risks to be disclosed must include:		
	(a)	those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities under bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or restructuring in accordance with the UK law which implemented Directive 2014/59/EU;	
	(b)	in cases where the securities are guaranteed, the specific and material risks related to the guarantor to the extent they are relevant to its ability to fulfil its commitment under the guarantee.	
	In each category the most material risks, in the assessment of the <i>issuer</i> or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the securities and the probability of their occurrence, must be set out first. The risks must be corroborated		

	by the content of the <i>securities note</i> .		
SECTION 3	ESSENTIAL INFORMATION		
Item 3.1	Interest of natural and legal <i>persons</i> involved in the issue.		Category C
	A description of any interest, including a conflict of interest that is material to the issue, detailing the <i>persons</i> involved and the nature of the interest.		
Item 3.2	The use and estimated net amount of the proceeds.		Category C
SECTION 4	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING		
Item 4.1	Total amount of securities being admitted to trading.		Category C
Item 4.2	(a)	A description of the type and the class of the securities being admitted to trading;	Category B
	(b)	The international security identification number ('ISIN').	Category C
Item 4.3	Legislation under which the securities have been created.		Category A
Item 4.4	(a)	An indication of whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.	Category A
	(b)	In the case of securities registered in book-entry form, the name and address of the entity in charge of keeping the records.	Category C
Item 4.5	Currency of the securities issue.		Category C
Item 4.6	The relative seniority of the securities in the <i>issuer's</i> capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under the UK law which implemented Directive 2014/59/EU.		Category A
Item 4.7	A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.		Category B
Item 4.8	(a)	The nominal interest rate;	Category C

	(b)	the provisions relating to interest payable;	Category B
	(c)	the date from which interest becomes payable;	Category C
	(d)	the due dates for interest;	Category C
	(e)	the time limit on the validity of claims to interest and repayment of principal.	Category B
Item 4.9	Where the rate is not fixed:		
	(a)	a statement setting out the type of underlying;	Category A
	(b)	a description of the underlying on which the rate is based;	Category C
	(c)	the method used to relate the rate with the underlying;	Category B
	(d)	a description of any market disruption or settlement disruption events that affect the underlying;	Category B
	(e)	any adjustment rules with relation to events concerning the underlying; and	Category C
	(f)	the name of the calculation agent.	Category C
Item 4.10	(a)	Maturity date.	Category C
	(b)	Details of the arrangements for the amortisation of the loan, including the repayment procedures. Where advance amortisation is contemplated, on the initiative of the <i>issuer</i> or of the holder, it must be described, stipulating amortisation terms and conditions.	Category B
Item 4.11	An indication of yield.		Category C
Item 4.12	Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of the website where investors may have free access to the contracts relating to these forms of representation.		Category B
Item 4.13	A statement of the resolutions, authorisations and approvals by virtue of which the securities have		Category C

	been created and/or issued.		
Item 4.14	The issue date of the securities.		Category C
Item 4.15	A description of any restrictions on the transferability of the securities.		Category A
Item 4.16	If different from the <i>issuer</i> , the identity and contact details of the offeror of the securities and/or the person asking for <i>admission to trading</i> , including the legal entity identifier ('LEI') where the offeror has legal personality.		Category C
SECTION 5	ADMISSION TO TRADING AND DEALING ARRANGEMENTS		
Item 5.1	(a)	An indication of the <i>regulated market</i> , or other overseas market, <i>SME growth market</i> where the securities will be traded and for which a <i>prospectus</i> has been published.	Category B
	(b)	If known, the <i>issuer</i> must give the earliest dates on which the securities will be admitted to trading.	Category C
Item 5.2	Name and address of any paying agents and depository agents in each country.		Category C
SECTION 6	EXPENSE OF THE ADMISSION TO TRADING		
Item 6.1	An estimate of the total expenses related to the <i>admission to trading</i> .		Category C
SECTION 7	ADDITIONAL INFORMATION		
Item 7.1	If advisors are referred to in the <i>Securities note</i> , a statement of the capacity in which the advisors have acted.		Category C
Item 7.2	An indication of other information in the <i>Securities note</i> which has been audited or reviewed by auditors and where auditors have produced a report. Reproduction of the report or, with permission of the <i>FCA</i> , a summary of the report.		Category A
Item 7.3	Credit ratings assigned to the securities at the request or with the cooperation of the <i>issuer</i> in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.		Category C

