

Consultation Paper **CP25/2****

Consultation on further changes to the public offers and admissions to trading regime and the UK Listing Rules

January 2025

How to respond

We are asking for comments on this Consultation Paper (CP) by **14 March 2025**.

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

Or in writing to:

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Chapter 1

Summary

- 1.1** We set out here further proposals to support the new Public Offers and Admissions to Trading Regulations (POATRs) for companies admitting securities to regulated markets, following our consultation [CP24/12](#).
- 1.2** These reforms are intended to promote more efficient and effective capital raising for issuers and increase opportunities for investors, strengthening the UK's position as a global and vibrant financial centre. They complement our reforms to UK Listing Rules (UKLRs) last year as part of ongoing work to ensure the UK is a globally competitive centre for companies to list, raise capital and invest, while maintaining strong market integrity and transparency for investors and supporting growth in the UK economy.
- 1.3** The proposals we set out in this Consultation Paper (CP) include:
- Aligning prospectus requirements for non-equity securities to a single standard which is based on the current disclosure requirements for 'wholesale' denominations, rather than having separate standards for lower denomination bonds
 - We also propose new guidance that defines which certain (non-complex) low denomination corporate bonds issued by listed companies can be appropriate for the 'mass market'
 - Changes to the listings applications process for further issuances to reduce frictions and support our proposals from CP24/12 to reduce regulatory intervention in such transactions
 - Proposals to remove Listing Particulars as a listing admission document to simplify our listing framework and better align with the POATRs reforms, and
 - Consequential changes to our Handbook, including transitional provisions, providing for and improving on rules proposed in CP 24/12
- 1.4** Taken together, these proposed changes seek to further promote efficient and effective capital raising by companies across debt and equity capital markets in the UK and enable investors to have access to a wider range of investments. Our proposals on non-equity disclosures seek to reduce regulatory disincentives on companies to issue debt in different denomination sizes and should improve access for smaller investors to corporate bonds. Our other measures seek to reduce friction and complexity in our rules such as by removing or streamlining processes when issuers seek to raise further capital and simplify the type of offer documents required.
- 1.5** Further detail on these proposals is set out in the rest of this consultation accompanied by the draft rules in Appendix 1.
- 1.6** Alongside this CP, we have also published [CP25/3](#) on further proposed consequential changes and transitional arrangements in relation to rules for firms seeking to operate a public offer platform, further to [CP24/13](#).

Why we are consulting

- 1.7** In CP24/12, we indicated that we would consult later on further specific issues including disclosure requirements for low denomination bonds (below £100K), inefficiencies in the listing application process for further issuance and the requirement to publish Listing Particulars when seeking admission of certain securities to a regulated market or listed MTF market. Some of these further proposals had dependencies on our revised UKLRs, which we only finalised shortly before our initial POATRs consultations. We also explored some of these issues as part of our May 2023 Engagement Papers.
- 1.8** Our proposals on low denomination bonds follow feedback that the requirements for a prospectus for these bonds were disproportionate and were harming the market—specifically by disincentivising such issuances and constraining individual retail investors from investing in corporate debt securities. Prospectus requirements were seen as a key driver of companies' reluctance to issue in lower size denominations as well as the disclosure obligations under the EU-derived Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and Markets in Financial Instruments Directive (MiFID) rules on product governance.
- 1.9** Our other proposals seek to address inefficiencies in the listing applications process. Firstly, we propose removing the requirement to make a separate listing application when there is a further issuance of securities of a class that is already listed. We also propose to remove Listing Particulars for admissions to the Professional Securities Market and for issuers that wish to issue certain types of securities that are currently exempt from prospectus requirements (see UKLR 23.1.1R (1)). These proposals have been discussed in Engagement Paper 4 and CP23/10, building on our recent finalised reforms to introduce the new UK Listing Rules (UKLRs). We also propose consequential edits and transitional provisions to make the new POATRs regime more efficient. These complement the new Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM) rules proposed in CP24/12.

Who should read this document

- 1.10** This document should be read by:
- Issuers with securities admitted to trading to a UK regulated market or a listed MTF (i.e. the London Stock Exchange's Professional Securities Market)
 - 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
 - Companies currently listed in or considering a listing in the UK
 - 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

- The advisory community that advises issuers seeking admission to listing on their obligations under UKLR, including sponsor firms and law firms
- Relevant trade bodies
- Professional bodies, academics and other interested parties
- UK exchanges and operators of regulated markets and markets for listed securities

Outcome we are seeking

- 1.11** We want to move towards more proportionate and effective regulation building on the broader Listing Rules Reform.
- 1.12** Our proposal for issuances of listed non-equity securities addresses the market inefficiency caused by additional disclosure requirements for low denomination bonds compared to those for higher denominations.
- 1.13** The outcome we are seeking from these proposals is to reduce costs for issuers seeking admission of low denomination bonds. We anticipate that this may increase admissions of such bonds. This may then enhance access for retail investors and smaller funds to low denomination bonds issued by high-quality issuers.
- 1.14** By addressing inefficiencies in the listing application process and Listing Particulars we also aim to reduce costs for issuers and advisors. Additionally we want to continue to ensure sufficient information is available to allow investors to make investment decisions and to support market integrity.
- 1.15** We expect that these outcomes will act towards market effectiveness and market integrity and our secondary international growth and competitiveness objective.

Measuring success

- 1.16** The outcome we are seeking from the proposals is to reduce costs for issuers. We will measure this by estimating the direct cost savings for issuers of low denomination of bonds in having to meet lower disclosure requirements. Our method for doing this is set out in the Cost Benefit Analysis (CBA) and involves subtracting the costs of compliance with the current requirements we propose to remove for each of the admissions of low denomination bonds.
- 1.17** We also expect the proposed change in requirements for admissions of low denomination bonds will lead to an increase in these admissions and hence give retail investors a wider range of securities to invest in. We will measure the number of these admissions of low denomination bonds and monitor changes.

- 1.18** There are potential concerns about retail investor losses in this area. We will also monitor this and whether there is an increase in these bonds being issued from overseas jurisdictions or by bad actors.
- 1.19** The outcome we are seeking by addressing inefficiencies in the listing process and Listing Particulars is to reduce costs for issuers and advisors and to continue to ensure investors receive the necessary information to make investment decisions whilst limiting risks for investors. We will measure this by estimating time savings for issuers and advisors.

Next steps

- 1.20** The deadline for responses to this CP is 14 March 2025. We are aiming to finalise rules and publish a Policy Statement in summer 2025.

Chapter 2

The wider context

- 2.1** This Chapter provides further background to these proposals, including a short overview of the wider context to these reforms as more fully described in CP24/12 and CP24/13.

Background

- 2.2** The current UK regime for disclosure documents required for public offers and admission to trading (and the associated liability) is set out in the assimilated EU Prospectus Regulation.
- 2.3** The Public Offers and Admissions to Trading Regulations 2024 (POATRs) were made in January 2024. They provide a new framework to replace the UK Prospectus Regulation and give us greater discretion to set new rules.
- 2.4** We published CP24/12 on our proposals for the POATRs related to admissions to regulated markets and primary MTFs in July 2024. This was alongside proposals in CP24/13 for the new regulated activity of operating a public offer platform. The latter activity is relevant to offers of securities not being admitted to a public market. Both consultations followed our earlier Engagement Papers published in 2023 in advance of the finalised POATRs legislation.
- 2.5** As part of CP24/12, we also indicated that we would consult further on
- 1.** disclosure requirements for non-equity securities and measures to promote issuance of low denomination bonds
 - 2.** inefficiencies in the listing application process for further issuance of securities, and
 - 3.** the requirement to publish Listing Particulars
- 2.6** We are now consulting on these additional issues and on some consequential amendments and transitional provisions consistent with proposals from the earlier POATRs consultations. Background on these 3 issues is set out below.
- 2.7** We also publish a CP25/3 today on consequential amendments to support the new Public Offer Platform requirements, further to CP24/13.

Disclosure requirements for low denomination bonds

- 2.8** The current prospectus regime requires more disclosure for issuances of non-equity securities with a denomination per unit below €100,000 than for those for non-equity securities with a denomination at or above that threshold. This dual standard of disclosure aims to protect retail investors. There are also requirements in the PRIIPs Regulation and the product governance rules derived from MiFID, as set out in PROD.

- 2.9** Feedback and data analysis suggests that these combined requirements occurred during a sharp reduction in low denomination corporate bonds being issued by companies on UK markets.
- 2.10** We now propose to introduce a single disclosure standard based on the current standard for wholesale non-equity securities. Separately we are working to replace the PRIIPs Regulation with new FCA rules on a disclosure framework for Consumer Composite Investments (CCIs). The proposed CCI regime carries forward the existing clarification in our rules that debt securities with simpler features are not regarded as PRIIPs. Such debt securities will therefore not be regarded as CCIs either and therefore will not be subject to the new disclosure requirements. Further details on these requirements are in [CP24/30](#), published in December 2024.

Listings application process and Listings Particulars

- 2.11** In the context of our wider Listing Rules reforms, we received feedback that there are inefficiencies in the listing application process. Now the UKLRs have been finalised and our initial POATRs proposals have been consulted on, we have identified additional potential efficiencies, including removing the listing application process for further issuances of a class of securities that is already listed.
- 2.12** In addition, we currently retain requirements for Listing Particulars. Listing Particulars are a document much like a prospectus published in connection with an admission to listing. As we said in CP23/10 and Engagement Paper 4, we do not consider retention of this document type to be aligned with the new POATRs regime. We consider Listing Particulars unnecessary within the new framework. It has limited use in practice due to market evolution and adds complexity for issuers and wider market participants. Further details are set out in Chapters 4 and 5.

Consequential amendments to our Prospectus rules

- 2.13** Following CP24/12, we propose to consult on some consequential amendments. This includes amending relevant references referring to the existing prospectus regime in our Handbook, rules regarding the exercise of our new powers under the POATRs and a transitional regime for admission and disclosure on regulated markets, primary MTFs and public offer platforms. In addition, we want to ensure all issuers apply to admit new securities to trading to ensure the prospectus regime works as intended.

How these proposals link to our objectives

Consumer protection

- 2.14** Our proposals on low denomination bonds would better target regulatory requirements to the risks different investments may pose for retail investors. We believe the extra disclosure requirements currently applied to low denomination bonds may be unnecessary and constrain access to such investments. However, we recognise that these bonds, which represent a relatively low risk investment in UK listed businesses,

should be capable of being well understood by consumers in the mass retail market. To deliver this we have developed the concept of 'non-complex listed corporate bonds' with a new Handbook glossary definition attached. Our proposals should benefit retail investors by providing them with a wider range of investment opportunities.

- 2.15** We accept that our proposed disclosure requirements for low-denomination bonds will still entail some risk for investors, including retail. Risk is inherent when investing in assets of this kind and includes the risk of default by a company issuing debt. However, such risks should be offset by the opportunity for increased returns and represent typical investment risk, rather than unexpected losses.
- 2.16** There is also the potential for structured debt products being listed (in retail denominations) where we have limited eligibility criteria. These can be listed under UKLR 17 in the same way as general corporate debt instruments. Though retail investors could access these products, proposed guidance would imply they are not suitable for mass market sale and consumer duty obligations apply.
- 2.17** We also recognise the risk that bad actors may still seek to issue smaller denomination bonds of low quality to retail investors, for example from locations outside the UK. However, this is not prevented by the current prospectus rules so we do not address this risk.
- 2.18** We consider then that, on balance the net effects of our proposals on retail investors would be positive. They would have greater access to low-risk corporate bonds and thereby the potential for increased returns.

Market effectiveness

- 2.19** Our proposals on low denomination bonds should act towards a more proportionate and better targeted regulation of these securities. This should reduce costs of capital raising in UK listed markets for issuers and increase the range of securities available to investors.
- 2.20** Our other measures on further issuance and Listing Particulars should improve efficiency and reduce the complexity of our rules.

Competition

- 2.21** The proposal on low denomination bonds should act to make capital raising easier and hence it should support effective competition between these companies. This should have further benefits in improving the allocation of capital and acting towards economic growth (as described in the next section).

Secondary international competitiveness and growth objective

- 2.22** Our proposals on low denomination bonds seek to deliver a more proportionate regulation of these securities. This should reduce costs for issuers of these bonds and better target our requirements to the risks faced by retail investors.

- 2.23** More proportionate regulation makes the UK a more attractive place for issuers to list relative to other jurisdictions. If this leads to more listing on UK markets, then it could mean that these new listed businesses are more likely to locate their operations and headquarters in the UK.
- 2.24** More flexible and cheaper capital raising on UK listing markets can also make it easier for UK listed companies to grow their business and to take advantage of new commercial opportunities and of innovation and enable firms to access finance to grow, invest, and to manage risk.
- 2.25** We could expect that a reduced cost of capital for UK businesses would also typically have wider benefits in stimulating UK business investment and making UK businesses more attractive (relatively) for global investors.
- 2.26** If UK listing creates incentives for these companies to locate their headquarters and operations in the UK this could have further benefits in relation to UK Gross Domestic Product (GDP), employment and growth. Over time this can increase the talent pool, which can further increase productivity. Cheaper capital raising may also act towards an increase in underlying UK factor productivity.
- 2.27** Our proposals may also combine with other listings reforms to make it easier for more innovative companies to list (and attract more international businesses to the UK). This may also act toward a more innovative UK economy with more sustainable, positive economic outcomes.
- 2.28** Our proposals on low denomination bonds may also make it easier for retail investors to make relatively low risk investments in UK listed businesses. If this leads to an increase in retail investor participation on UK listed markets, then this may improve investment diversification and returns for UK investors and potentially act towards a wider uplift in the value of UK listed securities.
- 2.29** Our proposals in relation to further issuances should improve the efficiency of our rules from the perspective of issuers, as it would remove an application process and requirements on issuers to submit certain information to us, and also improve the operational efficiency of the FCA. Lower costs of regulation as estimated in the CBA should also act towards increasing the relative attractiveness of UK listed markets compared to other those of other jurisdictions.

Wider effects of this consultation

Unintended consequences

- 2.30** As set out in the consumer protection section there is potential for unintended consequences to arise from our proposals on low denomination bonds due to remaining risks for retail investors.

- 2.31** However these risks are to a certain extent already present, and we consider the existing additional requirements for low denomination bonds do not in themselves provide effective protections.
- 2.32** As described in Chapter 3 and in our cost benefit analysis, there are other potential obstacles for corporate issuers seeking to issue low denomination bonds. Given these remaining obstacles we do not expect an immediate and significant rise in the number of corporate issuers seeking to issue low denominations. In addition, our costs benefits analysis estimates only fairly small benefits from our proposals in this CP.
- 2.33** However, we recognise that, there may be a significant rise in the issuance of corporate bonds and/or a widening in the target investor base for corporate bonds. If this was to occur it would lead to greater net benefits from our proposals than the cautious estimates provided in our CBA although there may be increased exposure for retail investors to risks associated with these bonds.
- 2.34** We do not expect any material negative effects of measures to remove further issuance listing applications and Listing Particulars. We would be placing greater reliance on disclosure of further listings of securities to inform the market and rely on companies acting in compliance with exemptions from the PRM requirements for when a prospectus is required for admissions to regulated markets.
- 2.35** Removing a discrete listing process for further issuance of already listed securities alongside admission to a regulated market may mean an incorrect reliance on an exemption under PRM is only detected post-admission. This is unless the exchange operator or e.g. an advisor to an issuer identifies the potential problem and reports it before issuance. However, in practice breaches of prospectus exemptions currently are extremely rare given an issuer would be breaking the law (and would likewise be breaching our rules in future).
- 2.36** Removing Listing Particulars may result in a small number of issuers needing to use alternative markets to the Professional Securities Market (PSM) to raise capital in future. However, having analysed the current level of securities and issuers on the PSM (see detail below), we expect this impact to be extremely small. Most if not all companies will be able to access either a listed regulated market or the unlisted market, for example the International Securities Market (ISM – which is an MTF), should they wish to issue new securities in future.

The Consumer Duty

- 2.37** The manufacturer and distributor(s) of low denomination bonds would still need to ensure that they have satisfied themselves of the appropriate target market under PROD and considered their Consumer Duty obligations (where the duty applies). We give more details on this in Chapter 3.

Environmental, social & governance considerations

- 2.38** In developing this Consultation Paper, we have considered the environmental, social and governance (ESG) implications of our proposals and our duty under ss. 1B(5) and 3B(c) of FSMA 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. Overall, we do not consider that the proposals are relevant to contributing to those targets. We will keep this issue under review during the consultation and when considering whether to make the final rules. In the meantime, we welcome your input on this.

Equality and diversity considerations

- 2.39** We have considered the equality and diversity issues that may arise from the proposals in this Consultation Paper. 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.

Chapter 3

Our proposals for non-equity securities

- 3.1** This Chapter sets out our proposals to align prospectus disclosure requirements for low and high denomination non-equity securities being admitted to a regulated market. We also propose guidance on the application of our product governance rules derived from MiFID, as set out in PROD to certain corporate bonds and a related change to the Disclosure Guidance and Transparency Rules (DTRs) to enable issuances of these bonds through subsidiaries. We also clarify how these proposals will interact with Handbook rules for issuances of non-equity securities.

Background: Engagement Paper 4 and feedback

- 3.2** The current prospectus regime requires more disclosure in prospectuses for issuances of non-equity securities with a denomination per unit below €100,000 than for non-equity securities with a denomination at or above that threshold, which are referred to as wholesale securities. In Engagement Paper 4 (EP4), we asked for feedback on adopting a single disclosure standard, with the existing standard for wholesale securities as a starting point.
- 3.3** We also referenced calls from some UK market participants for measures to address what is seen as the exclusion of smaller scale investors from listed bond markets. We said that removing the dual standard of disclosure would help, but that more might be done to broaden investor access to corporate bonds.
- 3.4** Feedback we received to EP4 almost unanimously supported removing the dual disclosure standards in prospectuses for retail and wholesale non-equity securities with strong support to use the wholesale disclosure standard as a starting point. A scheme encouraging the issuance by UK-listed corporates of 'plain vanilla' corporate bonds aimed at a wide range of investors was also largely welcomed.
- 3.5** In CP24/12, we said we would consult on proposals to make it easier to include retail investors in non-equity fund raising by removing or reducing barriers to issuance of low denomination bonds.