Annex 16

Securities note for Secondary Issuances of *non-equity securities*

SECTION 1	<i>PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND FCA APPROVAL</i>	
Item 1.1	Identify all <i>persons</i> responsible for the information or any parts of it, given in the <i>securities note</i> with, in the latter case, an indication of such parts. In the case of natural <i>persons</i> , including members of the <i>issuer's</i> administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal <i>persons</i> indicate the name and registered office.	Category A
Item 1.2	<p>A declaration by those responsible for the <i>securities note</i> that to the best of their knowledge, the information contained in the <i>securities note</i> is in accordance with the facts and that the <i>securities note</i> makes no omission likely to affect its import.</p> <p>Where applicable, a declaration by those responsible for certain parts of the <i>securities note</i> that, to the best of their knowledge, the information contained in those parts of the <i>securities note</i> for which they are responsible is in accordance with the facts and that those parts of the <i>securities note</i> make no omission likely to affect their import.</p>	Category A
Item 1.3	Where a statement or report attributed to a person as an expert is included in the <i>Securities note</i> , provide the following details for that person:	Category A
	(a) name;	
	(b) business address;	
	(c) qualifications; and	
	(d) material interest if any in the <i>issuer</i> .	
	If the statement or report has been produced at the <i>issuer's</i> request, state that such statement or report has been included in the <i>securities note</i> with the consent of the person who has authorised the contents of that part of the	

	<i>securities note</i> for the purpose of the <i>prospectus</i>		
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the <i>issuer</i> is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.		Category C
Item 1.5	A statement that:		Category A
	(a)	this [<i>securities note/prospectus</i>] has been approved by the FCA;	
	(b)	the <i>FCA</i> only approves this [<i>securities note/prospectus</i>] as meeting the standards of completeness, comprehensibility and consistency imposed by the <i>rules</i> in <i>PRM</i> ;	
	(c)	such approval should not be considered as an endorsement of the quality of the securities that are the subject of this [<i>securities note/prospectus</i>];	
	(d)	investors should make their own assessment as to the suitability of investing in the securities; and	
	(e)	that the [<i>securities note/prospectus</i>] has been drawn up as a simplified <i>prospectus</i> in accordance with <i>PRM 7</i> .	
SECTION 2	RISK FACTORS		
Item 2.1	A description of the material risks that are specific to the securities being admitted to trading, in a limited number of categories, in a section headed 'Risk Factors'.		Category A
	Risks to be disclosed must include:		
	(a)	those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities under bankruptcy, or any other similar procedure, including, where relevant, the	

		insolvency of a credit institution or its resolution or restructuring in accordance with the UK law which implemented Directive 2014/59/EU; and	
	(b)	in cases where the securities are guaranteed, the specific and material risks related to the guarantor, to the extent they are relevant to its ability to fulfil its commitment under the guarantee.	
		In each category the most material risks, in the assessment of the <i>issuer</i> or person asking for <i>admission to trading</i> on a <i>regulated market</i> , taking into account the negative impact on the <i>issuer</i> and the securities and the probability of their occurrence, must be set out first. The risks must be corroborated by the content of the <i>securities note</i> .	
SECTION 3	ESSENTIAL INFORMATION		
Item 3.1	Interest of natural and legal <i>persons</i> involved in the issue.		Category C
	A description of any interest, including a conflict of interest that is material to the issue, detailing the <i>persons</i> involved and the nature of the interest.		
Item 3.2 (Retail only)	Reasons for the offer to the public or for the <i>admission to trading</i> if different from making profit and/or hedging certain risks. In case of an offer to the public, disclosure of the estimated total expenses of the issue and the estimated net amount of the proceeds. These expenses and proceeds must be broken into each principal intended use and presented in order of priority of such uses. If the <i>issuer</i> is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then they must state the amount and sources of other funds needed.		Category C
Item 3.3 (Wholesale only)	Reasons for the issuance if different from making profit and/or hedging certain risks		Category C
SECTION 4	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING		

Item 4.1	(a)	a description of the type, class and amount of the securities being offered to the public and/or admitted to trading;	Category B
	(b)	the international security identification number ('ISIN') of the securities being <i>admitted to trading</i> .	Category C
Item 4.2		Currency of the securities issue.	Category C
Item 4.3		In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.	Category C
Item 4.4		A description of any restrictions on the transferability of the securities.	Category B
Item 4.5 (Retail only)		A warning that the tax legislation of the investor's home country and of the <i>issuer's</i> country of incorporation may have an impact on the income received from the securities.	Category A
		Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.	
Item 4.6		If different from the <i>issuer</i> , the identity and contact details of the issuer, of the securities and/or the person asking for <i>admission to trading</i> including the legal entity identifier ('LEI') where the offeror has legal personality.	Category C
Item 4.7		The relative seniority of the securities in the <i>issuer's</i> capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under the UK law which implemented Directive 2014/59/EU.	Category A
Item 4.8		A description of the rights attached to the securities, including any limitations of those rights.	Category B
Item 4.9	(a)	The nominal interest rate;	Category C
	(b)	the provisions relating to interest payable;	Category B

	(c)	the date from which interest becomes payable and the due dates for interest.	Category C
	(d)	the time limit on the validity of claims to interest and repayment of principal.	Category B
Item 4.10	Where the rate is not fixed:		
	(a)	a statement setting out the type of underlying;	Category A
	(b)	a description of the underlying on which the rate is based and of the method used to relate the rate with the underlying;	Category C
	(c)	in the case of retail <i>non-equity securities</i> , an indication where information about the past and the future performance of the underlying and its volatility can be obtained;	Category C
	(d)	a description of any market disruption or settlement disruption events that affect the underlying;	Category B
	(e)	any adjustment rules with relation to events concerning the underlying;	Category B
	(f)	the name of the calculation agent; and	Category C
	(g)	in the case of retail <i>non-equity securities</i> , if the security has a derivative component in the interest payment, a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.	Category B
Item 4.11	(a)	Maturity date.	Category C
	(b)	Details of the arrangements for the amortisation of the loan, including the repayment procedures.	Category B
	Where advance amortisation is contemplated, on the initiative of the <i>issuer</i> or of the holder, it		

	must be described, stipulating amortisation terms and conditions.		
Item 4.12	(a)	An indication of yield.	Category C
	(b)	In the case of retail <i>non-equity securities</i> , description of the method of how the yield is calculated in summary form.	Category B
Item 4.13	Representation of debt securities holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of the website where the public may have free access to the contracts relating to these forms of representation.		Category B
Item 4.14	Where there is no offer, the issue date of the securities.		Category C
SECTION 5	[Deleted]		
SECTION 6	ADMISSION TO TRADING AND DEALING ARRANGEMENTS		
Item 6.1	An indication as to whether the securities offered are or will be the object of an application for <i>admission to trading</i> , with a view to their distribution in a <i>regulated market</i> , other equivalent markets overseas with an indication of the markets in question. This circumstance must be set out, without creating the impression that the <i>admission to trading</i> will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.		Category B
Item 6.2 (Retail only)	All the <i>regulated markets</i> , equivalent markets overseas or <i>SME growth markets</i> on which, to the knowledge of the <i>issuer</i> , securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.		Category C
Item 6.3 (Retail only)	The issue price of the securities.		Category C
Item 6.4 (Wholesale only)	An estimate of the total expenses related to the <i>admission to trading</i> .		Category C
Item 6.5	Name and address of any paying agents and depositary agents in each country.		Category C

SECTION 7	ADDITIONAL INFORMATION	
Item 7.1	If advisors connected with an issue are referred to in the <i>securities note</i> , the <i>issuer</i> must include a statement of the capacity in which the advisors have acted.	Category C
Item 7.2	An indication of other information in the <i>securities note</i> which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the <i>FCA</i> , a <i>summary</i> of the report.	Category A
Item 7.3 (Retail only)	Credit ratings assigned to the securities at the request or with the cooperation of the <i>issuer</i> in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.	Category C
Item 7.3.a (Retail only)	Where the <i>summary</i> of the report is substituted in part with the information set out in points (c) to (i) of paragraph 3 of Article 8 of the <i>PRIIPS Regulation</i> , all such information must be disclosed to the extent it is not already disclosed elsewhere in the <i>securities note</i> .	Category C
Item 7.4 (Wholesale only)	An estimate of the total expenses related to the <i>admission to trading</i> .	Category C
Item 7.5 (Wholesale only)	Credit ratings assigned to the securities at the request or with the cooperation of the <i>issuer</i> in the rating process.	Category C