Moving to a single disclosure standard for non-equity securities

Current approach

- 3.6** The dual standard of disclosure for non-equity securities under the current prospectus regime was originally introduced by the Prospectus Directive as a retail investor protection measure: it required extra information for non-equity securities with low denominations. This was based on the assumption that retail investors might be more

likely to invest in such financial instruments and benefit from this greater detail in making their investment decision.

3.7 The introduction of 'downstream' EU investor protections in 2018, in particular in PRIIPs and the product governance rules introduced via MiFID II, was also intended to protect investors.

3.8 It has been argued that, put together, these regulations have made it costly and difficult for higher-quality corporate debt issuers to make instruments available to retail investors. This has reduced opportunities for retail investors to invest in this asset class.

3.9 Feedback and data analysis indicates that:

- There has been a significant reduction in the issuance of low denomination corporate bonds since 2018
- Stakeholders feel the additional disclosures are unnecessary for retail investors seeking to understand 'plain vanilla' bonds
- There is strong support for the removal of the dual disclosure standards in prospectuses for retail and wholesale non-equity securities, provided the resulting standard is based on the existing wholesale disclosure standard
- There is considerable demand, in particular from wealth managers, to invest in low denomination 'plain vanilla' bonds
- The existing regulations have not prevented harms arising from more complex structured debt products being targeted at retail investors

3.10 We have also received comments that prospectus documents are too long and complex for most retail investors to use effectively as an investment tool. Additionally, we have had feedback that an enhanced disclosure within a prospectus is not an effective way to ensure investors are informed and able to effectively price risk. We have been told in our engagement that, in practice, investment decisions are often informed by market pricing and market analysis driven by institutional investors.

Our proposal

3.11 The disclosure differences in the prospectus between 'wholesale' (higher denomination) and 'retail' (lower denomination) non-equity securities are relatively modest. They mainly involve marginal differences in the financial information and dispensing with the 'summary' in a prescribed format. There is no indication that sophisticated wholesale investors require this additional information to make their investment decisions and we do not think it is viewed as material information.

3.12 We propose removing the dual disclosure standard for 'retail' and 'wholesale' non-equity securities in our rules for prospectuses PRM sourcebook. Instead, we propose to introduce a single standard based on the current rules and annexes for wholesale non-equity securities. The minimum disclosure requirements for non-equity securities will be set out in the annexes to the PRM- specifically Annex 7 for registration document disclosure and Annex 15 for securities note disclosure.

- 3.13** As under the current regime, there would be additional, tailored disclosure requirements for securities with more complex features, such as asset backed securities and securities with a derivative element.
- 3.14** Moving to a single disclosure requirement would primarily reduce unnecessary friction and simplify our rules. It would also remove one disincentive that may have driven a reduction in issuances of low denomination corporate bonds. We want to reduce costs for issuers and enhance access for retail investors (including those investing through, or advised by, wealth managers) and smaller funds to corporate bonds that align with their investment objectives and appetites.
- 3.15** Our proposals are consistent both with our overall objectives arising from POATRs and our Listing Rules reforms. Our Listing Rules reforms sought to simplify our rulebook, better calibrate requirements to be more disclosure-based and increase access for issuers and enable investors to assess their own risk appetite.
- 3.16** We accept that our proposed disclosure requirements for low-denomination bonds and the potential for more issuance of low denomination bonds will involve risk – including default risk – for investors. However, we consider our proposals more proportionate to the relative risks of non-equity securities. It will also have the offsetting benefits of the potential for increased returns and access to a wider range of instruments for investors.
- 3.17** A product in which sophisticated institutional investors are prepared to invest is also likely to offer better terms than a product aimed solely at retail investors. Institutional investors are more likely and able to apply more scrutiny and due diligence on the issuer and the terms of a non-equity securities offer, and it is the presence of sophisticated institutional investors that exerts pricing pressure on issuers in primary markets.

Question 1: **Do you agree with the proposed single disclosure standard for non-equity securities of all denominations, based on the current rules and annexes for wholesale non-equity securities? If so, what are your reasons? If you disagree, please explain why.**

Exemption to the use of prescribed accounting standards

- 3.18** In the current regime, issuers are generally required to include in the prospectus historical financial information prepared in accordance with the accounting standards prescribed by art. 23a of the Prospectus Regulation. An exemption from this requirement is available (in item 11.1.3 of Annex 7) for prospectuses relating to wholesale non-equity securities.
- 3.19** In the new regime, Regulation 24 of the POATRs prescribes what accounting standards must be used for historical financial information included in a prospectus; if the historical financial information is not prepared in accordance with the required standards, the financial statements must be restated in compliance with UK-adopted international accounting standards, unless exempt by the PRM. This exemption is in PRM 4.4.14.

3.20 We are moving towards a single disclosure standard for non-equity securities. So, we now propose to make this exemption available for all prospectuses relating to non-equity securities, regardless of denomination. In doing so, we propose to clarify the exemption to reflect current market practice. We propose stating that it is available where an issuer or guarantor's historical financial information is prepared in accordance with the issuer or guarantor's national law and national accounting standards (rather than the accounting standards prescribed by Regulation 24). This also brings the exemption in line with the ongoing obligations for listed issuers in UKLR 17.2.4.

Question 2: Do you agree with the proposed approach for an exemption to the use of prescribed accounting standards in prospectuses for non-equity securities? If you disagree, please explain why.

Other barriers to wider investor access to corporate bonds

Current approach and feedback

- 3.21** Feedback suggests that, in addition to the enhanced disclosure requirements in the prospectus rules, there are other parts of the FCA Handbook that currently deter corporate issuers from issuing non-equity securities in low denominations. There could be a combination of reasons for this. For example, the relevant rules exempt non-equity securities with denominations above a certain threshold, making compliance more onerous and costly for low denomination bonds. Another reason may be because there is legal uncertainty as to how the rules apply to fundraising that includes retail investors.
- 3.22** Stakeholders point in particular to the requirements under the UK PRIIPs Regulation and the product governance rules in PROD. Where bonds are issued by a financing subsidiary, the exemption in DTR 4.4.2 for wholesale denominated debt securities is another reason why issuers may choose to issue exclusively in those denominations.
- 3.23** Recognising this, we said in EP4 that more could be done – in addition to moving to a single disclosure standard – to encourage offerings of bonds to retail by high-quality issuers. We discussed a scheme encouraging the issuance by UK-listed corporates of plain vanilla corporate bonds aimed at a wide range of investors. This was largely welcomed by stakeholders, and we received detailed and nuanced feedback on the types of issuers and securities to include.
- 3.24** Following on from EP4, we have discussed both internally and with stakeholders the type of non-equity security that could be attractive for both wholesale and retail investors to invest in. They would need to be a relatively low risk investment in UK listed businesses and be capable of being well understood by consumers in the mass retail market.

Our proposals

- 3.25** Building on these discussions, we have developed the concept of non-complex listed corporate bonds. Broadly speaking, they are senior unsecured, plain vanilla, listed bonds issued by UK listed corporates.
- 3.26** Where stakeholders have identified barriers or disincentives in the FCA Handbook to the issuance of low denomination corporate bonds, we propose to make changes to remove or mitigate these. Accordingly, we propose to include additional guidance in our product governance rules and make changes to the annual and half-yearly financial reporting requirements in the DTRs. CP24/30, published in December 2024, set forth our proposals for a new product information framework for CCIs to replace PRIIPs.
- 3.27** We believe that these changes will benefit both issuers and consumers. Feedback has suggested there is considerable demand, in particular from wealth managers, to invest in such bonds. This would in turn allow issuers to access additional sources of capital and diversify their investor base. The proposals should help ensure that consumers can access appropriate investments and both contribute to and benefit from economic growth

Definition of non-complex listed corporate bonds

- 3.28** We propose to add a new definition to the FCA glossary of non-complex listed corporate bonds. They would be defined as listed debt securities that:
- Are issued by an issuer that has an existing listing in the equity shares (commercial companies) category, or
 - Are issued by a wholly owned subsidiary of such a listed company, provided the debt securities are fully, unconditionally and irrevocably guaranteed by the issuer's listed holding company, and bear interest at a fixed or floating rate, subject to certain conditions,
 - Are unsubordinated, unsecured and not subject to bail-in.
 - Are not convertible securities, asset backed securities or securities giving rise to payment or delivery obligations linked to an underlying asset or index (other than benchmarks tracking UK inflation).
- 3.29** Both the features of the bonds suggested here, and the nature of the issuer provide a degree of standardisation and transparency. We consider this suggests any prospective investors need less regulatory intervention to support their investment decisions.
- 3.30** The definition is largely drafted using terms already used in the PRM and UKLR. Our aim is to make it straightforward for issuers preparing a prospectus subject to the PRM and applying for securities to be listed under the UKLR to determine if the securities they wish to issue are non-complex listed corporate bonds.

Question 3: Do you agree with the proposed definition of non-complex listed corporate bonds? If you disagree, please explain why.

Guidance on product governance rules

- 3.31** We propose to amend PROD 3 by including additional guidance on how PROD 3 should be applied to non-complex listed corporate bonds.
- 3.32** PROD 3.1.2 R provides that a firm must, when manufacturing financial instruments or deciding on the range of financial instruments and investment services it intends to distribute to clients, comply, in a way that is appropriate and proportionate, with the product governance requirements in PROD 3. To do so, it must take into account the nature of the financial instrument and the target market.
- 3.33** PROD 3.1.3 G clarifies that a proportionate application may mean that complying with the rules could be relatively simple for simple financial instruments distributed on an execution-only transaction basis where such financial instruments would be compatible with the needs and characteristics of the mass retail market.
- 3.34** We propose to elaborate the guidance in PROD 3.1.3 G and PROD 3.2.9 G in relation to non-complex listed corporate bonds. We propose to clarify that non-complex listed corporate bonds are an example of the type of financial instruments that would ordinarily be regarded as 'simple' for the purposes of PROD 3.1.3 G. This is because their features, including their expected rate of return and any risk relating to that return, are capable of being well understood by consumers in the mass retail market. The proposed guidance states that non-complex listed corporate bonds are therefore likely to be compatible with the needs and characteristics of customers in the mass retail market and appropriate for distribution by way of a wide range of channels.
- 3.35** As proposed, the guidance explains that we do not expect manufacturers to undertake a detailed target market assessment, but that a simplified procedure should be sufficient.
- 3.36** We hope that stakeholders, including issuers, underwriters and industry bodies, will be able to build on this guidance in order to develop more streamlined compliance processes and standards. This should make it easier for issuers to issue non-complex listed corporate bonds in low denominations and include retail investors in their target market.
- 3.37** We would be interested in stakeholders' views on whether the proposed guidance would accomplish its purpose, i.e. to make it easier for issuers to issue non-complex corporate listed bonds in low denominations, or whether additional and/or different changes would be needed to achieve this.

Question 4: Do you agree that the proposed guidance would make it easier for issuers to issue non-complex corporate listed bonds in low denomination? If so, please give your reasons. If you disagree, please explain why.

Question 5: Are there additional and/or different changes needed for product governance rules to achieve our intended outcome?

Exemption to financial reporting requirements in DTR

- 3.38** DTR 4.4.2 contains an exemption from the annual and half-yearly financial reporting requirements in DTR 4.4. This is for issuers that issue exclusively debt securities admitted to trading with a denomination per unit of at least 100,000 euros (or an equivalent amount).
- 3.39** Certain corporates who use financing subsidiaries to raise debt rely on this exemption: whilst the group parent, if its shares are admitted to trading, complies with the various financial reporting requirements under the DTR for the parent and the group. The financing subsidiary may not have to prepare separate annual and half-yearly reports if it meets the exemption in DTR 4.4.2, i.e. if it issues exclusively debt securities in wholesale denominations (as well as meeting the separate exemption in the UKLR, see below).
- 3.40** The lack of an exemption in DTR 4.4.2 for issuers of lower denominations, to the extent that they wish to issue through a financing subsidiary rather than the parent, is therefore a potential deterrent for corporate issuers to issue non-equity securities in low denominations. Given that the definition of non-complex listed corporate bonds specifically allows the use of financing subsidiaries, we propose to revise the DTRs to address this.
- 3.41** Our proposal is to follow the approach of the current exemption in DTR 4.4.2 for wholesale debt issuers and similarly exempt financing subsidiaries that exclusively issue non-complex listed corporate bonds (or both high denomination debt securities and non-complex listed corporate bonds).
- 3.42** Because non-complex listed corporate bonds are also subject to the UKLRs, UKLR 17.2.4R to UKLR 17.2.6R will apply. These contain separate financial reporting requirements for issuers not already required to comply with DTR 4. However, UKLR 17.2.6R (2) contains a further exemption from the requirement to comply with the financial reporting requirements in UKLR 17.2.4 for wholly owned subsidiaries of a listed company meeting certain criteria. We anticipate that most financing subsidiaries issuing non-complex listed corporate bonds would meet these criteria. Indeed, the criteria in (i) and (ii) are the same as limb (1)(b) of the definition of non-complex listed corporate bonds.

Question 6: Do you agree with our proposed change to DTR 4.4.2? If so, please explain why. If not, please give your reasons.

PRIIPs / CCI

- 3.43** In CP24/30, we are currently consulting on a new product information framework for CCIs. This follows on from the Treasury's commitment to replace the PRIIPs Regulation and the Undertakings for Collective Investment in Transferable Securities (UCITS) disclosure requirements with a domestic regime to be delivered by the FCA. The Government made the legislation to give this effect on 21 November 2024.
- 3.44** CCIs are broadly products where the returns that may be received by the investor are dependent on the performance of indirect investments (meaning underlying or reference assets). This covers all products in scope of the current PRIIPs and UCITS regimes.
- 3.45** Under our proposed rules, debt securities with certain features are included in the definition of Consumer Composite Investments, as are securities which embed a derivative, or include features equivalent to a derivative contract. This means that non-equity securities (as defined in the PRM) that are e.g. structured products are in scope unless they are expressly excluded (e.g. because they are non-retail products).
- 3.46** However, in PS22/2, we introduced rules to clarify the scope of the PRIIPs Regulation for corporate bonds, making it clearer that certain common features of these instruments do not make them into a PRIIP. We said in CP24/30 that we intend to carry across the PRIIPs scope clarifications in relation to debt securities, currently outlined in DISC 2.2, to the new CCI regime, subject to an amendment in relation to 'make whole' call options as discussed below.
- 3.47** A 'make whole' call option is a feature commonly found in corporate bonds. This allows the issuer to redeem the bond at any time during the life of the bond by repaying to the investor an amount calculated as being the higher of (i) the par value of the bonds; and (ii) the present value of the bonds to be redeemed and their future cash flow to the original date of redemption. They offer investors an element of protection by providing a predetermined payout in the event of early redemption. We have had feedback that the PRIIPs scope clarification left some uncertainty as to whether 'make whole' clauses were captured. We do not consider that typical 'make whole' clauses cause corporate bonds to fall within scope of the CCI regime. We therefore proposed in CP24/30 to amend the existing scope clarifications to remove the current requirement for there to be any link between exercise of a 'make whole' option and some other event or state of affairs, and to broaden the scope of the possibility of mechanisms for calculating the cash repayment amount to ensure that this does not inadvertently exclude certain 'make whole' provisions.

Interaction with Financial Promotions rules and Consumer Duty

- 3.48** We have been asked by stakeholders to give some clarity on the interaction between our proposals and FCA Handbook rules that may apply to the issuance, promotion and distribution of low denomination non-equity securities, in particular our financial promotions rules and the Consumer Duty.

Financial Promotions rules

- 3.49** We understand there is some confusion about how the rules in COBS 4 apply to non-equity securities to be admitted to trading on a regulated market in general, and in particular corporate bonds in low denominations.
- 3.50** The application of our rules to the promotion of debt securities depends on the specific structure of those securities. Most securities, including debentures, which are admitted to trading on a regulated market will constitute readily realisable securities for purposes of the financial promotion rules. As a result, most non-equity securities are not subject to marketing restrictions or bans under the financial promotion rules, regardless of their denominations. Based on our proposed definition of non-complex listed corporate bond, we anticipate that these will generally be readily realisable securities.
- 3.51** However, it will be necessary to consider the specific structure of a security. For example, there is a small subset of non-equity securities that are listed but have features that are similar to speculative illiquid securities and are not, nor expected to be, regularly traded. These are not readily realisable securities and instead, are subject to the same marketing restrictions as speculative illiquid securities that are not listed or admitted to trading. However, we would not expect issuers of the type to which our proposed definition applies to use the proceeds of non-complex listed corporate bonds in such a way that they could constitute speculative illiquid securities (COBS 4.12B.50(2)).

Consumer Duty

- 3.52** Some issuers are concerned that issuing low denomination bonds, in which retail investors might invest, could bring them within the scope of the Consumer Duty. The Consumer Duty rules in PRIN 2A do not apply globally, only broadly speaking, to persons who are authorised to carry out regulated activities. Simply issuing securities and admitting them to trading on a regulated market will not bring an issuer in the scope of the Consumer Duty, regardless of the denomination of the securities and of whether the investor is a consumer.
- 3.53** There is a carve out from the Consumer Duty for financial instruments (including bonds) with a minimum denomination or minimum investment of £50,000. This would not be

available for financial instruments, including non-equity securities, with denominations or minimum investment amounts below the threshold.

3.54 However, there is a further carve out for certain financial instruments that would apply to non-complex listed corporate bonds regardless of denomination (in limb (3) of the definition of “retail market business” in the Glossary). By virtue of this exception, certain activities, including underwriting activities, in relation to financial instruments meeting the criteria, including non-complex listed corporate bonds that are to be admitted to trading on a regulated market, will be exempt from the Consumer Duty. This is regardless of denomination or investment amount.

Chapter 4

Removing the further issuance listing process and related changes to UKLR and the proposed PRM

- 4.1** This Chapter sets out our proposals to remove the further issuance listing application process from UKLR. As part of that, we propose to streamline certain features of the listing process for new applicants. We also propose to adjust our approach to other matters that are currently integrated in the further issuance listing process for existing issuers. We are proposing additional requirements for the proposed PRM to support these measures.
- 4.2** In this Chapter, where we refer to 'further issuances' we mean further issuances of securities of a class that has already been admitted to listing. Where we refer to a 'new applicant' we generally mean an issuer that does not already have securities of any class admitted to listing, although it is possible that an existing issuer may apply to list an additional class of securities.
- 4.3** The proposed changes to the UKLR and the PRM discussed in this Chapter are in the UK Listing Rules (Further Issuance) instrument 2025 in Appendix 1.

Background – discussion topic in CP21/21

- 4.4** In CP21/21, we opened a discussion on changing our approach to listing securities by removing the further issuance listing process from our rules. We were considering how the listing regime could operate more effectively and questioned whether our listing processes and procedures for further issuances supported our objectives.
- 4.5** In feedback, stakeholders offered high-level support for measures to simplify our administrative processes and procedures for listing securities, improve understanding of our associated requirements, and reduce regulatory burden for issuers. However, before responding fully, some respondents preferred to wait until they had more visibility on the new prospectus regime under POATRs and related requirements for admitting securities to a regulated market.
- 4.6** The timing and detail of our proposals in this chapter take account of that feedback. Our proposed changes also complement the modernisation of the prospectus regime for regulated markets pursuant to POATRs and the proposed PRM.

Overview of our proposals and reasons for change

Why we propose to change our processes and procedures for listing securities

- 4.7** Issuers must currently undertake a listing process to admit a new class of security to the Official List and make further listing applications when they issue more securities of the same class. We receive dozens of applications for listing further issuances each day, particularly for debt securities. We coordinate with the trading venue to ensure that admission to listing and admission to trading happens simultaneously, for new applicants and for further issuances.
- 4.8** When we grant a new applicant's listing application and record a new class of security in the Official List, we do this after having undertaken an eligibility review to ensure the relevant UKLR criteria are met, including that the securities are freely transferable.
- 4.9** On the other hand, when we process a listing application for a further issuance, we do not repeat the eligibility review, which we explain in our guidance on our eligibility process ([Eligibility process – Primary Market/PN/901.1](#)), although certain requirements in UKLR 3 – requirements for all securities to be listed – also apply to the further issuance. We do not see a clear value in both the FCA and the trading venue conducting parallel admission processes for further issuances.
- 4.10** In addition, the further listing issuance process adds late-stage friction to capital and debt raising transactions immediately before the issuer's intended date for admitting the relevant securities to trading. It also adds complexity to the UKLR.
- 4.11** We already tailor requirements in the UKLR to reduce this friction but only for issuers who are likely to make multiple listing applications, i.e. debt issuers, issuers of depositary receipts and open-ended investment companies (OEICs). We also tailor our requirements to allow 'block listings' of future issuances of the same class in narrow circumstances.
- 4.12** We now propose to remove the further issuance listing application process entirely from the UKLR and simplify our requirements. The listed status of *any individual* issued security would be evidenced by the class being recorded in the Official List, once the FCA has announced its decision to admit the securities of that class to listing (as per UKLR 20.2.7G).

Benefits of these changes for issuers, shareholders and other market participants

- 4.13** From the perspective of issuers, the key changes we are proposing would mean:
- Issuers would only make a single application to list all securities of the class, including existing securities and future issuances made after the FCA has approved the listing application. The FCA would treat further issuances of the same class as automatically listed when the securities are formally issued, without undertaking a further listing application process.

- We would no longer routinely ask issuers to submit data to us on the number of securities to be listed (existing or future). We consider the exact number of 'listed' securities has limited value and removing this standalone requirement will simplify our listing application requirements (although data may still be requested to establish compliance with other rules, if applicable, such as the minimum market capitalisation requirements in UKLR 3.2.7R).
- We would no longer permit issuers of certain types of securities to specify an 'up to' number of securities to be listed in anticipation of future issuances. The existing purpose is to reduce the burden of making multiple listing applications for the same class, which would no longer be necessary once the further issuance listing application process is removed.
- We would also remove similar provisions for OEICs that are multi-class or umbrella funds given that they offer little benefit under current rules (if any).

4.14 We consider this new approach to the admission of securities to listing to be conceptually clearer for issuers and other market participants.

4.15 Removing the additional listing process for further issuances is more consistent with our approach to other types of corporate transactions that alter the number of issued securities without requiring the issuer to undertake a further process in relation to the listing.

4.16 For example, it is already the case that equity issuers may undertake transactions that would partially reduce the number of listed securities, such as share buy backs, without having to apply to cancel the listing of the purchased shares. The number of listed certificates representing securities is also permitted to fluctuate up and down to accommodate the changes in holdings in the underlying securities.

4.17 This change would complement our proposals to increase the threshold at which a prospectus is required for further issuances of shares of a class that has already been admitted to trading on a regulated market, subject to the outcome of the consultation on our proposals in CP24/12, by reducing friction at the admissions stage.

4.18 Related to this, we would also need to change how we currently use the further issuance listing process as a regulatory checkpoint and for information gathering on other matters. It is our experience that the additional checks and information gathering we undertake as part of this process are unlikely to reveal serious breaches or investor detriment causing us to refuse the further issuance listing application. We are therefore consulting on alternative measures that we consider more proportionate, which are not tied to a further issuance listing application.

4.19 For existing shareholders and other investors, our proposals to replace the current checks on other matters aim to prioritise transparency and corporate engagement, requiring issuers to notify key information to the market on a timely basis.

4.20 We set out the further detail of these proposals below. Taken together, we consider these changes should benefit the broader issuer community as a whole without introducing material risk to existing shareholders or potential investors, nor undermining our ability to monitor markets effectively.

4.21 We would continue our broader monitoring and enforcement functions, taking action (including the possible suspension of listing) where we consider appropriate.

Question 7: Do you agree we should remove the further issuance listing process from UKLR and simplify our administrative requirements for admitting securities to listing? If so, what are your reasons? If you disagree, please explain why.

Question 8: Do you agree in principle that we should introduce alternative measures to replace our current checks and information gathering on other matters that are currently incorporated within the further issuance listing process?

Our proposed changes to the listing processes and procedures in UKLR

Creating a single listing application process in UKLR for all securities of the same class including further issuances

4.22 We propose to make the following changes to UKLR to create a single listing application process for the whole class to be listed, which relates to all securities of the class that have been issued and may be issued in the future, and remove the concept of separate listing applications to be undertaken for further issuances of the same class:

- Include new guidance in UKLR 1.6 to frame our approach to admission to listing.
- Amend our requirements for listing all securities in UKLR 3 for consistency with the proposed new approach and to differentiate, where necessary, between securities that already exist and further issuances of securities (made after the FCA has granted the listing application).
- In connection with our changes to UKLR 3, add new or amend existing continuing obligations to maintain certain UKLR requirements that securities must be valid, admitted to trading and freely transferable where the obligation currently applies in UKLR 3 to a further admission to listing (see proposed UKLR 9.4.17AR and similar in other chapters). We have also added a continuing obligation that, for listed certificates representing securities, the underlying shares must be freely transferable at all times (UKLR 15.3.1R(2A)).
- Amend our processes and procedures for making a listing application in UKLR 20 so that the application for admission to listing is a single application for a particular security class and there is no concept of multiple listing applications for further issuances of the same class.
- Amend the existing listing procedure for issuance programmes in UKLR 20.5.10R so that, for listing purposes, the FCA would need to be advised of the final terms of an issue only in the case of a new class of security for which listing is sought.
- Remove the continuing obligation in various UKLR chapters that requires equity and other share issuers to make a further issuance listing application within a specified period, which will become redundant (an example is UKLR 20.5.10R).

- Remove the standalone requirements in UKLR 20 for issuers to supply the number of allotted securities in a listing application and associated board resolutions.
- Remove the tailored listing processes that currently allow certain issuers to list an 'up to' number of securities as these will become redundant (including block listings and tailored listing processes for OEICs).

Minor consequential drafting changes to UKLR

4.23 There are a number of minor but necessary changes throughout UKLR for consistency with the above approach (but not otherwise substantively changing the obligations) and to remove redundant provisions. In particular, we propose to:

- Amend the criteria for admission to listing in the commercial company equity category in UKLR 5 to remove the dispensation for further issuances in UKLR 5.1.2R(1) which will become redundant.
- Make minor changes to the 'shares in public hands' requirements in UKLR 5.5.1R and UKLR 5.5.2R (and similar changes to other chapters) to clarify how the rules will apply at admission (when the listing is granted) and as a continuing obligation post admission.
- Amend the continuing obligations for further issuance of shares by commercial companies in UKLR 9.4, in relation to nil-paid rights (deleting UKLR 9.4.3G as redundant) and the sale of fractional entitlements pre-admission (amending UKLR 9.4.16R).
- Amend provisions referring to when a listing is first applied for, including in the commercial companies' requirements relating to dual class share structures (DCSS) (in UKLR 5.4.5R) and sovereign controlled commercial companies (UKLR 6.2.34R, UKLR 6.6.22R and UKLR 8.2.9R).
- Remove the obligation on issuers to inform the FCA when it has admitted further issuances of securities to trading (deleting UKLR 6.2.2R(1) and similar provisions in other chapters) which become redundant.
- Amend the information to be included on listed securities in circulars (UKLR 10.3.1R) for proportionality and to differentiate between securities that are proposed to be admitted to listing and further issuances of a class already admitted.

Ancillary streamlining measures

4.24 We also propose to streamline our requirements for new applicants:

- Delete an outdated and redundant provision in UKLR 11.3.2R applicable to CEIFs that are a multi-class or umbrella fund, which requires them to provide certain information with their listing application.
- Delete the document retention requirements in UKLR 20.4.8 (shares) and UKLR 20.5.7R to 20.5.9R (debt and other securities) as most of these documents should now be broadly in the public domain. If we considered it necessary to seek such documents in future on a case-by-case basis we would rely on our information gathering powers in UKLR 1.3.1R and the Listing Principles in UKLR 2.2, applicable to all issuers.

Further impacts – FCA daily notifications and the Official List

- 4.25** As a consequence of these changes, we would also stop publishing information on the number of securities in the listing application (for which we have granted a listing) via our Daily Market Notices. As noted below, we are however proposing to introduce a notification obligation for issuers in the PRM as part of our new requirements for the admission of securities to trading in which the issuer would set out the number of securities admitted to trading and other matters.
- 4.26** We intend to maintain the Official List as we do now. However, we consider the changes to the UKLR would bring greater clarity on whether individual securities are formally listed once the class has been recorded in the Official List.
- 4.27** The Official List would remain a list of securities and information on those securities. This includes the name of the issuer and its country of incorporation, the listing category, the market the securities are traded on, and the ISIN. As currently, it would not include data on the number of issued securities within the class.

Admission to trading

- 4.28** We also intend to retain the requirement in UKLR 3.2.3R that all securities within the class must be admitted to trading. Issuers should continue to apply directly to the relevant recognised investment exchange (RIE) to admit their listed securities to trading, including for further issuances, in accordance with the RIE's requirements.
- 4.29** As currently, market participants should not treat the inclusion of a security class in the Official List as confirmation that all issued securities within the class have also been admitted to trading. It is for the relevant exchange to determine whether to admit the securities to trading. This is an independent decision made by the exchange, not the FCA. (We also discuss below a related proposal for admission to trading to be included in the PRM.)

Question 9: **Do you agree with how we propose to amend the UKLR to remove the further issuance listing process and streamline our requirements? If you disagree, please explain why and what alternative measures you would propose.**

Consequential changes

Proposed changes to our current rules for sponsors on further issuance listing applications with a prospectus

- 4.30** UKLR 4.2.1R(1) requires an issuer with equity shares listed in either of the commercial company, closed-ended investment funds (CEIF) or shell company listing categories to appoint a sponsor when it makes a listing application for a further issuance of shares in

that category and is also required (by UKLR) to submit a prospectus (under the current prospectus regime) with the application. The sponsor is required to provide us with a range of assurances on the listing application, the prospectus and certain other matters as set out in UKLR 24.3.

4.31 We propose to adjust our rules such that the issuer's obligation to appoint a sponsor on the prospectus and the sponsor's role in relation to the prospectus (including any supplementary prospectus) continues as currently set out in UKLR, but without reference to the further issuance listing application, which would fall away assuming we remove that process from the listing regime. This also means that there would no longer be a mandatory sponsor role for further issuances below the threshold for a prospectus in the PRM, once the PRM comes into force, unless a sponsor is required to be appointed for another reason under UKLR 4.2.1R.

4.32 The relevant changes would be to UKLR 4.2 (via a new UKLR 4.2.1R(1A)) and consequential drafting changes where we set out the sponsor's role in UKLR 24.3 (for in-scope issuers) in the following scenarios:

- A new applicant for admission to listing (which may also apply in the context of a reverse takeover or initial transaction)
- An issuer that already has a listing where we tailor our requirements for proportionality in the context of an application for admission of either a new class of securities or a new holding company of an issuer with an existing listing in the equity shares (commercial companies) category
- An issuer that already has a listing and is seeking FCA approval of a prospectus for a further issuance of securities of the same class, per the proposed new UKLR 4.2.1R(1A)
- An issuer that already has a listing and is relying on a prospectus exemption specified in UKLR 4.2.1R(2) (to be updated with cross-references to the relevant provisions in PRM as set out in CP24/12) for a further issuance of securities of the same class.

4.33 If we make these changes:

- As now, the sponsor would only submit a 'Shareholder Statement' (relating to shares in public hands) in the context for an application for the admission of a new class of securities to listing (in the scenarios set out in the first two bullets under paragraph 4.33 and as per proposed changes to UKLR 20.4.4R).
- The Pricing Statement would be redundant. We would remove all references to it in UKLR 24.3 (see our further discussion below).
- The Sponsor Declaration for a further issuance with a prospectus would no longer extend to listing application matters.

4.34 We are not otherwise changing the obligations of a sponsor.

4.35 To maintain the efficacy of the sponsor regime on prospectuses, we propose to include a new provision in the PRM (PRM 9.2.11AR) stating that our approval of the prospectus may be withheld pending the discharge of the sponsor service on that prospectus as set out in the UKLR. This would apply to new applicants for listing as well as for issuers

who are already listed and issuing further securities of the same class under new UKLR 4.2.1R(1A), where there would no longer be a listing application.

4.36 In scenarios where the issuer relies on a prospectus exemption in PRM 1.4.7R or 1.4.8R, we also consider it proportionate to apply similar obligations in PRM to support the sponsor appointment in UKLR 4.2.1R(2) and corresponding role.

Question 10: Do you agree with our proposed changes to the sponsor requirements in UKLR to accommodate the removal of the further issuance listing process and other consequential changes? If not, what changes would you make and why.

Question 11: Do you agree in principle that we should continue not to mandate the appointment of a sponsor for further issuances of shares below the threshold set for requiring prospectus (which is subject to feedback to CP24/12) when the new PRM comes into force?

Question 12: Do you agree with our proposed new rules in the PRM requiring discharge of the sponsor role prior to the FCA providing approval of a prospectus, with similar requirements for the sponsor role in the context of an issuer relying on a prospectus exemption in PRM 1.4.7R or 1.4.8R? If you disagree, please explain why.

Replacing the 'Pricing Statement' related to the discounted share issuance rules

4.37 UKLR 20.4.4R(2) currently requires a commercial company equity issuer to submit a signed 'Pricing Statement' with its further issuance listing application.

4.38 The Pricing Statement contains the issuer's confirmation of compliance with the discounted share issuance restrictions in UKLR 9.4.13R (where applicable) with details of the calculation applied and confirmation of having received prior shareholder approval (where required under UKLR). These rules are intended to protect existing shareholders from the potentially dilutive effect of a further share issuance. Where a sponsor must be appointed on the further issuance under UKLR 4.2 (as discussed above) the Pricing Statement must be signed by the issuer's sponsor instead.

4.39 In conjunction with removing the further issuance listing process, we propose to replace the Pricing Statement and the private confirmation to the FCA with an enhanced notification requirement, inserting a new UKLR 9.4.13R(6) to expand on the existing notification requirement in UKLR 9.4.13R(5).

4.40 The notification should contain broadly the same information as that set out in the Pricing Statement. As currently, we would not require an issuer to appoint a sponsor to

guide it specifically on UKLR 9.4.13R or review the notification that the issuer makes under UKLR 9.4.13R.

- 4.41** We consider this a proportionate approach that supports transparency and compliance. It puts key information into the hands of shareholders at the relevant time to enable scrutiny of the board's actions, support corporate engagement and ensure the board can be held to account.

Question 13: Do you agree with our proposed measures to replace the Pricing Statement that is currently submitted with the further issuance listing application? If you disagree, please explain your reasons and any alternative measures.

Proposed changes to our processes for checking the availability of a prospectus exemption for a further issuance

- 4.42** We currently use the listing process as a checkpoint for testing an issuer's reliance on a prospectus exemption, including for further issuances of securities.
- 4.43** We propose to remove this routine check for further issuances in conjunction with removing the further issuance listing process. The existing requirements would continue to apply only to a new applicant for listing, per UKLR 3.2.10R and the listing application forms required in UKLR 20.4.2R(1) and UKLR 20.5.4R(1).
- 4.44** For further issuances, we consider issuer transparency and a consistent approach to market notifications on these matters is more proportionate, replacing the routine submission of exemptions analysis to the FCA for every further issuance of listed securities. It removes this friction and possible delay to the transaction timetable immediately before the admission to trading.
- 4.45** Furthermore, in our experience intentional or serious breach of the prospectus exemptions for further issuances of listed securities is rarely identified by these routine checks.
- 4.46** Although we frequently challenge an issuer's analysis of the availability of a particular prospectus exemption (particularly the '20%' exemption for shares), we rarely conclude during this process that the issuer has breached its legal obligation to publish an FCA approved prospectus. More often there is an error in the numbers used in the calculation sent to us with the listing application, or alternatively the issuer can rely on a different exemption or stagger its admissions to trading within scope of the rules.
- 4.47** We also consider our proposal to significantly raise the threshold at which a further issuance share prospectus is required, removing more routine capital raising transactions from scope by allowing more headroom before a prospectus is required, means the likely occurrences of any breach will also be significantly reduced.
- 4.48** Therefore, as discussed below, we propose to include a new notification obligation in the PRM to enhance transparency about transactions in securities to be admitted to trading on a regulated market. In the notification, an issuer will need to disclose information on

the issuance, including whether it has relied on a particular prospectus exemption for the admission of those securities to trading.