Annex 17 Securities Giving Rise to Payment or Delivery Obligations Linked to an Underlying Asset

SECTION 1	RISK FACTORS	
Item 1.1	Prominent disclosure of risk factors that are material to the securities being admitted to trading in order to assess the market risk associated with these securities in a section headed 'Risk Factors'. If applicable, this must include a risk warning to the effect that investors may lose the value of their entire investment or part of it, as the case may be, and, if the investor's liability is not limited to the value of	Category A

	his investment, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect.		
SECTION 2	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING		
Item 2.1	Information concerning the securities		
Item 2.1.1	A clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially in the circumstances where the risks are most evident, unless the securities have a denomination per unit of at least £50000, or can only be acquired for at least £50000 per security, or are to be traded on a <i>regulated market</i> or a specific segment of a <i>regulated market</i> to which only <i>qualified investors</i> can have access.	Category B	
Item 2.1.2	The expiration or maturity date of the derivative securities and their exercise date or final reference date.	Category C	
Item 2.1.3	A description of the settlement procedure of the derivative securities.	Category B	
Item 2.1.4	A description of:		
	(a)	how any return on derivative securities takes place;	Category B
	(b)	the payment or delivery date;	Category C
	(c)	the way it is calculated.	Category B
Item 2.2	Information concerning the underlying		
Item 2.2.1	The exercise price or the final reference price of the underlying.	Category C	
Item 2.2.2	A statement setting out the type of the underlying.	Category A	
	Details of where information on the underlying can be obtained including an indication of where information about the past and the future performance of that underlying and its volatility can be obtained by electronic means, and	Category C	

	whether or not it can be obtained free of charge.		
	Where the underlying is a security:		
	(a)	the name of the <i>issuer</i> of the security;	Category C
	(b)	the international security identification number ('ISIN');	Category C
	Where the underlying is a reference entity or reference obligation (for credit-linked securities):		
	(a)	where the reference entity or reference obligation comprises of a single entity or obligation, or in the case of a pool of underlying where a single reference entity or reference obligation represents 20% or more of the pool:	
		(i) if the reference entity (or <i>issuer</i> of the reference obligation) has no securities admitted to trading on a <i>regulated market</i> , equivalent market overseas or <i>SME growth market</i> , so far as the <i>issuer</i> is aware and/or able to ascertain from information published by the reference entity (or by the <i>issuer</i> of the reference obligation), information relating to the reference entity (or to the <i>issuer</i> of the reference obligation) as if it were the <i>issuer</i> (in accordance with the <i>registration document</i> for wholesale <i>non-equity securities</i>);	Category A
		(ii) if the reference entity (or the <i>issuer</i> of the reference obligation) has securities already admitted to trading on a <i>regulated market</i> , equivalent market overseas or <i>SME growth market</i> , so far as the <i>issuer</i> is aware and/or able to ascertain from information published by the reference	Category C

			entity (or by the <i>issuer</i> of the reference obligation), its name, ISIN, address, country of incorporation, industry or industries in which the reference entity (or the <i>issuer</i> of the reference obligation) operates and the name of the market in which its securities are admitted.	
	(b)	in the case of a pool of underlying, where a single reference entity or reference obligation represents less than 20% of the pool:		
		(i)	the names of the reference entities or <i>issuers</i> of the reference obligation; and	Category C
		(ii)	the ISIN.	Category C
	Where the underlying is an index:			
	(a)	the name of the index;		Category C
	(b)	a description of the index if it is composed by the <i>issuer</i> or by any legal entity belonging to the same group;		Category A
	(c)	a description of the index provided by a legal entity or a natural person acting in association with, or on behalf of, the <i>issuer</i> , unless the <i>prospectus</i> contains the following statements:		Category B
		(i)	the complete set of rules of the index and information on the performance of the index are freely accessible on the <i>issuer's</i> or on the index provider's website;	
		(ii)	the governing rules (including methodology of the index for the selection and the re-balancing of the components of the index, description of market disruption events and of adjustment rules) are based on predetermined and	

		objective criteria;	
	Points (b) and (c) do not apply where the administrator of the index is included in the public register maintained by the <i>FCA</i> ;		
	(d)	where the index is not composed by the <i>issuer</i> , an indication of where information about the index can be obtained.	Category C
	Where the underlying is an interest rate, a description of the interest rate.		Category C
	Where the underlying does not fall within the categories specified above, the <i>securities note</i> must contain equivalent information.		Category C
	Where the underlying is a basket of underlying, a disclosure for each underlying as described above and disclosure of the relevant weightings of each underlying in the basket.		Category C
Item 2.2.3	A description of any market disruption or settlement disruption or credit events that affect the underlying.		Category B
Item 2.2.4	Adjustment rules with relation to events concerning the underlying.		Category B
SECTION 3	ADDITIONAL INFORMATION		
Item 3.1	An indication in the <i>prospectus</i> whether or not the <i>issuer</i> intends to provide post issuance information. Where the <i>issuer</i> has indicated that it intends to report such information, the <i>issuer</i> must specify in the <i>prospectus</i> what information will be reported and where such information can be obtained.		Category C

Annex 18 Underlying share

SECTION 1	DESCRIPTION OF THE UNDERLYING SHARE	
Item 1.1	Description of the type and the class of the shares.	Category A

Item 1.2	Legislation under which the shares have been or will be created.		Category A
Item 1.3	(a)	Indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form.	Category A
	(b)	In the case of securities registered in book-entry form, the name and address of the entity in charge of keeping the records.	Category C
Item 1.4	Indication of the currency of the shares issue.		Category A
Item 1.5	A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of those rights:		Category A
	(a)	dividend rights:	
		(i) fixed date(s) on which the entitlement arises;	
		(ii) time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates;	
		(iii) dividend restrictions and procedures for non-resident holders;	
		(iv) rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.	
	(b)	voting rights;	
	(c)	pre-emption rights in offers for subscription of securities of the same class;	
	(d)	right to share in the <i>issuer's</i> profits;	
	(e)	rights to share in any surplus in the event of liquidation;	
	(f)	redemption provisions;	

	(g)	conversion provisions.	
Item 1.6		In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the shares have been or will be created and/or issued and indication of the issue date.	Category C
Item 1.7		Where and when the shares will be or have been admitted to trading.	Category C
Item 1.8		Description of any restrictions on the transferability of the shares.	Category A
Item 1.9		Statement on the existence of any national legislation on takeovers applicable to the <i>issuer</i> which may frustrate such takeovers, if any. Brief description of the shareholders' rights and obligations in case of mandatory takeover bid, squeeze-out or sell-out.	Category A
Item 1.10		Indication of public takeover bids by third parties in respect of the <i>issuer's</i> equity, which have occurred during the last financial year and the current financial year.	Category C
		The price or exchange terms attaching to such offers and the outcome thereof must be stated.	
Item 1.11		A comparison of:	
	(a)	participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the issue, with the assumption that existing shareholders do not subscribe for the new shares; and	Category C
	(b)	the net asset value per share as of the date of the latest balance before the issue (selling offer and/or capital increase) and the price per share within that issue.	Category C
SECTION 2		INFORMATION TO BE PROVIDED WHERE THE ISSUER OF THE UNDERLYING IS AN ENTITY BELONGING TO THE SAME GROUP	Category C
Item 2.1		When the <i>issuer</i> of the underlying is an entity belonging to the same group, the information to provide on this <i>issuer</i> is the one required by the	Category A

	<i>registration document for equity securities</i> or, if applicable, the <i>registration document for secondary issuances of equity securities</i> .	
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Annex 19

Asset-backed securities

SECTION 1	THE SECURITIES	
Item 1.1	A statement that a notification has been, or is intended to be communicated to the <i>FCA</i> , as regards simple, transparent and standardised securitisation ('STS') compliance, where applicable. This should be accompanied by an explanation of the meaning of such notification together with a reference or hyperlink to the <i>FCA</i> data base indicating that the STS-notification is available for download there if deemed necessary.	Category A
Item 1.2	Where the <i>prospectus</i> includes a statement that the transaction is STS compliant, a warning that the STS status of a transaction is not static and that investors should verify the current status of the transaction on the <i>FCA</i> website.	Category B
Item 1.3	The minimum denomination of an issue.	Category C
Item 1.4	Where information is disclosed about an undertaking/obligor which is not involved in the issue, provide a confirmation that the information relating to the undertaking/obligor has been accurately reproduced from information published by the undertaking/obligor. So far as the <i>issuer</i> is aware and is able to ascertain from information published by the undertaking/obligor no facts have been omitted which would render the reproduced information misleading.	Category C
	In addition, the <i>issuer</i> must identify the source(s) of information in the <i>securities note</i> that has been reproduced from information published by an undertaking/obligor.	
SECTION 2	THE UNDERLYING ASSETS	
Item 2.1	Confirmation that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any	Category A