4.49 We will maintain robust supervisory and enforcement measures in the context of investigating possible breaches of exemptions to the prospectus requirement when admitting securities to a regulated market under our future PRM rules. The notification proposed will support our market monitoring, even if it means any enquiries or action is likely to take place following a further issuance being admitted to trading, rather than before POATRs. The proposed new PRM 1.2.6R obligations will also require issuers to deal with the FCA in an open and cooperative way.

Question 14: Do you agree with our proposed new approach to removing the prospectus exemptions checkpoint at the listing admissions stage in UKLRs, and instead replacing it with a market notification requirement on issuers within PRM?

Operationalising the new approach and transitional provisions

4.50 We propose to make these changes at the same time as the PRM coming into force.

4.51 We anticipate the following impacts for existing listings and 'in flight' applications if we proceed with these changes:

- New applicants for listing will need to apply for listing as per the new rules once they are in force. If an application is 'in flight', because it has been made but not yet been granted when the new rules are in force, a fresh application will be needed based on the new rules.
- For issuers that already have a listing of securities, a new transitional provision will provide that further issuances of the same class will be 'listed' automatically when the securities are issued, without the issuer being required to make a further listing application (as noted above). 'In flight' listing applications for further issuances will become obsolete. By exception, we are taking a different approach for certain securities admitted to listing based on Listing Particulars, given our proposals to remove this form of admission document, which we explain further in Chapter 5.
- There will be no impact on existing block listings.
- A new transitional provision applicable to OEICs that are multi-class or umbrella funds will provide for the FCA to continue to designate listed securities to a new security class provided the securities were the subject of an application for listing granted before the new rules are in force. Other OEICs will need to make a fresh listing application for a new share class.

4.52 If we implement these changes, we will need to update certain of the guidance in our online Knowledge Base. We will also need to amend our forms and checklists which we propose to do later in 2025.

Question 15: Do you agree on the proposed timeframe and transitional provisions?

Potential implications for market practice

4.53 In removing the listing application process for a further issuance and treating any issuance of the same class as automatically listed, we recognise this may potentially require some adjustments to other market practices or documentation e.g. in relation to share registration in CREST or underwriting agreements supporting further issuances if e.g. for certain transactions these currently refer to the FCA 'approving' the admission of securities to list.

4.54 While we do not currently anticipate that these changes will result in any material costs or process implications for market participants, we would welcome any feedback to the contrary. We also welcome views on whether referring to listing at the point of 'issuance' is sufficiently clear, versus 'allotment' in the context of shares.

Question 16: Are there any costs or process implications for issuers or other market participants that we have not anticipated? In particular, are there implications for securities being automatically listed when they are issued (rather than when they are allotted for example) or should a different approach be applied to different security types? If yes, please provide details.

Further PRM proposals

New notification requirement

4.55 We are proposing to include a short notification obligation in the PRM (PRM1.6), requiring an issuer to make an announcement to the market via a RIS for securities admitted to trading. We propose that this notification should specify:

- the name and legal entity identifier of the issuer
- the name, type and ISIN of the transferable securities (the purpose is to enable the securities to be easily identified)
- the number of transferable securities newly admitted to trading and the revised total number of transferable securities admitted to trading of the class as a result of the admission (when the admission is for a further issuance)
- whether the transferable securities admitted to trading are fungible with transferable securities already admitted to trading
- the regulated market and the admission date
- whether the issuer has published an FCA-approved prospectus (with a hyperlink to where it has been published) or is relying on a specific prospectus exemption.

- 4.56** We are proposing the publication of this information to serve two key market integrity purposes – to enhance market transparency and to support the FCA’s monitoring of compliance with the new prospectus regime.
- 4.57** The notification would inform the market and the FCA of the number of securities admitted to trading and the issuer’s reliance on a prospectus exemption under the PRM (where applicable).
- 4.58** For the FCA, the ability to access this information easily from the public domain, and the POATRs information in the notification, would support our scrutiny, for example, of whether a further issuance of equity shares of a class already admitted to trading was large enough to cross the threshold at which a prospectus is required to be published under the new PRM. In CP24/12 we proposed that a prospectus would not be required if the issuance represented (taking into account earlier issuances over a 12-month period) less than 75% of the number of securities already admitted to trading on the same regulated market (proposed PRM 1.4.3R).
- 4.59** In deciding what information to include in the notification, we have aimed to be proportionate noting this will be novel for issuers with associated compliance costs.
- 4.60** In particular, while the number of new securities may be currently released to the market by issuers under other requirements or market practice, this may not necessarily be the case for announcing the new total number of securities admitted to trading. Also, the issuer is not currently required under the UK Prospectus Regulation to explain to the market which prospectus exemption it has relied on. We have therefore not proposed that the issuer publish the calculations or transaction history that may support its reliance on a prospectus exemption (including the proposed 75% exemption referred to above), although we might require the issuer to provide that information to us.
- 4.61** We want to hear from issuers about the impacts and costs of publishing this information, as well as their perception of the benefits and risks to them, including for their transactions and compliance functions.
- 4.62** We also are seeking views on whether the publication of this information is useful to other market participants and for what purpose. Also, whether that purpose relates to the PRM or other matters.
- 4.63** For example, we have previously heard feedback that for the purposes of short selling notifications, some market participants struggle to find data on an issuer’s existing share capital to work out whether they need to make a notification of a short position. While we consider that disclosing data on the total securities in issue of a specific class at the point of a further issuance will not necessarily provide the relevant baseline for short-selling purposes (e.g. if other classes of equity share are issued by a company), and may become stale quite quickly if other transactions alter an issuer’s total equity share capital, we are keen to understand if disclosure of such information may have other benefits we have not considered.
- 4.64** Responses by firms to the Government Response to the Short Selling Regulation Review (July 2023) raised that the lack of a definitive data source for total issued share capital for firms to use to calculate and report their net short positions to the FCA under

the UK Short Selling Regulation (UK SSR) created unnecessary complexity and burdens for firms. Issuers publishing their issued share capital would make it easier for firms to calculate and report their net short positions to the FCA.

4.65 However, the UK SSR has a bespoke definition of issued share capital for issuers with shares admitted to trading on UK Regulated Markets and UK MTFs. This includes the total of any class of shares, including ordinary and preference shares, irrespective of whether those shares are admitted to trading on a UK trading venue, but does not include convertible debt securities issued by the company. Therefore, the new notification we are proposing above may not be sufficient for firms to use to calculate and report their net short positions. However, we are keen to understand whether and how the disclosure of issued share capital (including different types of issued share capital) by issuers could support the market in other ways.

Question 17: Do you agree with our proposed new notification requirement to be included in the PRM and the reasons for it? If you disagree, please explain your reasons why and your alternative proposals.

Question 18: What are the changes and associated costs, benefits and risks to issuers of publishing this information?

Question 19: How useful is the publication of this specific information to market participants and for what purpose(s)? Should we consider adding any additional information to the notification and if so, why?

Time limit for further issuances to be admitted to trading

4.66 We also propose an additional provision in PRM that an issuer must admit to trading any further issuance of transferable securities (fungible with those already admitted to trading) within 60 days of the new transferable equity securities being allotted and within 60 days of the new transferable non-equity securities being issued (new PRM 1.5.2R and 1.5.3G). This supports the efficacy of the prospectus regime and relevant exemptions, including the proposed exemptions for further issuances of equity securities up to 75% of existing share capital, which assumes there will be an admission to trading for each issuance.

Question 20: Do you agree with our proposed new admission to trading time limit requirement for the PRM? If you disagree, please explain your reasons why.

Chapter 5

Proposals relating to Listing Particulars

- 5.1** This Chapter sets out our proposals to remove Listing Particulars as an admission document and the transitional provisions for issuers who have had their securities listed and admitted to trading on the LSE's PSM before the new regime comes into force.

Background: Engagement Paper 4, CP24/12 and feedback

- 5.2** The UKLRs currently retain an alternative, older form of admission document for admissions to listing (rather than admission to trading) called 'Listing Particulars', which the FCA approves in a similar way as a prospectus (see UKLR 23). Listing particulars were retained alongside the EU prospectus regime primarily to accommodate the LSE's PSM. The PSM is a listed, primary MTF mostly catering for bonds, with a smaller number of Global Depository Receipts (GDRs). As it is not a regulated market, under the UK Prospectus Regulation and preceding EU law, admission to listing and trading on the PSM does not require a prospectus unless there is a public offer. We also currently require Listing Particulars for certain types of securities that are exempt from the prospectus regime (see UKLR 23.1.1R(1)).
- 5.3** In recent years, new issuances on the PSM are in relatively low numbers (see Table 1 below) in comparison with the vast majority of debt securities that are issued on the main market (with a prospectus) or on the International Securities Market (the 'ISM' – LSE's unlisted MTF market for qualified investors).
- 5.4** In Engagement Paper 4 and CP 24/12, we proposed to remove Listing Particulars as an admission document to simplify our rules. Feedback from respondents indicated support for this proposal. The implication of this proposal would be that new admissions of securities to the PSM would not be possible. However, we are comfortable that issuers would be adequately served by either the Main Market or the ISM. The LSE has indicated support for our proposal to remove Listing Particulars as an admissions document and to close the PSM to new admissions if we proceed with changes at the point the new regime comes into force.

Table 1: Number of bonds issued on the PSM in comparison to the Main Market and the ISM (Source: LSE)

Years	ISM		MAIN		PSM	
	Amount Raised (\$m)	No. of Issuances	Amount Raised (\$m)	No. of Issuances	Amount Raised (\$m)	No. of Issuances
2020	49,868.85	105	874,006.36	1826	1,191.42	4
2021	64,277.86	160	640,096.03	1964	39.20	6
2022	42,575.46	271	568,532.14	2255	997.61	7
2023	64,188.69	3,413	683,687.80	2161	359.27	6
2024	127,412.30	11,650	851,375.59	2401	511.43	7

Our proposals

Removing Listing Particulars as an admission document

- 5.5** Under the POATRs, the market operator of a professional-only MTF can decide whether an MTF admission prospectus is required or opt to have their own disclosure requirements when securities are admitted to their market. We have also proposed that, in future, certain issuers currently exempt from the Prospectus Regulation will need to publish a prospectus for admission to a regulated market for reasons set out in paragraphs 3.31 to 3.37 in CP24/12. The concept of Listing Particulars is inconsistent with the new framework, and, given the relatively low levels of new issuances relying on Listing Particulars (either on the PSM or under the relevant prospectus exemptions), we think there is a benefit in simplifying our rules by removing the Listing Particulars regime alongside the POATRs coming into force.
- 5.6** The listing rules will no longer specify any securities that need approved Listing Particulars. We are therefore proposing to remove Listing Particulars as an admission document to support listing applications. This would be achieved by amending relevant provisions within the UKLRs, including:
- Deleting UKLR 23 in its entirety.
 - Amending UKLR 3.2.3R (admission to trading) and the continuing obligations set out in the UKLRs relating to admission to trading.
 - Making consequential amendments across other chapters of the UKLR sourcebook, DTR sourcebook and FEES manual to remove references to Listing Particulars as relevant, excepting those that may remain appropriate on a forward-looking basis (e.g. the ability to incorporate by reference information included in Listing Particulars previously approved by the FCA).
- 5.7** The proposed changes outlined in paragraph 5.6 above are in the UK Listing Rules (Listing Particulars) instrument 2025 in Appendix 1.

5.8 If we proceeded with these proposals, including our approach to transitional provisions described below, the FCA will not approve Listing Particulars, Supplementary Listing Particulars or Final Terms, from the commencement date of the POATRs regime. This would mean issuers' securities will not be admitted to the Official List and the PSM would effectively close to new admissions when the new regime comes into force, which we anticipate will be in early 2026.

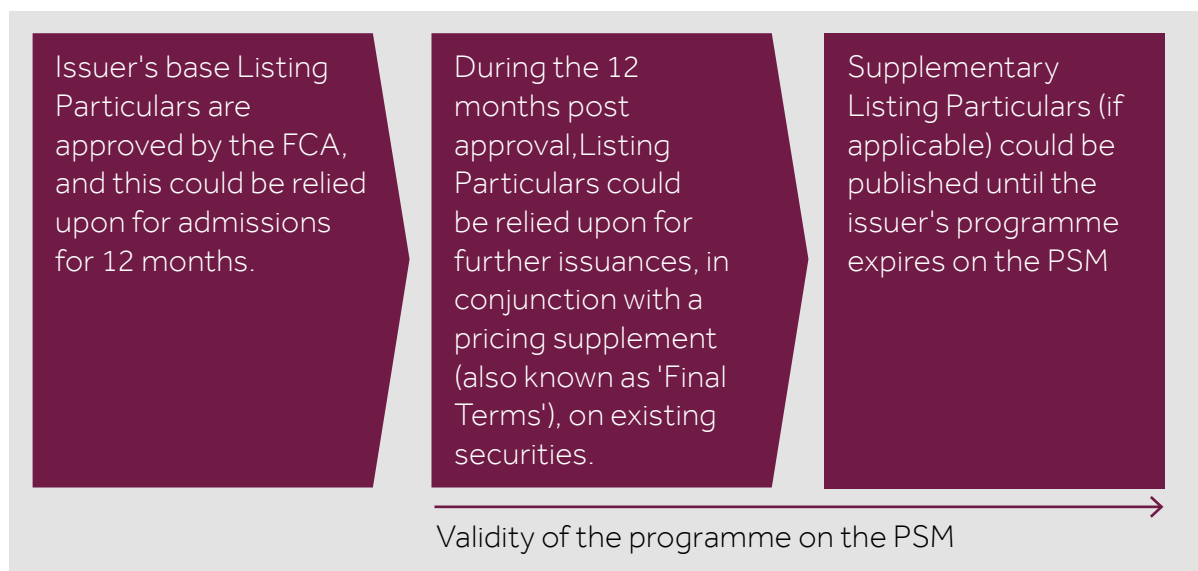
Impact on existing issuers and transitional provisions

5.9 Removing Listing Particulars as an admissions document will impact new applicants who wish to admit their securities for trading on the PSM. Listing particulars can also currently be used by applicants that wish to list and admit to trading certain securities that are exempt from the prospectus regime (see UKLR 23.1.1R(1)) and therefore, our proposal to remove Listing Particulars as an admissions document will mean that these types of applicants will need to produce a prospectus to list their securities and be admitted to a regulated market.

Current process for issuers who have debt securities admitted to trading on the PSM

5.10 The proposal to remove Listing Particulars as an admissions document will also impact issuers who currently have debt securities (eg, bonds) admitted to trading on the PSM, as they will not be able to conduct a further issuance of existing securities or a new issuance and admit those securities to the Official List when the new regime comes into force. For the reasons set out in paragraph 5.6 above; existing issuers of debt securities would be unable to submit new Listing Particulars (or, if applicable, Supplementary Listing Particulars) and Final Terms via the normal process, as they do now, to 'refresh' a debt programme when the new regime comes into force (see Figure 1 below).

Figure 1: current process for further issuances of existing debt securities during the validity of the programme on the PSM



What issuers would need to do before the new regime comes into force

- 5.11** If the Final Terms (also known as Pricing Supplements) of the securities offered were not included in any approved Listing Particulars before the proposed rules come into force, an issuer will be unable to apply to list and admit to trading on the PSM these securities once our proposed rules take effect. This is because we propose to only allow new securities to be admitted to listing if they are to be admitted to trading on a regulated market.
- 5.12** Therefore, if an issuer wanted to conduct a further issuance of securities on the PSM or a new issuance, they would need to ensure Listing Particulars (or, if applicable, Supplementary Listing Particulars) and Final Terms are approved by the FCA *and* have those securities admitted to the Official List (which also requires admission to trading) prior to the commencement of new rules.

Transitional provisions for issuers who have had Listing Particulars (or, if applicable, Supplementary Listing Particulars) and Final Terms approved by the FCA and have had their securities admitted to the Official List before the new regime comes into force

- 5.13** Under the proposed new rules, listed securities must be admitted to trading on a regulated market at all times. We are not proposing to require issuers to transfer existing listed securities from the PSM (which is not a regulated market) nor to remove the 'listed' status of these securities. Instead, we are proposing transitional provisions (please see the UK Listing Rules (Listing Particulars) instrument 2025 in Appendix 1 for specific drafting) that will allow the current continuing obligations in the UKLRs to apply to listed securities to be admitted to trading on a regulated market or on an RIE's market for listed securities. As a result, securities already listed and admitted to trading on the PSM prior to the commencement of the new rules would still be subject to those obligations for as long as they remain there.
- 5.14** The transitional provisions (described in the paragraph above) will enable issuers' securities to remain listed and admitted to trading on the PSM for as long as the LSE chooses to maintain it.
- 5.15** It is important to note that existing issuers who currently have their securities admitted to trading on the PSM will need to consider an alternative market for future capital raising should they wish to refresh a programme or issue new securities. Those issuers will need to meet the relevant eligibility criteria, for example either to list under one of our UKLR categories and be admitted to trading on the LSE Main Market or meet the LSE's rules for admission to the unlisted ISM.

Issuers that currently have GDRs admitted to trading on the PSM

- 5.16** We expect that the proposal to remove Listing Particulars as an admissions document will not impact GDRs currently admitted to trading on the PSM. This is because an issuer would not need to submit new Listing Particulars to conduct a further issue of existing GDRs admitted to trading on the PSM. This is provided that the total number of GDRs in issue does not exceed the "up to" amount specified in the approved Listing Particulars when the issuer's GDRs were first listed. While our proposed transitional provision will

not allow further issuances of the same class of securities specified in UKLR 23.1.1R(2) to be automatically listed upon issuance, by way of reference to the explanation set out in paragraph 4.51 within Chapter 4, we have made an exception for GDRs that fall within UKLR 23.1.1R(2), which will automatically become listed upon issuance within the “up to” amount specified in the approved Listing Particulars when the issuer’s GDRs were first listed (please see UKLR Transitional Provision 13(3) within the UK Listing Rules (Further Issuance) instrument 2025 in Appendix 1 for specific drafting).

Rationale for changes

- 5.17** Given the relatively small number of instruments and issuers on the PSM, and limited use of Listing Particulars by issuers who wish to list and admit to trading on a regulated market securities that are exempt from prospectus requirements (which we have also proposed to amend as part of CP24/12), we consider the impacts of this change will be modest and new capital raising is sufficiently served by other existing markets, both listed and unlisted. We are also seeking to avoid requiring existing issuers to transfer securities currently listed and admitted to trading on the PSM to another market.
- 5.18** However, for new issuers, the change will simplify our Listing Rules and create a clearer framework in terms of the difference in admission document requirements for admissions to regulated markets (which are typically also listed markets) overseen by the FCA, versus admission documents for primary MTFs, which will be subject to rules set by market operators. We consider this will create efficiency by reducing complexity in our rules and ensuring our Listing Rules better reflect the framework established by the POATRs.
- 5.19** We welcome feedback on our proposals, including the possible effects on existing issuers that currently have their securities admitted to trading on the PSM.

Question 21: Do you agree with the proposal to remove Listing Particulars as an admission document by deleting UKLR 23, amend the listing eligibility requirements set out in UKLR 3 related to admission to trading, and make other consequential amendments? Yes/No, please explain why.

Question 22: Do you consider that there is sufficient time for existing issuers on the PSM to plan how they can raise new capital via alternative routes, if necessary, when the FCA ceases to approve Listing Particulars? Yes/No, please give your reasons.

Question 23: Do you consider that the transitional provisions are proportionate? Yes/No. Are there any other practical considerations for issuers that we should take into account as a result of our proposal? Please explain.

Chapter 6

Consequential Handbook changes and transitional provisions following CP24/12 and CP24/13 and changes to DEPP and EG

- 6.1** In this Chapter we give a brief overview of proposed changes to other sourcebooks within the FCA Handbook that would be affected by the proposals in CP24/12 and CP24/13. These changes are consequential in nature. We also outline additional transitional provisions to support the new POATRs and PRM rules, and indicate proposed changes to our DEPP and EG sourcebooks.
- 6.2** The draft instrument text for the sourcebooks affected by these consequential changes is included in Appendix 1 - Prospectus (Smarter Regulatory Framework and Consequential Amendments) (No 2) Instrument 2025 of this consultation paper.

Sourcebooks affected by consequential changes

- 6.3** We have identified consequential changes to the sourcebooks listed in Table 2 below

Table 2: Sourcebooks where consequential changes may be required

Sourcebook
Senior Management Arrangements, Systems and Controls (SYSC)
General Provisions (GEN)
Fees Manual (FEES)
Market Conduct (MAR)
Product Intervention and Product Governance (PROD)
Consumer Redress Schemes (CONRED)
Investment Funds (FUND)
Regulated Covered Bonds (RCB)
Recognised Investment Exchanges
UK Listing Rules (UKLR)
Disclosure Guidance and Transparency Rules (DTR)
Perimeter Guidance Manual (PERG)
Glossary

- 6.4** With respect to material outside of the FCA Handbook, we have identified consequential changes in relation to the Enforcement Guide (EG) and the Perimeter Guidance Manual (PERG).

- 6.5** The consequential changes we are proposing are intended to ensure that the terminology and cross-references in the above-referenced sourcebooks and materials accurately reflect the features of the new regime that we have proposed in CP24/12 and CP24/13, as well as preserving the status quo, where appropriate.

Transitional provisions

PRM transitional provisions

- 6.6** Regulation 48 of the POATRs provides that any prospectuses or supplementary prospectuses for securities that are approved by us prior to commencement will remain valid for the relevant period provided for in Article 12 of the UK Prospectus Regulation. This is typically 12 months from date of approval of the prospectus. This ensures that existing admissions to regulated markets and / or public offers based on prospectuses approved under the current framework can continue to be relied upon.
- 6.7** We propose a guidance transitional provision in PRM to highlight this legislative provision. In addition, we propose a transitional provision to indicate that previous guidance contained in PRR will also apply as relevant to documents approved prior to the new rules taking effect. We also provide a transitional provision to enable an issuer that has had a universal registration document (URD) approved prior to the new rules taking effect to request 'frequent issuer status' under the new rules within the original validity period of the approved URD (in accordance with the process set out in PRM 2.6).
- 6.8** We have also proposed further rules in PRM to enable any prospectus or documents approved by us prior to commencement of the new regime (or approved by an EU competent authority before implementation completion date for the UK's exit from the EU) to be incorporated by reference in any new prospectuses submitted to us under the PRM.
- 6.9** For admissions of securities where issuers are in the process of preparing a prospectus at the point the new rules come into effect, those issuers would need to seek approval based on the new PRM rules. Where an exemption applies under the new legislation or PRM rules that did not previously exist or is wider in scope, an issuer can either make a new prospectus application under the PRM rules if it wishes to seek voluntary approval of a prospectus, or otherwise could make use of the new exemptions.

UKLR transitional provisions for prospectus documents

- 6.10** We also set out new transitional provisions (TPs) in our UK Listing Rules setting out how prospectuses will be treated both pre and post our new PRM rules coming into effect for the purpose of applications to listing and complying with other relevant provisions. These broadly take a similar approach of ensuring a document approved prior to the main commencement date of the POATRs and PRM rules coming into effect can still be relied upon to satisfy our rules. However, for issuers submitting a prospectus that has not yet been approved by us prior to new rules taking effect, they will need that prospectus to be approved under the new rules and a listing application would require the relevant PRM rules to be met at that stage.

Definition of 'public international body'

- 6.11** At paragraph 3.27 in CP 24/12, we proposed deleting the definition of "public international body" in use in the UKLR, and replacing it with a broader definition known to the market and previously in use under the Prospectus Directive. As the draft instrument for CP24/12 did not fully reflect that proposed change, we are further consulting on the proposal to ensure the revised instrument is appropriately drawn to relevant parties' attention. Re-aligning the definition with the position under the Prospectus Directive for the purpose of the PRM exemption in (proposed) PRM 1.3.1R(2) and the continuing obligations in UKLR 17 will correct a previous anomaly whereby some PIBs had to apply for a modification of our rules under the UKLR (formerly LR) in order to be treated in the same manner as other PIBs named in the UKLR definition.

Question 24: Do you agree with our proposed consequential changes? Yes/No. Please give your reasons.

Use of our powers: proposed changes to DEPP and EG

- 6.12** The POATRs grant us a range of supervisory and enforcement powers. This includes the new directions power in regulation 34, which may be exercised only if we consider it desirable for protecting the interests of investors, advancing any of our operational objectives, or both. As part of our usual approach to supervision and enforcement, which power or powers are appropriate will vary according to the circumstances of the case.
- 6.13** We propose making changes to DEPP to reflect the new legislation. DEPP 2 will be amended to set out and align the procedures we will follow for decisions under the POATRs which require the issue of a supervisory, warning, or decision notice with our existing statutory notices procedure. DEPP 6 will be amended to apply our existing statement of policy on the imposition and amount of penalties under other legislation to penalties imposed under regulation 40 of the POATRs.
- 6.14** We also propose making changes to EG, which includes a description of our enforcement powers under legislation other than FSMA, to reflect the POATRs and the amendments we are proposing to make to DEPP 6. CP24/2 entitled "Our Enforcement Guide and publicising enforcement investigations – a new approach" includes proposals to revise EG. The changes proposed in this CP relate to the current version of EG but will be incorporated into the revised EG proposed in CP24/2.
- 6.15** The changes to DEPP and EG to give effect to these proposals are set out in Appendix 1.

Question 25: Do you have any comments on our proposed changes to DEPP and EG?

Annex 1

Questions in this paper

- Question 1:** Do you agree with the proposed single disclosure standard for non-equity securities of all denominations, based on the current rules and annexes for wholesale non-equity securities? If so, what are your reasons? If you disagree, please explain why.
- Question 2:** Do you agree with the proposed approach for an exemption to the use of prescribed accounting standards in prospectuses for non-equity securities? If you disagree, please explain why.
- Question 3:** Do you agree with the proposed definition of non-complex listed corporate bonds? If you disagree, please explain why.
- Question 4:** Do you agree that the proposed guidance would make it easier for issuers to issue non-complex corporate listed bonds in low denomination? If so, please give your reasons. If you disagree, please explain why.
- Question 5:** Are there additional and/or different changes needed for product governance rules to achieve our intended outcome?
- Question 6:** Do you agree with our proposed change to DTR 4.4.2? If so, please explain why. If not, please give your reasons.
- Question 7:** Do you agree we should remove the further issuance listing process from UKLR and simplify our administrative requirements for admitting securities to listing? If so, what are your reasons? If you disagree, please explain why.
- Question 8:** Do you agree in principle that we should introduce alternative measures to replace our current checks and information gathering on other matters that are currently incorporated within the further issuance listing process?
- Question 9:** Do you agree with how we propose to amend the UKLR to remove the further issuance listing process and streamline our requirements? If you disagree, please explain why and what alternative measures you would propose.

- Question 10:** Do you agree with our proposed changes to the sponsor requirements in UKLR to accommodate the removal of the further issuance listing process and other consequential changes? If not, what changes would you make and why.
- Question 11:** Do you agree in principle that we should continue not to mandate the appointment of a sponsor for further issuances of shares below the threshold set for requiring prospectus (which is subject to feedback to CP24/12) when the new PRM comes into force?
- Question 12:** Do you agree with our proposed new rules in the PRM requiring discharge of the sponsor role prior to the FCA providing approval of a prospectus, with similar requirements for the sponsor role in the context of an issuer relying on a prospectus exemption in PRM 1.4.7R or 1.4.8R? If you disagree, please explain why.
- Question 13:** Do you agree with our proposed measures to replace the Pricing Statement that is currently submitted with the further issuance listing application? If you disagree, please explain your reasons and any alternative measures.
- Question 14:** Do you agree with our proposed new approach to removing the prospectus exemptions checkpoint at the listing admissions stage in UKLRs, and instead replacing it with a market notification requirement on issuers within PRM?
- Question 15:** Do you agree on the proposed timeframe and transitional provisions?
- Question 16:** Are there any costs or process implications for issuers or other market participants that we have not anticipated? In particular, are there implications for securities being automatically listed when they are issued (rather than when they are allotted for example) or should a different approach be applied to different security types? If yes, please provide details.
- Question 17:** Do you agree with our proposed new notification requirement to be included in the PRM and the reasons for it? If you disagree, please explain your reasons why and your alternative proposals.
- Question 18:** What are the changes and associated costs, benefits and risks to issuers of publishing this information?

- Question 19:** How useful is the publication of this specific information to market participants and for what purpose(s)? Should we consider adding any additional information to the notification and if so, why?
- Question 20:** Do you agree with our proposed new admission to trading time limit requirement for the PRM? If you disagree, please explain your reasons why.
- Question 21:** Do you agree with the proposal to remove Listing Particulars as an admission document by deleting UKLR 23, amend listing eligibility requirements in UKLR 3 related to admission to trading, and make other consequential amendments? Yes/No, please explain why.
- Question 22:** Do you consider that there is sufficient time for existing issuers on the PSM to plan how they can raise new capital via alternative routes, if necessary, when the FCA ceases to approve Listing Particulars? Yes/No, please give your reasons.
- Question 23:** Do you consider that the transitional provisions are proportionate? Yes/No. Are there any other practical considerations for issuers that we should take into account as a result of our proposal? Please explain.
- Question 24:** Do you agree with our proposed consequential changes? Yes/No. Please give your reasons.
- Question 25:** Do you have any comments on our proposed changes to DEPP and EG?
- Question 26:** Do you agree with the analysis set out in our cost benefits analysis? Yes/No. Please give your reasons.

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 further changes to the Public Offers and Admissions to Trading Regulations regime (POATRs). 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. This CBA considers the costs and benefits of a range of proposals including:
 - Proposals in relation to listed non equity to align requirements for higher and lower denomination bonds.
 - Changes to the listings applications process to reduce friction for issuers when seeking to admit further issuances of currently listed securities to a regulated market, to reduce frictions to further capital raising by companies once they have securities admitted to listing and trading and support our proposals from CP24/12 to reduce regulatory intervention in such transactions.
 - Proposals to remove Listing Particulars as a listing admission document to simplify our listing framework and better align with the POATRs reforms, and
 - Consequential changes to our Handbook, including transitional provisions, providing for and improving on rules proposed in CP 24/12.
4. 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

5. 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.
6. Under the current UK prospectus regime, inherited from the EU, public offers and admissions to trading of securities to a regulated market in the UK require a prospectus to be produced, then scrutinised and approved by the FCA. Exemptions to these requirements are laid out in the UK Prospectus Regulation.
7. The participants materially affected by the proposals contained in this CP include issuers, potential issuers and their advisors and investors/potential investors in these issuers. HMT's Impact Assessment for the Public Offers and Admissions to Trading Regime SI provided estimates of the number of firms affected by the Prospectus regime changes. We updated these figures for the changes we proposed in CP 24/12. We use the same numbers here in relation to issuers and investors as in CP 24/12.
8. For LSE markets as of June 2024, there were 1,028 issuers listed on main market who may be impacted by our proposals. In addition, there are potential issuers (whose numbers we cannot quantify for the purposes of this assessment).
9. Companies which raise capital through debt instruments publish prospectuses. These include companies that raise 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.
10. In addition, 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

11. 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.
12. The main element of this failure relates to disproportionate requirements for low denomination bonds as set out below.
13. There are also potential regulatory failures in relation to potential inefficiencies in the regulation following our Listings reform and our proposals contained in CP 24/12.

Disclosure requirements for low denomination bonds

- 14.** The current regime sets out a distinct, reduced disclosure standard for prospectuses for non-equity securities with a denomination per unit at or above €100,000 (i.e. wholesale securities) than those above that threshold. In substance, the disclosure differences in the prospectus between 'wholesale' (above threshold/high denomination) and 'retail' (below threshold/lower denomination) non-equity securities are relatively modest, mainly involving marginal differences in the financial information and not requiring the 'summary' in a prescribed format.
- 15.** We have argued previously, for example in FCA Engagement Paper 4, that the €100,000 threshold for dual disclosure potentially creates an incentive to issue higher denomination bonds rather than those at lower denominations. Data on bond issuance reveals that most of such issuance is targeted at wholesale investors, rather than retail investors. There are relatively few issues of retail bonds in any given year. Data from the London Stock Exchange, Bloomberg and the FCA's National Storage Mechanism indicates that between 2016 and 2023, there were just 12 different issuers of low denomination retail bonds, subject to retail published prospectus requirements.
- 16.** The split between wholesale and retail bonds issuance is different to that before these rules were introduced under the original Prospectus Directive in 2005. A report by Winterflood Securities suggests that in 2005 67% of regulated bonds were issued with denominations of less than £2k. By 2023, only 3% were less than £2k.
- 17.** This distinction between retail and wholesale bond disclosures was initially introduced as a retail investor protection measure. However, since then there have been a number of developments in retail investor protection, such as PRIIPs and the product governance rules introduced via MiFID II. These rules provide enhanced information provision that the dual disclosure requirements were introduced to provide. Given this, it can be argued that these measures are now duplicative, and in aggregate, appear to create a disproportionate regime.
- 18.** The harms caused by this potential regulatory failure appear to affect both the supply and demand for bonds:
- 19.** Firstly, there are direct costs that arise from the additional prospectus disclosure requirements from issuing bonds denominated below €100,000. These costs are incurred by issuers and mainly consist of expenses for advisors who provide the additional information required. the costs of advisors to provide the additional information required. Consequently, the additional requirements may have created incentives to issue high denomination securities to avoid this extra disclosure obligation.
- 20.** In addition, the large denominations restrict retail investors and other smaller investors from purchasing these bonds. There was demand for these bonds from smaller investors prior to the restrictions introduced in 2005 but the high denominations mean that smaller investors, particularly retail investors, cannot include them in their portfolio, or do not include them in their portfolios as they would like. There are two main costs to this:

- In response to the restriction, investors may use investment funds or invest in other asset classes, taking on risk that may not match their preferences. Smaller investors may be prevented from matching cash flows from bonds with their liquidity requirements.
- Secondly, issuers have reduced demand for their bonds. They will therefore face higher costs of raising finance and are less able to raise the finance that they require.

- 21.** These restrictions on retail participation act as an impediment to creating a regime that encourages wider participation in well-regulated capital markets.
- 22.** While we cannot attribute the low retail bond issuance entirely to the additional regulatory requirements (there is likely clustering around €100k also due to custom over time) we consider that the current rules place disproportionate requirements on issuers when issuing low denomination bonds. Without intervention, issuers may continue to be incentivised to issue in high denominations, and retail consumers would continue to be excluded from the market.
- 23.** As set out earlier in this CP we consider that our intervention will act towards our secondary growth and competitiveness objective by making our regulation more proportionate and making capital raising easier for UK listed companies. This should in turn act to increase the numbers of companies listing on UK markets with further benefits in relation to increased business location in the UK, and consequent GDP and employment uplift effects.