	payments due and payable on the securities.	
Item 2.2	In respect of a pool of discrete assets backing the issue:	
Item 2.2.1	The legal jurisdiction by which the pool of assets is governed.	Category C
Item 2.2.2	(a) In the case of a small number of easily identifiable obligors a general description of each obligor.	Category C
	(b) In all other cases, a description of the general characteristics of the obligors and the economic environment.	Category B
	(c) In relation to those obligors referred to in point (b), any global statistical data referred to the securitised assets.	Category C
Item 2.2.3	The legal nature of the assets.	Category C
Item 2.2.4	The expiry or maturity date(s) of the assets.	Category C
Item 2.2.5	The amount of the assets.	Category C
Item 2.2.6	Loan to value ratio or level of collateralisation.	Category B
Item 2.2.7	The method of origination or creation of the assets, and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances.	Category B
Item 2.2.8	An indication of significant representations and collateral given to the <i>issuer</i> relating to the assets.	Category C
Item 2.2.9	Any rights to substitute the assets and a description of the manner in which and the type of assets which may be so substituted; if there is any capacity to substitute assets with a different class or quality of assets a statement to that effect together with a description of the impact of such substitution.	Category B
Item 2.2.10	A description of any relevant insurance policies relating to the assets. Any concentration with one insurer must be disclosed if it is material to the transaction.	Category B
Item 2.2.11	Where the assets comprise obligations of 5 or	

	fewer obligors which are legal <i>persons</i> or are guaranteed by 5 or fewer legal <i>persons</i> or where an obligor or entity guaranteeing the obligations accounts for 20 % or more of the assets, or where 20 % or more of the assets are guaranteed by a single guarantor, so far as the <i>issuer</i> is aware and/or is able to ascertain from information published by the obligor(s) or guarantor(s) indicate either of the following:	
	(a) information relating to each obligor or guarantor as if it were an <i>issuer</i> drafting a <i>registration document</i> for <i>non-equity securities</i> with an individual denomination of at least £ 50000 and/or that are to be traded only on a <i>regulated market</i> , or a specific segment thereof, to which only <i>qualified investors</i> can have access for the purposes of trading in such securities;	Category A
	(b) if an obligor or guarantor has securities already admitted to trading on a regulated or equivalent market overseas or <i>SME growth market</i> its name, address, country of incorporation, significant business activities/investment policy and the name of the market in which its securities are admitted.	Category C
Item 2.2.12	If a relationship exists that is material to the issue, between the <i>issuer</i> , guarantor and obligor, details of the principal terms of that relationship.	Category C
Item 2.2.13	Where the assets comprise obligations that are traded on regulated or equivalent market overseas or <i>SME growth market</i> , a brief description of the securities, the market and an electronic link where the documentation in relation to the obligations can be found on the regulated or equivalent market overseas or <i>SME growth market</i> .	Category C
Item 2.2.14	Where the assets comprise obligations that are not traded on a regulated or equivalent market overseas or <i>SME growth market</i> , a description of the principal terms and conditions in relation to the obligations.	Category B
Item 2.2.15	Where the assets comprise <i>equity securities</i> that are admitted to trading on a regulated or	Category C

	equivalent overseas market indicate the following:		
	(a)	a description of the securities;	
	(b)	a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country, the name of the market's regulatory authority and an electronic link where the documentation in relation to the securities can be found on the regulated or equivalent market overseas or <i>SME growth market</i> ; and	Category C
	(c)	the frequency with which prices of the relevant securities, are published.	Category C
Item 2.2.16	Where more than 10 % of the assets comprise <i>equity securities</i> that are not traded on a regulated or equivalent market overseas or <i>SME growth market</i> , a description of those <i>equity securities</i> and equivalent information to that contained in the <i>registration document</i> for <i>equity securities</i> or where applicable, the <i>registration document</i> for securities issued by closed-end collective investment undertakings in respect of each <i>issuer</i> of those securities.		Category A
Item 2.2.17	Where a material portion of the assets are secured on or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow/income streams.		Category A
	Compliance with this disclosure is not required if the issue is of securities backed by mortgage loans with property as security, where there has been no revaluation of the properties for the purpose of the issue, and it is clearly stated that the valuations quoted are as at the date of the original initial mortgage loan origination.		
Item 2.3	In respect of an actively managed pool of assets backing the issue:		
Item 2.3.1	Equivalent information to that contained in items 2.1 and 2.2 to allow an assessment of the type, quality, sufficiency and liquidity of the asset	See items 2.1 and 2.2	