Listing application process and Listing Particulars

- 24.** Under the current listing regime, issuers must undertake a listing process to admit a new class of security to the Official List and make further listing applications when they issue more securities of the same class.
- 25.** These processes feature administrative requirements and procedures, as detailed in Chapters 4 and 5 of the CP. These processes have been argued to add late-stage friction to capital and debt raising transactions, as well as adding complexity to the UKLR.
- 26.** The harm created by this is that issuers cannot raise capital in the most efficient and timely manner.
- 27.** The proposals set out in this CP to streamline these administrative requirements should address what have become an unnecessary regulatory burden on issuers. As such, this will act to increase the efficiency of our listings markets and our rules.
- 28.** A more efficient and lower cost regime will act towards the UK being a more attractive listings venue.

Consequential amendments to our prospectus rules

- 29. As explained in Chapter 6 of this CP, we propose to update the Handbook to achieve consistency with our previous policy publications. This is to ensure that sourcebooks accurately reflect the features of the new POATRs regime.
- 30. Up to date Handbook text will facilitate compliance with the rules. This will assist in allowing issuers to raise capital in the most efficient and timely manner possible.

Options assessment

- 31. 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. The POATRs require that a prospectus provides investors with the necessary information about securities.
- 32. Before undertaking a very detailed analysis of the costs and benefits of our proposal we considered a range of policy options in relation to our proposals for the alignment of requirements for low denomination bonds with those for higher denominations.
- 33. These options are set out in Table One below, with the option selected for further analysis labelled.

Table One: Analysis of 'long list' policy options for retail bonds

Option	Analysis/comments
Do nothing, maintain status quo.	While maintaining regulatory certainty and incurring no additional costs, there is a potential negative impact on retail bond issuance due to the new POATRs rules, which may distort the wider investment market. The current rules may be a barrier to new entrants in UK capital markets.
Making changes to align disclosure requirements using a bespoke disclosure document for retail bonds.	This may reduce some costs imposed by current requirements but could also introduce additional ones depending on the nature/requirement of the document. Does not align with our objectives to simplify rules.

Option	Analysis/comments
<p>Making changes to align disclosure and introducing a scheme for retail bond issuers under listing rules with differentiated requirements for vanilla and complex retail bond products.</p>	<p>Potentially unlocks retail bond issuance, allowing issuers to raise capital more easily. However, this scheme would involve 'badging' some companies, which has the potential to create market distortions and reputational issues if investors lose money. Differentiated requirements for complex products may also increase costs for retail bond issuance.</p>
<p>Policy proposal: Make changes to align disclosure requirements for low and high denomination bonds, providing guidance that certain (non-complex) low denomination corporate bonds, issued by listed companies, can be appropriate for the 'mass market'.</p>	<p>Potentially unlocks retail bond issuance, allowing issuers to raise capital more easily. This option also aligns with our policy intention of simplification and greater proportionality of FCA rules. This may, however, not be the only barrier to retail bond issuance. It is difficult to disentangle the impact of prospectus, PRIIPs and MiFID requirements.</p>

- 34.** Looking across these different policy options we considered that the policy proposal would be the most likely to address the regulatory failure identified without creating new risks for retail investors or potential regulatory badging issues.
- 35.** We have not considered a long list of options for the listing application process and Listing Particulars. This is because our proposed changes merely seek to streamline the listing process and remove redundant activities that do not act to improve the functioning of markets.

Our proposed intervention

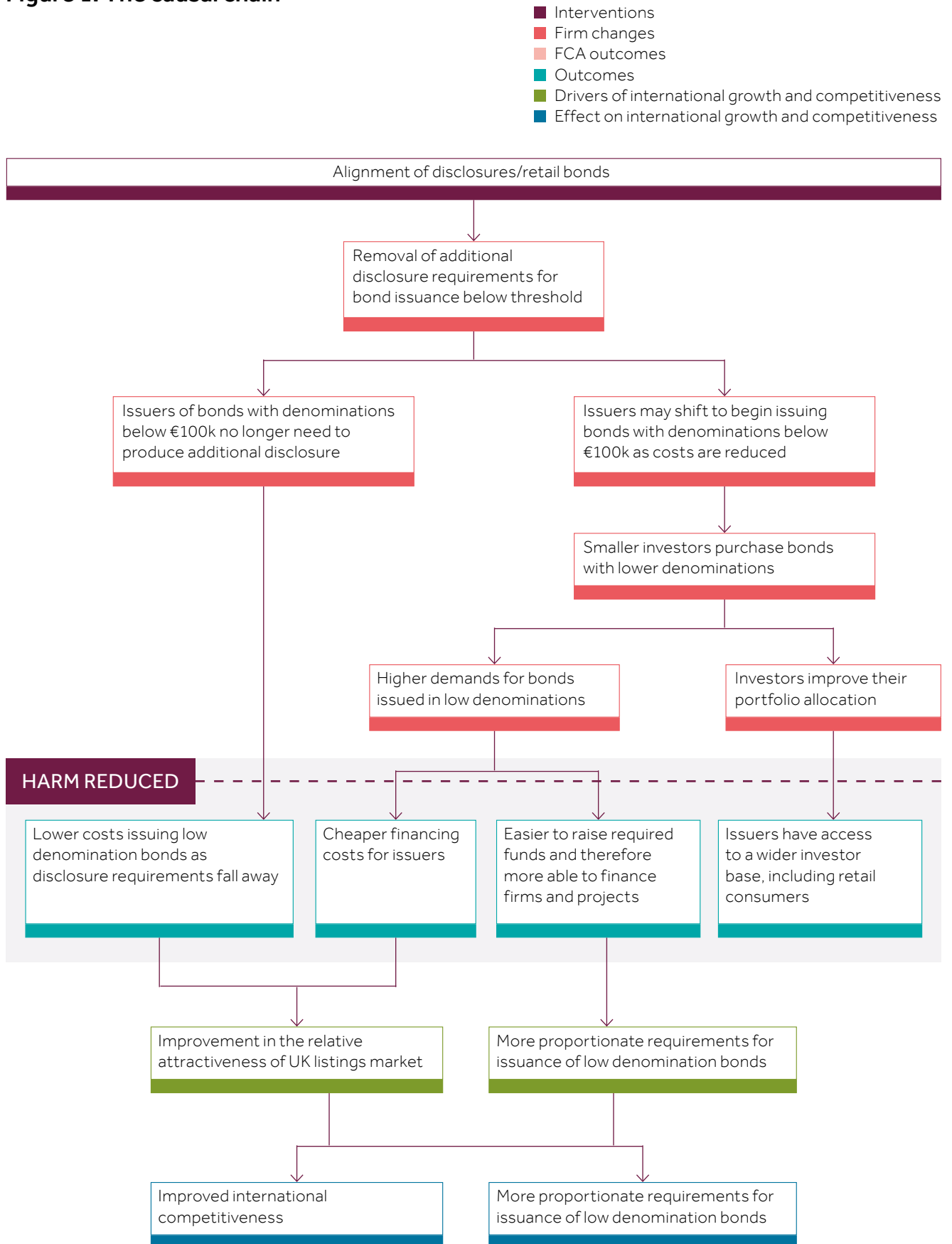
- 36.** In this CP, with regards to aligning low denomination requirements, we propose:
- aligning prospectus requirements for non-equity securities to a single standard based on the current disclosure requirements for 'wholesale' denominations. and
 - providing new guidance that certain (non-complex) low denomination corporate bonds issued by listed companies can be appropriate for the 'mass market'
- 37.** In relation to amendments to listings and prospectus rules we propose:
- changes to the listings applications process to reduce frictions for issuers when seeking to admit further issuances of currently listed securities to a regulated market, to reduce frictions to further capital raising by companies once they have securities admitted to listing and trading and support our proposals from CP24/12 to reduce regulatory intervention in such transactions
 - proposals to remove Listing Particulars as a listing admission document to simplify our listing framework and better align with the POATRs reforms, and

- consequential changes to our Handbook, including transitional provisions, providing for and improving on rules proposed in [CP 24/12](#)

Causal Chain analysis

- 38.** Our proposed intervention for low denomination bonds is described in the causal chain set out below.
- 39.** Our proposals will align the disclosure requirements for retail and wholesale bonds, removing the unnecessary costs issuers are subject to when providing additional disclosure requirements in prospectuses. Issuers may also switch to issuing to retail investors as the cost of doing so are reduced. This will allow smaller investors to purchase more low denomination bonds, allowing them to improve their portfolio allocation. This will also prompt an increase in demand for low denomination bonds.
- 40.** Higher demand may also allow issuers to benefit from cheaper financing costs and the ability to raise a more optimal amount of capital that is prevented by the current regime. We may also see issuers having access to a wider investor base.
- 41.** If these changes take place we could see improved 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 this impact to be material or quantifiable.

Figure 1: The causal chain



42. We have not included a causal chain for the remaining elements of the proposed changes. This is because the changes are small scale efficiency changes that are unlikely to lead to material wider economics effects.

Baseline and key assumptions

Baseline

43. We are taking the POATRs made in Parliament as a given.
44. 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.
45. It is a reasonable assumption that without the changes proposed in this CP, pre-existing trends in relation to the low issuance of low denomination retail bonds would continue.
46. 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 markets.
47. We assume that the harms identified in the previous section, namely that issuers cannot raise capital in an efficient and timely manner, issuers of low denomination retail bonds are subject to additional costs to produce prospectuses- which create disincentives to issue below 100k, persist. Also, retail investors continue to not be able to include bonds in their portfolio as they might like to.
48. We set out earlier in 'The Market' section what we consider to be the scope of companies affected by our proposals.
49. In CP24/12, we set out proposals for the wider prospectus regime. We do not think these changes materially affect the impact of these proposals.
50. In addition, in CP24/30 we consult on a new product information framework for Consumer Composite Investments. These proposals seek to remove ordinary corporate debt securities from disclosure requirements designed for 'composite' investment products. This would have the effect of increasing the number of issuers that benefit from that benefit from aligning disclosures for retail and wholesale bonds. However, in CP24/30, we noted that we consider the impact of these changes were negligible.

Key assumptions

51. The key assumption we make is the cost saving that arises from the reduced prospectus requirements for retail bonds. In CP24/12, we estimated that the cost of a non-equity

prospectus was around £60k per prospectus (including wholesale and retail). However, we also noted that there is considerable variability in prospectus costs, and this contributes to the difficulty in estimating precise figures for the costs.

- 52.** Retail bond prospectuses are likely to be more expensive to produce than wholesale ones due to the extra disclosure requirements. Given most prospectuses produced are for wholesale bonds, the average cost estimate of £60K is largely influenced by wholesale prospectus costs. Retail prospectus costs would be higher than this average. We think that the cost of the additional elements of a retail bond prospectus will not exceed the costs of a wholesale prospectus. Therefore, we estimate the extra costs of producing a retail prospectus to be £30-60k. For this CBA we use these figures as lower and upper bounds to estimate a reduction in costs due to the proposals.
- 53.** The intention of our proposals is to make our regulatory requirements more proportionate and make capital raising easier for UK listed companies. This may also unlock retail bond issuance, however our cautious assumption, given the other current obstacles for corporate bond issuers seeking to issue low denomination bonds, e.g., PRIIPs and MiFID requirements as well as the potential adverse publicity and reputational damage associated with retail investors suffering losses, is that we do not expect an immediate and significant rise in the number of issuers seeking to issue low denominations.
- 54.** In addition, we also make the following standard assumptions:
- When estimating net present value of costs and benefits, we use a 3.5% discount rate as per The Treasury's Green Book.
 - Costs and benefits are analysed over a 10-year period following implementation.

Summary of Impacts

- 55.** The primary focus of the following analysis and discussion in this CBA is on the impacts of the proposals to do with aligning low denomination requirements. However, the amendments to listing rules are considered in relation to familiarisation costs as well as administrative cost savings due to the proposed changes.
- 56.** 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 costs specific to the non-equity prospectus proposals including potential loss in profits for advisors who prepare retail prospectuses and the potential negative impacts of removing disclosure requirements intended as investor protection measures.
- 57.** Table 2 below contains a summary of the costs and benefits in this CBA. We have quantified the benefits of our proposals around cost savings on prospectuses for non-

equity available to retail consumers. There are £0.09m-£0.18m of direct benefits from the savings arising from reduced disclosure requirements in these prospectuses.

- 58.** In relation to the listing proposals, we have also quantified direct benefits to issuers of £0.05m due to administrative cost savings as a result of streamlining the further listing processes.
- 59.** 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 increased capital raising opportunities and flexibility for issuers.
 - Benefits from potentially more investment opportunities for retail investors.
 - Costs due to a potential loss in profits for advisors who prepare retail prospectuses.
 - Potential negative impact of removing disclosure requirements in retail prospectuses, initially intended as an investor protection measure.
- 60.** Overall, our proposals seek to remove disproportionate requirements on issuers that create disincentives for issuance. Our proposals also seek to remove administrative requirements in further listings, which act as an impediment to creating a regime that encourages wider participation in well-regulated capital markets. 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 and legal analysis (direct)			£1.11m	
	Potential loss in profits for advisors who prepare retail prospectuses (indirect)				Not quantified
Issuers	Cost savings from non-equity prospectus reduced disclosure requirements (direct)		£0.09m-£0.18m		
	Administrative cost savings due to streamlining of further listings requirements (direct)		£0.05m		
	Increased capital raising opportunities and flexibility (indirect)		Not quantified		

Group affected	Item description	Benefits (£)		Costs (£)	
		One off	Ongoing	One off	Ongoing
Investors	More investment opportunities for retail investors (indirect)		Not quantified		
	Potential negative impact of removing requirements intended for investor protection measures (indirect)				Not quantified
FCA/ wider society	More effective capital allocation by capital markets (indirect)		Not quantified		
Total			£0.14m- £0.23	£1.11m	

Table 3 – Present Value and Net Present Value

	PV Benefits	PV Costs	NPV (10 yrs) (benefits-costs)
Total impact	£1.63m (£1.2m to £2m)	£1.11m	£0.52m (£0.14m to £0.91m)
-of which direct	£1.63m (£1.2m to £2m)	£1.11m	£0.52m (£0.14m to £0.91m)
-of which indirect	£0m	£0m	£0m
Key unquantified items to consider	Increased capital raising opportunities and flexibility for issuers	Potential negative impact of removing requirements intended for investor protection	
	More investment opportunities for retail investors		
	More effective capital allocation by capital markets		

Table 4 – Net direct costs to firms

	Total (Present Value) Net Direct Cost to Business (X yrs)	EANDCB
Total net direct cost to business (costs to businesses – benefits to businesses)	£-0.52m (£-0.9m to £-0.1m)	£-0.06m (£-0.0m to £-0.1m)

Benefits

Direct benefits

Cost savings on prospectuses

61. In terms of direct benefits, we consider there will be a reduction in costs for firms undertaking issuances of bonds below £100k denomination. These savings arise from a reduction in the activity requirement to produce the additional documentation currently required by the Prospectus Regulation.
62. To calculate potential costs savings, we have conducted the following analysis:
- Considered the likely additional costs for issuers of publishing a retail bond prospectus, relative to a wholesale one.
 - Estimated the annual number of issuers who issued low denomination bonds available to retail investors (and are therefore published with prospectuses). We have done this because issuers often use the same base prospectus for multiple issuances, and we assume that these are updated on an annual basis. Hence, we are interested in the annual number of issuers of retail bonds.
 - Multiplied the above to estimate expected annual costs savings.

Additional cost of producing a retail non-equity prospectus

63. As explained in the 'Key Assumptions', we expect retail prospectuses would be more costly to produce than wholesale prospectuses due to the additional disclosure requirements. We estimate that the additional costs of producing a retail prospectus would be between £30k (lower bound) and £60k (upper bound). These figures represent a cost saving from removing the requirement for the additional disclosures

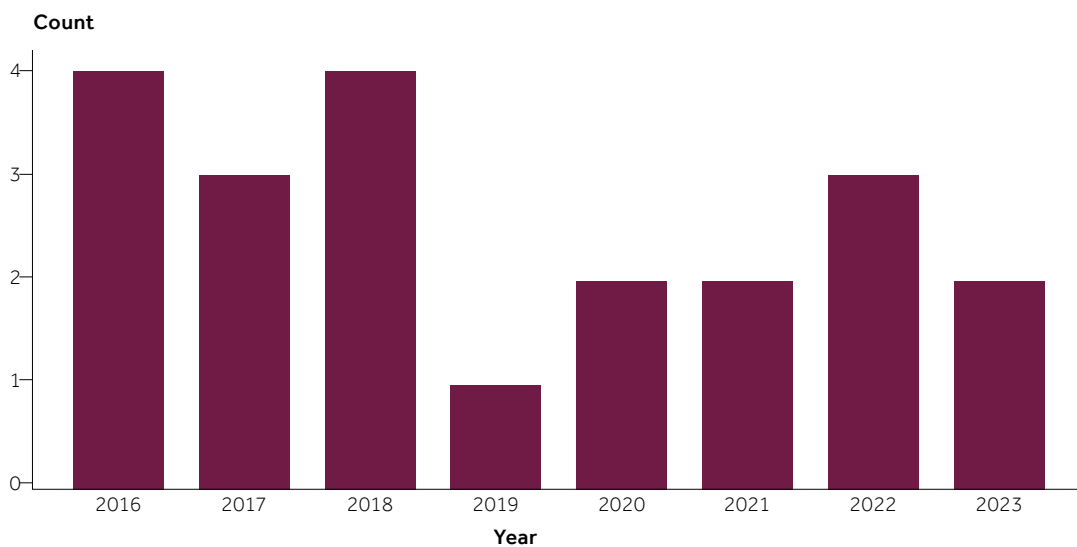
Annual number of low denomination bond issuers, available to retail investors

64. Based on our understanding of the market, firms incur prospectus costs on a per prospectus basis (not per issuance). Usually, an issuer will use a single base prospectus for multiple issuances. Issuers will review and update these on a regular basis. For the

purpose of this analysis, we assume this to be annually. Therefore, we have estimated the number of issuers of retail bonds per year.

- 65. To consider the average annual number of retail bonds issuers we have analysed data from the London Stock Exchange's Retail Order Book, supported by data from Bloomberg and the FCA's National Storage Mechanism.
- 66. By excluding issuances from financial services/government agencies and supranational bodies (as they are outside the scope of these proposals), we found that between 2016 and 2023, 12 different issuers issued low denomination bonds available to retail investors. Of these 12, the number who issued each year can be seen in Figure 2.

Figure 2: Issuers of retail bonds, per year



Source: LSE, Bloomberg & National Storage Mechanism

- 67. Taking the mean of the annual number of issuers over this eight-year period, we estimate that there are an average of 3 retail bond issuers, issuing bonds that fall under the prospectus requirements, per year.
- 68. This would mean that there would be a potential cost saving for issuers of between £90,000 and £180,000 a year due to changes to the prospectus disclosure requirements.

Administrative cost savings due to further listings proposals

- 69. Our proposals to make amendments to listings and prospectus rules will likely have benefits in the form of administrative cost savings. These would likely be realised by issuers.
- 70. While we expect administrative and efficiency savings across the proposals, for the purpose of this analysis we have considered the cost savings in the context of the removal of the further issuance listing process. These proposed changes include measures to simplify our administrative processes and procedures for listing securities,

improve understanding of our associated requirements, and reduce regulatory burden for issuers.

- 71.** We quantify these cost savings in the form of reduced time taken to complete the administrative processes associated with further issuances. To do this we will:
- Take estimates of average number of further issuances per year
 - Calculate the cost of the time associated with completing this work
 - Multiply these to calculate an estimate of the administrative cost savings.

Number of further issuances

- 72.** As part of separate analysis in CP24/12 we looked at the number of equity further listings between the years 2020 and 2023.
- 73.** We have used this data to find out the average number of further issuances per year. We found the mean to be 89 further issuances per year (between 2020 and 2023). For the purpose of this analysis, we assume that the average number of further issuances will stay relatively constant. This is because for the baseline in CP24/12 we assumed that primary and further issuances of equity would continue to decrease/remain constant. This was explained by the pre-existing trends in relation to the decline in the number of UK listed companies and subdued nature of the UK IPO market. Additionally, the intention of the proposals in CP24/12 are to create a more flexible and effective capital raising environment- the expectation is not that the number of further listings would materially increase.

Estimated cost of time saved

- 74.** We estimate the time savings using standard SCM assumptions. We expect that advisory firms such as law firms or investment banks would be completing the work and charging issuers for the completion of these tasks. Therefore, we have based the cost of time on salary data from the Willis Towers Watson UK Financial Services survey. The survey indicates that the hourly legal staff salary is assumed to be £77 per hour, including 30% overheads.
- 75.** We assume that these administrative tasks would likely take one lawyer, one day to complete (8 hours), per further listing.
- 76.** Therefore, we assume that the administrative cost saving would be £616 per day.
- 77.** Multiplying the average annual number of further listings with the estimated cost of time saved gives us an overall administrative cost saving of £55,000 per year.

Indirect benefits

Increased capital raising opportunities and flexibility for issuers

- 78.** Firms who would have issued low denominations bonds, absent the additional costs, and are currently issuing just above the threshold, will have these restrictions/costs removed.
- 79.** The removal of the additional costs should allow greater flexibility for issuers to issue non-equity in denominations of their choosing. This will potentially lead to greater issuance of bonds under €100,000 denomination for firms who want to reach retail investors.
- 80.** If more issuers choose to issue in low denominations this will potentially open them up to a wider investor base. A wider investor base can allow for easier and cheaper capital raising. This may have an effect on lowering the cost of capital for issuers and increasing the value of UK listed companies.
- 81.** However, in practice it is challenging to predict these exact effects either in terms of greater issuance of these bonds or the broader pattern of capital raising following these proposals. For reasons including:
- It is possible that the proposal may not lead to any change in issuance due to inertia of non-equity issuers. The current additional disclosure requirements for retail bonds denominated under 100,000 may have caused this to become a benchmark/custom that they are comfortable issuing at.
 - There may simply be a lack of demand for retail bonds. Retail investors have had limited access to them for many years therefore they may not switch back to investing in them.
 - Issuers may be dissuaded from issuing to retail investors due to the potential adverse publicity and reputational damage associated with the risk of retail investors suffering losses.
 - There is also a challenge to disentangle the effects of the removal of prospectus requirements given the PRIIPs and MiFID requirements that also affect debt issuance.
- 82.** Should our proposals increase retail bond issuance, we have explored several illustrative scenarios to look at the benefits this could generate depending on how many wholesale issuers choose to begin issuing to retail investors. To do this, we have taken the average number of issuers of wholesale corporate bonds on the LSE Main Market per year- we think that issuers listed here would be most likely to issue low denomination bonds. Between 2016 and 2023, the mean number of issuers to list non-equity was 152 per year.
- 83.** For issuers to opt to begin issuing there must be a marginal benefit less than £60k and more than £0 for them to do so (refer to 'Key Assumptions' for the basis of this figure)- for example, a lower cost of capital. For this analysis we take the median of £30k as the marginal benefit to these firms of shifting to begin issuing to retail investors.

84. The table below shows the marginal benefit to issuers depending on the percentage of issuers that may begin issuing (assuming costs for other requirements e.g., PRIIPs are accounted for).

X% of issuers begin issuing retail bonds	Marginal benefit to issuers (152 x X% x £30k)
1%	£45,600
5%	£228,000
10%	£456,000

85. These figures are just for illustrative purposes of potential outcomes so have not been included in our summary of impacts. Our baseline scenario remains that we don't expect an immediate and significant increase in issuance.
86. While we cannot be sure about the exact impact of our proposals on increasing demand for non-equity, we can hypothesise that if our proposals make capital raising easier it should make UK listings markets more attractive for domestic and foreign issuers. Given the large number of wholesales bond issuance relative to retail bond issuance, even a small increase in issuance of low denomination bonds is likely to lead to indirect benefits to issuers and investors that are larger than the direct benefits estimated in the previous section.

More investment opportunities for retail investors

87. We consider that with the potential increase of issuers issuing in low denominations this will offer a wider range of investment opportunities to smaller investors, in particular, retail investors. This would allow retail investors to include debt in their portfolios as they would like to match their preferences. This may also better allow smaller investors to match cash flows from bonds with their liquidity requirements from specific bonds (which they may be less able to do with other investment approaches).
88. Currently, the only way for retail investors to access these bonds is through funds, therefore the proposed changes would give them direct access to primary issuance.
89. Data from the FCA's Financial Lives Survey 2022, suggest that 21% of UK adults directly invest into 'shares/ equities. We can infer from these insights that retail investors have appetite to directly invest in firms and build their own portfolios, as opposed to solely investing via funds. Conversely, only 2.2% of UK adults said they own 'corporate bond or gilt/government bond', demonstrating that under the current regime these investments are not widely available or utilised. In contract, we understand there is considerable demand, in particular from wealth managers, to invest in low denomination 'plain vanilla' bonds.
90. Overall, we expect there will be improved portfolio allocation for investors. And while we recognise the importance of these benefits, we do not consider that it is reasonably practicable to estimate these benefits. This is because the uptake will depend on retail demand for bonds and the supply of bonds issued at lower denominations. Both of which we do not have data to support the estimation of.

Costs

91. 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 (applies to all proposals).
- Potential loss in profits for advisors who prepare retail prospectuses (applies to prospectus proposals).
- Potential impact of removing requirements initially introduced as investor protection measures (applies to prospectus proposals).

Familiarisation and legal analysis costs

92. We consider the main direct costs associated all of our proposals will be familiarisation and legal analysis costs.

93. We would expect 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 various changes we are proposing. We rely on assumptions used in HMT's Impact assessment that they 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.

94. Overall, this leaves us with 14 large companies and 187 medium companies.

95. We use standard assumptions to estimate these costs. We anticipate that there will be approximately 40 pages of policy documentation with which firms will need to familiarise themselves.

96. Assuming there are 300 words per page and a reading speed of 100 words per minute it would take around 2 hours to read the policy documentation. It is further assumed that 20 compliance staff at large groups and 5 compliance staff at medium 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 £66 at large firms and £62 at medium firms, including 30% overheads.

97. 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 70? 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 157 and 59 hours per firm 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 £77 at large groups and £72 at small groups, including 30% overheads.

98. In total, we estimate the one-off familiarisation and legal review costs of £1.11m.

Costs specific to non-equity disclosure proposals

Potential loss in profits for advisors who prepare retail prospectuses

99. Another potential cost of our reduced prospectus disclosure requirements proposal that may indirectly impact firms, in particular advisors, is that they may earn slightly lower profits on the retail prospectuses that they produce.
100. This potential reduction in profits represents a transfer from advisors to issuers, in the form of lower issuance costs. We expect this reduction in profits to be relatively small—only a proportion of the overall costs savings from the reduced requirements.
101. Given the relatively small cost savings for current issuers, and challenges in estimating the additional retail bond issuance activity that the removal of the requirements will allow for (as detailed in benefits section), we do not see it reasonably practicable to quantify this potential loss in profits in terms of the current level of issuance and in terms of the potential future issuances.

Potential negative impact of removing requirements intended as investor protection measures

102. The dual standard of disclosure for bonds issued to retail investors was originally intended to be an investor protection measure. That investor protection took the form of extra disclosures.
103. It could be argued that removing this requirement may come with some cost to investor protection. Investor protection risks could arise from two issues:
- High prices and low yields for investment
 - Capital loss
104. However, these issues are both low risk because retail participation only provides a small element of overall demand for any particular bond issue. Consequently, the prices of these bonds will be determined by overall demand from professional investors. This should prevent any residual risk to retail investors. In addition, the risk of capital loss is very low for investment grade debt.
105. We also consider, through anecdotal evidence, that retail investors don't tend to engage with or use the additional information provided in the additional disclosure.
106. Therefore, the additional value the disclosures create compared to the cost of producing the prospectus will be marginal.
107. Therefore, overall, while our proposal is seeking to remove this requirement initially intended to help protect investors, we consider that the risk is appropriately managed by other regulatory requirements. For example, current PRIIPs requirements, product

governance rules introduced via MiFID II, as well as the PROD guidance proposals that are part of this CP. For this reason, we have not quantified an expected cost.

Wider economic impacts, including on secondary objective

- 108.** Our proposals seek to create a more proportionate regulation of these securities. This should reduce costs for issuers of these bonds and better target our requirements to where there are risks for retail investors.
- 109.** More proportionate regulation makes the UK a more attractive place for issuers to list relative to other jurisdictions. If this leads to more listing on UK markets, then it could mean that these new listed businesses are more likely to locate their operations and headquarters in the UK.
- 110.** More flexible and cheaper capital raising on UK listing markets can also make it easier for UK listed companies to grow their business and to take advantage of new commercial opportunities and of innovation.
- 111.** We could expect that a reduced cost of capital for UK businesses would also typically have wider benefits in stimulating UK business investment and making UK businesses more attractive (relatively) for global investors.
- 112.** UK listing may also create stronger incentives for these companies to locate their headquarters and operations in the UK, with further benefits in relation to UK Gross Domestic Product (GDP), employment and growth. Cheaper capital raising may also act towards an increase in underlying UK factor productivity.
- 113.** As this may combine with other listings reforms and proposals in relation to prospectuses to make it easier for more innovative companies to list (and thereby locate or remain) in the UK this may also act toward a more innovative UK economy.
- 114.** Our proposals on low denomination bonds may also make it easier for retail investors to have a new way to make relatively low risk investments in UK listed businesses. If this leads to an increase in retail investor participation on UK listed markets, then this may increase the UK investor base and potentially act towards a wider uplift in the value of UK listed securities.
- 115.** Our proposals in relation to further issuances should improve the efficiency of our rules and in doing so should act towards the operational efficiency of the FCA. Lower costs of regulation should also act towards increasing the attractiveness of UK listed markets.

Distributional impacts

- 116.** We do not consider there will not be any material transfer between consumers, or differential impact, which warrants distributional analysis.

Monitoring and evaluation

- 117.** The intention of these further changes to the public offers and admissions to trading regime, and to the UK listing regime, 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 the anticipated shared positive impacts on international competitiveness and growth, many of the success measures for these reforms will align with those established for listing reforms.
- 118.** In previous consultations about the regime, we set metrics for measuring success for our work on listings reforms which will be relevant for monitoring and assessing these proposals as well. In particular, 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. Our proposals to address inefficiencies in the listing process and Listing Particulars, should help facilitate these.
- 119.** In regard to the proposed changes to requirements for admissions of low denomination bonds, we will measure the number of these admissions to see any changes in the scale of these admissions and any developing trends in these admissions.
- 120.** Given the potential concerns about retail investor losses in this area we will also monitor whether there is any increase in investor detriment associated with low denomination bonds and any increase in issuance of such bonds from overseas jurisdictions or by bad actors. We would measure this with the number of default events that affect bonds available to retail investors.

Question 26: Do you agree with the analysis set out in our cost benefits analysis? Yes/No. Please give your reasons.

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).
2. When consulting on new rules, the FCA is required by section 138I(2)(d) FSMA to include an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA, 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, and (c) complies with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA. The FCA is also required by s 138K(2) FSMA 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 rulemaking) 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 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.
8. We have also advanced our secondary objective toward international competitiveness and growth. The proposals are compatible with the FCA's strategic objective of ensuring that the relevant markets function well because they act towards a more proportionate regulation and the efficiency of our rules, reducing costs for issuers and investors where appropriate. For the purposes of the FCA's strategic objective, "relevant markets" are defined by section 1F FSMA 2000.
9. Our proposals also act towards market integrity as set out in s1D2 FSMA 2000. More specifically, we consider our measures will maintain the soundness, stability and resilience of UK markets and ensure they continue to operate in an orderly manner. For example, our debt-related proposals will retain the current disclosure requirements for higher denomination bonds and give new guidance for issuers on manufacture and distribution of lower denomination bonds. This will support transparency in the market by requiring that issuers include all 'necessary information' for investors in the prospectus, and add to certainty in the market.
10. Our proposals should also act to make capital raising easier by removing unnecessary costs to issuers related to publishing prospectuses. We have also proposed rule changes to increase the efficiency of UK Listing Rules in light of the new public offers and admissions to trading regime and our listing reforms.
11. Overall, our measures should maintain transparency in the price formation process for issuers' securities and address areas where we consider there are heightened risks of information asymmetry between issuers and investors.
12. 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 listed markets 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.
13. 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

14. 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 information in the prospectuses that the FCA needs to approve. Our proposals in relation to Listings rules will also act to reduce the size of our rulebook and increase the efficiency of our rules.

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

15. Our proposals include measures to reduce requirements on issuers where appropriate, including our proposals to make changes to Listings rules to make them more efficient and our proposals to align requirements for lower and higher denomination bonds.

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)

16. Our proposals do not involve additional climate related costs for issuers or investors.

The duty to promote effective competition in the interests of consumers

17. 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.
18. We consider the proposals in this consultation paper to be consistent with our duty to promote effective competition in the interests of consumers. Our measures aim to improve access to listed public markets, simplifying, and giving companies more choice in how they chose to raise capital and investors more access to diverse investment opportunities on transparent UK public markets. Without our changes, some of these opportunities may not be accessible to some consumers or may require investment in private equity or overseas markets, which may be more expensive and/or less transparent for consumers.

The general principle that consumers should take responsibility for their decisions

19. Our proposals should act to increase the opportunities for consumers to participate in fund raisings related to low denomination bonds. This may give them a wider range of investments to invest in and therefore give them more scope to take responsibility for their investment decisions.

The responsibilities of senior management

20. 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

21. Our proposals give listed issuers more flexibility to raise capital and as such recognise that different businesses may have different objectives and different natures .

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

22. We are requiring some additional disclosure requirements in the further issuance powers to ensure investors have necessary information.

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

23. This CP consults on proposals to make clear how we plan to carry out our functions in respect of our new powers related to the POATRs and to make our UKLR more efficient.

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).

24. The proposals in this CP should act to improve the efficiency of our listing regime and towards greater market transparency. This should in turn act to minimise the opportunities for financial crime.

Expected effect on mutual societies

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

Equality and diversity

26. 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.

27. 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 paragraph X of the Consultation Paper.

Annex 4

Abbreviations used in this paper

Abbreviation	Description
CBA	Cost Benefit Analysis
CCIs	Consumer Composite Investments
CEIF	Closed-ended investment fund
COBS	Conduct of Business Standards
CONRED	Consumer Redress Schemes
CP	Consultation Paper
DCSS	Dual/multiple class share structure
DEPP	Decision Procedure and Penalties Manual
DTRs	Disclosure Guidance and Transparency Rules
EG	Enforcement Guide
EP	Engagement Paper
FCA	Financial Conduct Authority
FEES	Fees Manual
FSMA	Financials Services Markets Act
FUND	Investment Funds
GDP	Gross Domestic Product
GEN	General Provisions
HMT	The Treasury
IPO	Initial Public Offer

Abbreviation	Description
ISM	International Securities Market
LPs	Listing Particulars
LRRA	Legislative and Regulatory Reform Act
LSE	London Stock Exchange
MiFID	Markets in Financial Instruments Directive
MTF	Multi-Lateral Trading Facility
OEIC	Open-ended investment company
PERG	Perimeter Guidance Manual
POATRs	Public Offers and Admissions to Trading Regulations
PRIIPs	Packaged Retail and Insurance-based Investment Products
PRIN	FCA Principles
PRM	Prospectus Regulated Market sourcebook
PROD	Product Governance Rules
PSM	Professional Securities Market
RCB	Regulated Covered Bonds
SUP	Supervision sourcebook
SYSC	Senior Management Systems and Controls
UK	United Kingdom
UKLR or UKLRs	United Kingdom Listing Rules sourcebook

Appendix 1

Draft Handbook text

UK LISTING RULES (LISTING PARTICULARS) INSTRUMENT 202X

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 79 (Listing particulars and other documents);
 - (3) section 88 (Sponsors);
 - (4) section 89P (Primary information providers);
 - (5) section 96 (Obligations of issuers of listed securities);
 - (6) section 137A (The FCA’s general rule-making power);
 - (7) section 137T (General supplementary powers);
 - (8) section 139A (Power of the FCA to give guidance); and
 - (9) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on [*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
Fees manual (FEES)	Annex B
UK Listing Rules Sourcebook (UKLR)	Annex C
Disclosure Guidance and Transparency Rules sourcebook (DTR)	Annex D

[*Editor’s note:* Annex A to this instrument takes into account the proposals and legislative changes suggested in the consultation paper ‘Consultation on the new Public Offers and Admissions to Trading Regulations regime (POATRs)’ (CP24/12), which includes the introduction of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM), as if they were made final.]