	types in the portfolio which will secure the issue.		
Item 2.3.2	The parameters within which investments can be made, the name and description of the entity responsible for such management including a description of that entity's expertise and experience, a summary of the provisions relating to the termination of the appointment of such entity and the appointment of an alternative management entity and a description of that entity's relationship with any other parties to the issue.		Category A
Item 2.4	Where an <i>issuer</i> proposes to issue further securities backed by the same assets, a prominent statement to that effect and unless those further securities are fungible with or are subordinated to those classes of existing debt, a description of how the holders of that class will be informed.		Category C
SECTION 3	STRUCTURE AND CASH FLOW		
Item 3.1	Description of the structure of the transaction containing an overview of the transaction and the cash flows, including a structure diagram.		Category A
Item 3.2	Description of the entities participating in the issue and description of the functions to be performed by them in addition to information on the direct and indirect ownership or control between those entities.		Category A
Item 3.3	Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the <i>issuer</i> or, where applicable, the manner and time period in which the proceeds from the issue will be fully invested by the <i>issuer</i> .		Category B
Item 3.4	An explanation of the flow of funds including:		
Item 3.4.1	(a)	how the cash flow from the assets will meet the <i>issuer's</i> obligations to holders of the securities, including, if necessary:	Category A
	(b)	a financial service table and a description of the assumptions used in developing that table;	Category C
Item 3.4.2	information on any credit enhancements, an		Category B

	indication of where potentially material liquidity shortfalls may occur and the availability of any liquidity supports and indication of provisions designed to cover interest/principal shortfall risks;		
Item 3.4.3	(a)	the risk retention requirement applicable to the transaction, where applicable;	Category A
	(b)	the material net economic interest retained by the originator, the sponsor or the original lender;	Category C
Item 3.4.4	without prejudice to item 3.4.2, details of any subordinated debt finance;		Category C
Item 3.4.5	an indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment;		Category B
Item 3.4.6	how payments are collected in respect of the assets;		Category A
Item 3.4.7	the order of priority of payments made by the <i>issuer</i> to the holders of the class of securities in question;		Category A
Item 3.4.8	details of any other arrangements upon which payments of interest and principal to investors are dependent;		Category B
Item 3.5	the name, address and significant business activities of the originators of the securitised assets.		Category C
Item 3.6	Where the return on, and/or repayment of the security is linked to the performance or credit of other assets or underlyings which are not assets of the <i>issuer</i> , for each such reference asset or underlying furnish one of the following;		See Annex 17
	(a)	disclosure in accordance with items 2.2 and 2.3;	
	(b)	where the principal is not at risk, the name of the <i>issuer</i> of the reference asset, the international security identification number ('ISIN'), and an indication where information about the past and the current	

		performance of the reference asset can be obtained;	
	(c)	where the reference asset is an index, parts 1 and 2 of Annex 17.	
Item 3.7		The name, address and significant business activities of the administrator, calculation agent or equivalent, together with a summary of the administrator's/calculation agents responsibilities, their relationship with the originator or the creator of the assets and a summary of the provisions relating to the termination of the appointment of the administrator/calculation agent and the appointment of an alternative administrator/calculation agent;	Category C
Item 3.8		The names and addresses and brief description of:	
	(a)	any swap counterparties and any providers of other material forms of credit/liquidity enhancement;	Category A
	(b)	the banks with which the main accounts relating to the transaction are held.	Category C
SECTION 4		POST ISSUANCE REPORTING	
Item 4.1		An indication in the <i>prospectus</i> of where the <i>issuer</i> is under an obligation to, or where the <i>issuer</i> intends to, provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral. The <i>issuer</i> must indicate what information will be reported, where such information can be obtained, and the frequency with which such information will be reported.	Category C

Annex 20

Pro Forma Information

SECTION 1	CONTENTS OF PRO FORMA FINANCIAL INFORMATION	
Item 1.1	The pro forma financial information must consist of:	
	(a)	an introduction setting out:

		(i)	the purpose for which the pro forma financial information has been prepared, including a description of the transaction or significant commitment and the businesses or entities involved;
		(ii)	the period or date covered by the pro forma financial information;
		(iii)	the fact that the pro forma financial information has been prepared for illustrative purposes only;
		(iv)	an explanation that:
		(A)	the pro forma financial information illustrates the impact of the transaction as if the transaction had been undertaken at an earlier date;
		(B)	the hypothetical financial position or results included in the pro forma financial information may differ from the entity's actual financial position or results;
	(b)	a profit and loss account, a balance sheet or both, depending on the circumstances presented in a columnar format composed of:	
		(i)	historical unadjusted information;
		(ii)	accounting policy adjustments, where necessary;
		(iii)	pro forma adjustments;
		(iv)	the results of the pro forma financial information in the final column;
	(c)	accompanying notes explaining:	
		(i)	the sources from which the unadjusted financial information has been extracted and whether or not an audit or review report on the source has been published;
		(ii)	the basis upon which the pro forma financial information is prepared;
		(iii)	source and explanation for each adjustment;
		(iv)	whether each adjustment in respect of a pro forma profit and loss statement is expected to have a continuing impact on the <i>issuer</i> or not;

	(d)	where applicable, the financial information and interim financial information of the (or to be) acquired businesses or entities used in the preparation of the pro forma financial information must be included in the <i>prospectus</i> .
SECTION 2	PRINCIPLES IN PREPARING AND PRESENTING PRO FORMA FINANCIAL INFORMATION	
Item 2.1	The pro forma financial information must be identified as such in order to distinguish it from historical financial information.	
	The pro forma financial information must be prepared in a manner consistent with the accounting policies adopted by the <i>issuer</i> in its last or next financial statements.	
Item 2.2	Pro forma information may only be published in respect of:	
	(a)	the last completed financial period; and/or
	(b)	the most recent interim period for which relevant unadjusted information has been published or are included in the <i>registration document/prospectus</i> .
Item 2.3	Pro forma adjustments must comply with the following:	
	(a)	be clearly shown and explained;
	(b)	present all significant effects directly attributable to the transaction;
	(c)	be factually supportable.
SECTION 3	REQUIREMENTS FOR AN ACCOUNTANT/AUDIT REPORT	
	The <i>prospectus</i> must include a report prepared by the independent accountants or auditors stating that in their opinion:	
	(a)	the pro forma financial information has been properly compiled on the basis stated;
	(b)	that the basis referred to in (a) is consistent with the accounting policies of the <i>issuer</i> .

Annex 21

Guarantees

SECTION 1	NATURE OF THE GUARANTEE
	A description of any arrangement intended to ensure that any obligation

	material to the issue will be duly serviced, whether in the form of <i>guarantee</i> , surety, Keep well Agreement, Mono-line Insurance policy or other equivalent commitment ('guarantees') and their provider ('guarantor').
	Such arrangements encompass commitments, including those under conditions, to ensure that the obligations to repay <i>non-equity securities</i> and/or the payment of interest are fulfilled and their description must set out how the arrangement is intended to ensure that the guaranteed payments will be duly serviced.
SECTION 2	SCOPE OF THE GUARANTEE
	Details must be disclosed about the terms and conditions and scope of the <i>guarantee</i> . These details should cover any conditionality on the application of the <i>guarantee</i> in the event of any default under the terms of the security and the material terms of any Mono-line Insurance or Keep well Agreement between the <i>issuer</i> and the guarantor. Details must also be disclosed of any guarantor's power of veto in relation to changes to the security holder's rights, such as is often found in Mono-line Insurance.
SECTION 3	INFORMATION TO BE DISCLOSED ABOUT THE GUARANTOR
	The guarantor must disclose information about itself as if it were the <i>issuer</i> of that same type of security that is the subject of the <i>guarantee</i> .
SECTION 4	DOCUMENTS AVAILABLE
	Indication of the website where the public may have access to the material contracts and other documents relating to the <i>guarantee</i> .

Annex 28

List of Additional Information in Final Terms

Rule				
1	Example(s) relating to complex derivative securities to explain how the value of the investment is affected by the value of the underlying and the nature of those securities.			
2	Additional provisions, not required by the relevant <i>securities note</i> annex, which relate to the underlying.			
6	ECB eligibility.			
7	Series number.			

8	Tranche number.			
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