Notes

- E. 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

F. This instrument may be cited as the UK Listing Rules (Listing Particulars) Instrument 202X.

By order of the Board
[*date*]

Annex A

Amendments to the Glossary of definitions

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

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in Consultation Paper 'Consultation on the new Public Offers and Admissions to Trading Regulations regime' (CP24/12) as if they were made final.]

<i>admission to trading</i>	(1)	(in <i>UKLR</i>) admission of <i>securities</i> to trading on a <i>RIE's</i> market for <i>listed securities</i>.
	(2)	(in <u><i>UKLR</i></u> , <i>PRM</i> and <i>DTR</i>) admission to trading on a <i>regulated market</i> .
	...	
<i>significant transaction</i>	(1)	(in <i>FEES</i>) a transaction where:
	...	
	(b)	the <i>issuer</i> has a market capitalisation that is equal to or more than £500million and less than £5billion and has submitted to the <i>FCA</i> for approval or review:
	...	
	(ii)	a <i>prospectus</i> or <i>listing particulars</i> in relation to a <i>certificate representing certain securities</i> ;
	...	
	...	
<i>super transaction</i>		a transaction where:
	...	
	(b)	the <i>issuer</i> has a market capitalisation that is equal to or more than £5billion and has submitted to the <i>FCA</i> for approval or review:
	...	
	(ii)	a <i>prospectus</i> or <i>listing particulars</i> in relation to a <i>certificate representing certain securities</i> ;
	...	

Annex B

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

...

3 Annex Primary market transaction fees 12R

...

For the purposes of *FEES* 3 Annex 12R:

Category A1 includes:

...

(g) applying for the approval of:

...

(ii) ~~supplementary listing particulars; or~~ [deleted]

...

Category A2 includes:

(a) applying for the approval of:

...

(ii) *a registration document* in relation to *non-equity transferable securities*; ~~or~~

(iii) ~~listing particulars in relation to non-equity transferable securities; or~~ [deleted]

(b) where an *issuer* has a market capitalisation of less than £500 million:

...

(iii) ~~applying for the approval of listing particulars in relation to equity securities; or~~ [deleted]

...

...

(d) where an *issuer* is a *closed-ended investment fund*:

...

- (iii) ~~applying for the approval of *listing particulars* in relation to *equity securities*; or [deleted]~~

...

...

Category A4 includes:

...

- (e) applying for the approval of:

...

- (ii) *a registration document* in relation to *equity securities*; ~~or~~

- (iii) ~~*listing particulars* in relation to *equity securities*; [deleted]~~

...

...

Annex C

Amendments to the UK Listing Rules sourcebook (UKLR)

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

1 Preliminary: all securities

1.1 Introduction

Application

1.1.1 R ...

...	
UKLR 23—Listing particulars for professional securities market and certain other securities: all securities [deleted]	Applies to applicants for admission to listing which are required to prepare listing particulars. [deleted]
...	

...

...

3 Requirements for listing: all securities

...

3.2 Requirements for all securities

...

Admission to trading

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

...

~~Listing particulars~~

- 3.2.11 R (1) ~~This rule applies if, under UKLR 23, listing particulars must be approved and published for securities.~~
- (2) ~~To be listed, listing particulars for the securities must have been approved by the FCA and published in accordance with UKLR 23.~~
[deleted]

...

4 Sponsors: responsibilities of issuers

...

4.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

- 4.2.1 R An issuer with a listing of equity shares in, or applying for admission of its equity shares to, the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category must appoint a sponsor on each occasion that the issuer:
- (1) is required to submit any of the following documents to the FCA in connection with an application for admission of equity shares to the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category:
- (a) a prospectus or supplementary prospectus; or
- (b) a summary document as required by article 1(5)(j) of the Prospectus Regulation; ~~or~~
- (c) ~~for an issuer that is a closed-ended investment fund, listing particulars or supplementary listing particulars;~~ [deleted]

...

...

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

...

7 Annex 2 Notification requirements

- 7 Annex 2 This annex sets out the information to be included in a notification required by UKLR 7.3.1R, UKLR 7.3.2R, UKLR 7.3.3R and UKLR 7.5.1R.

...

Part 3	Non-financial information	
...		
3.3	R	In determining what information is required to be included by virtue of Annex 1 item 20.1 (Material contracts) if a <i>prospectus</i> or listing particulars are <u>is</u> not required, regard should be had as to whether information about that provision is information which <i>securities</i> holders of the <i>issuer</i> would reasonably require for the purpose of making a properly informed assessment of the transaction and its impact on the <i>issuer</i> .
...		

...

10 Equity shares (commercial companies): contents of circulars

...

10 Reverse takeover circulars – non-financial information Annex 2

...

10 Annex 2.3 R In determining what information is required to be included by virtue of Annex 1 item 20.1 (Material contracts) if a *prospectus* ~~or listing particulars are~~ is not required, regard should be had to whether information about that provision is information which *securities* holders of the *issuer* would reasonably require for the purpose of making a properly informed assessment about the way in which to exercise the voting rights attached to their *securities* or the way in which to take any other action required of them related to the subject matter of the *circular*.

...

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

...

12.3 Requirements with continuing application

...

Admission to trading

- 12.3.2 R ~~Other than in regard to *securities* to which *UKLR 23* applies, the *listed equity shares* of an *open-ended investment company* must be admitted to trading on a *regulated market* for *listed securities*. A listed company must comply with *UKLR 3.2.3R* at all times.~~

...

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

...

13.3 Continuing obligations

Admission to trading

- 13.3.1 R ~~Other than in regard to *securities* to which *UKLR 23* applies, the *listed equity shares* of a *shell company* must be admitted to trading on a *regulated market* for *listed securities*. A listed company must comply with *UKLR 3.2.3R* at all times.~~

...

15 Certificates representing certain securities (depository receipts): requirements for listing and continuing obligations

...

15.2 Requirements for listing

...

Additional requirements for the certificates

- 15.2.12 R To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in *UKLR 3.2.3R* to ~~*UKLR 3.2.11R*~~ *UKLR 3.2.10R*. For this purpose, in those *rules*, references to *securities* are to be read as references to the *certificates representing certain securities* for which application for *listing* is made.

...

17 Debt and debt-like securities: continuing obligations

...

17.2 Requirements with continuing application

...

Admission to trading

17.2.2 R (1) ~~An issuer's securities must be admitted to trading on a RIE's market for listed securities at all times. A listed company must comply with UKLR 3.2.3R at all times.~~

...

...

18 Securitised derivatives: requirements for listing and continuing obligations

...

18.3 Continuing obligations

...

Admission to trading

18.3.3 R (1) ~~An issuer's listed securitised derivatives must be admitted to trading on a RIE's market for listed securities at all times. A listed company must comply with UKLR 3.2.3 at all times.~~

...

...

19 Warrants, options and other miscellaneous securities: continuing obligations

...

19.2 Continuing obligations

...

Admission to trading

19.2.3 R (1) ~~An issuer's listed miscellaneous securities must be admitted to trading on a RIE's market for listed securities at all times. A listed company must comply with UKLR 3.2.3R at all times.~~

...

...

20 Admission to listing: processes and procedures

...

20.4 Shares

...

Documents to be provided 2 business days in advance

- 20.4.2 R The following documents must be submitted, in final form, to the *FCA* by midday 2 *business days* before the *FCA* is to consider the application:
- ...
- (2) the *prospectus* ~~or *listing particulars*~~ that ~~have~~ has been approved by the *FCA*;
- ...
- (4) any approved *supplementary prospectus* ~~or approved *supplementary listing particulars*~~, if applicable;
- ...
- (6) if a *prospectus* ~~or *listing particulars*~~ ~~have~~ has not been produced, a copy of the *RIS* announcement detailing the number and type of *shares* that are the subject of the application and the circumstances of their issue; and
- ...
- 20.4.3 R If a *prospectus* ~~or *listing particulars*~~ ~~have~~ has not been produced, the Application for Admission of *Securities* to the Official List must contain confirmation that a *prospectus* ~~or *listing particulars*~~ ~~are~~ is not required and details of the reasons why they are not required.

...

20.5 Debt and other securities

...

Documents to be provided 2 business days in advance

- 20.5.4 R An *applicant* must submit, in final form, to the *FCA* by midday 2 *business days* before the *FCA* is to consider the application:
- ...
- (2) the *prospectus* ~~or *listing particulars*~~ that ~~have~~ has been approved by the *FCA*;
- (3) any approved *supplementary prospectus* ~~or approved *supplementary listing particulars*~~, if applicable;
- ...

...

Procedure for issuance programmes: initial offering and increase to programme size

20.5.10 R An *applicant* must comply with UKLR 20.5.4R to UKLR 20.5.7R with the following modifications:

(1) if the *FCA* approves the application, it will admit to listing all *securities* which may be issued under the programme within 12 months after the publication of the *base prospectus* ~~or listing particulars~~, subject to the *FCA*:

...

(2) an *applicant* must submit a *supplementary prospectus* ~~or supplementary listing particulars~~ instead of the document required by UKLR 20.5.4R(2) in the case of an increase in the maximum amount of *securities* which may be in issue and *listed* at any one time under an issuance programme.

...

Exempt public sector issuers

...

20.5.15 G An *issuer* referred to in UKLR 20.5.13R that is not required to produce a *prospectus* ~~or listing particulars~~ must confirm on its application form that no *prospectus* ~~or listing particulars~~ are is required.

...

20.6 Block listing

...

When a block listing can be used

20.6.2 G If the process of applying for *admission of securities* is likely to be very onerous due to the frequent or irregular nature of allotments and if no *prospectus* ~~or listing particulars~~ are is required for the *securities*, an *applicant* may apply for a block listing of a specified number of the *securities*.

...

21 Suspending, cancelling and restoring listing and transfer between listing categories: all securities

...

21.5 Transfer between listing categories

...

Issuer must comply with eligibility requirements

21.5.14 R ...

(2) For the purposes of applying the eligibility requirements referred to in (1) to a transfer, unless the context otherwise requires, a reference in such a requirement:

...

(b) to a *prospectus* ~~or *listing particulars*~~ is to be taken to be a reference to the *circular* or announcement.

...

22 Equity shares (transition): continuing obligations

...

22.2 Continuing obligations

Admission to trading

22.2.1 R ~~Other than in regard to securities to which UKLR 23 applies, the listed equity shares of a company must be admitted to trading on a regulated market for listed securities. A listed company must comply with UKLR 3.2.3R at all times.~~

UKLR 23 is deleted in its entirety. The deleted text is not shown but the chapter is marked [deleted] as shown below.

23 ~~Listing particulars for professional securities market and certain other securities: all securities [deleted]~~

Amend the following as shown.

24 Sponsors

...

24.3 Role of a sponsor: transactions

Application for admission

24.3.1 R *UKLR 24.3.2R to UKLR 24.3.4G apply in relation to an application for admission of equity shares to the equity shares (commercial companies)*

category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category if:

...

(3) in connection with the application, the *applicant* is required:

...

(b) to submit to the *FCA*:

- (i) a *prospectus* or *supplementary prospectus*; or
- (ii) a summary document under article 1(5)(j) of the *Prospectus Regulation*; ~~or~~
- (iii) ~~for an issuer that is a closed-ended investment fund, listing particulars or supplementary listing particulars.~~ [deleted]

...

Insert the following new transitional provisions after UKLR TP 10 (Transitional provisions in relation to market capitalisation under UKLR 3.2.7R(1)). The text is all new and is not underlined.

TP 11 Transitional provisions for continuing obligations in relation to admission to trading

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 11.4.1R	R	(1) This transitional provision applies to an <i>issuer</i> with <i>securities</i> admitted to <i>listing</i> in the <i>closed-ended investment funds</i> category before [<i>Editor's note</i> : insert the date on which this instrument comes into force] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note</i> : insert the date on	From [date]	[date]

			which this instrument comes into force].		
		(2)	<i>UKLR 11.4.1R</i> is not applicable to an <i>issuer</i> to which this transitional provision applies.		
		(3)	The modifications in (4) apply to an <i>issuer</i> to which this transitional provision applies.		
		(4)	<p><i>UKLR 11.4.1R</i> is modified so that all words are omitted and replaced by the following:</p> <p>‘A <i>closed-ended investment fund</i> must comply with all of the requirements of:</p> <p>(1) <i>UKLR 6</i> (Equity shares (commercial companies): continuing obligations), except that all words in <i>UKLR 6.2.1R</i> are omitted and replaced by:</p> <p>‘Other than in regard to <i>securities</i> which are admitted to trading on a <i>RIE’s</i> market for <i>listed securities</i>, the <i>listed equity shares</i> of a <i>closed-ended investment fund</i> must be admitted to trading on a <i>regulated market</i> for <i>listed securities</i>.’;</p> <p>and</p> <p>(2) <i>UKLR 9</i>, (Equity shares (commercial companies): further issuance, dealing in own securities and treasury shares) subject to the modifications and additional requirements set out in this section.’</p>		

2.	UKLR 12.3.2R	R	(1)	This transitional provision applies to an <i>issuer</i> with <i>securities</i> admitted to <i>listing</i> in the <i>open-ended investment companies</i> category before [<i>Editor's note: insert the date on which this instrument comes into force</i>] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note: insert the date on which this instrument comes into force</i>].	From [date]	[date]
			(2)	UKLR 12.3.2R is not applicable to an <i>issuer</i> to which this transitional provision applies.		
			(3)	The modifications in (4) apply to an <i>issuer</i> to which this transitional provision applies.		
			(4)	UKLR 12.3.2R is modified so that all the words are omitted and replaced by the following: 'Other than in regard to <i>securities</i> which are admitted to trading on a <i>RIE's</i> market for <i>listed securities</i> , the <i>listed equity shares</i> of an <i>open-ended investment company</i> must be admitted to trading on a <i>regulated market</i> for <i>listed securities</i> .'		
3.	UKLR 15.3.1R(2)	R	(1)	This transitional provision applies to an <i>issuer</i> with <i>certificates representing certain securities</i> admitted to <i>listing</i> in the <i>certificates representing certain securities</i> category before	From [date]	[date]

				[<i>Editor's note</i> : insert the date on which this instrument comes into force] but only with respect to the <i>issuer's certificates representing certain securities listed</i> and admitted to trading prior to [<i>Editor's note</i> : insert the date on which this instrument comes into force].		
			(2)	UKLR 15.3.1R(2) is not applicable to an <i>issuer</i> to which this transitional provision applies.		
			(3)	The modifications in (4) apply to an <i>issuer</i> to which this transitional provision applies.		
			(4)	UKLR 15.3.1R(2) is modified so that the words ' <i>UKLR 3.2.3R</i> ' are omitted.		
			(5)	The provisions in (6) apply to an <i>issuer</i> to which this transitional provision applies.		
			(6)	At all times, other than in regard to <i>securities</i> which are admitted to trading on a <i>RIE's</i> market for <i>listed securities</i> , an <i>issuer's securities</i> must be admitted to trading on a <i>regulated market</i> for <i>listed securities</i> .		
4.	UKLR 16.3.1R	R	(1)	This transitional provision applies to an <i>issuer</i> with <i>securities</i> admitted to <i>listing</i> in the <i>non-equity shares</i> and <i>non-voting equity shares</i> category before [<i>Editor's note</i> : insert the date on which	From [date]	[date]

				<p>this instrument comes into force] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note</i>: insert the date on which this instrument comes into force].</p>		
			(2)	<p>UKLR 16.3.1R is not applicable to an <i>issuer</i> to which this transitional provision applies.</p>		
			(3)	<p>The modifications in (4) apply to an <i>issuer</i> to which this transitional provision applies.</p>		
			(4)	<p>UKLR 16.3.1R is modified so that all the words are omitted and replaced by the following:</p> <p>'At all times, other than in regard to <i>securities</i> which are admitted to trading on a <i>RIE's</i> market for <i>listed securities</i>, an <i>issuer's securities</i> must be admitted to trading on a <i>regulated market</i> for <i>listed securities</i>.'</p>		
5.	UKLR 17.2.2R(1)	R	(1)	<p>This transitional provision applies to an <i>issuer</i> with <i>securities</i> admitted to <i>listing</i> in the debt and debt-like <i>securities</i> category before [<i>Editor's note</i>: insert the date on which this instrument comes into force] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note</i>: insert the date on which this instrument comes into force].</p>	From [date]	[date]

			(2)	<i>UKLR 17.2.2R(1)</i> is not applicable to an <i>issuer</i> to which this transitional provision applies.		
			(3)	The modifications in (4) apply to an <i>issuer</i> to which this transitional provision applies.		
			(4)	<i>UKLR 17.2.2R(1)</i> is modified so that all the words are omitted and replaced by the following: 'An <i>issuer's securities</i> must be admitted to trading on a <i>RIE's</i> market for <i>listed securities</i> at all times.'		
6.	<i>UKLR 18.3.3R(1)</i>	R	(1)	This transitional provision applies to an <i>issuer</i> with <i>securitised derivatives</i> admitted to <i>listing</i> in the <i>securitised derivatives</i> category before [<i>Editor's note: insert the date on which this instrument comes into force</i>] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note: insert the date on which this instrument comes into force</i>].	From [date]	[date]
			(2)	<i>UKLR 18.3.3R(1)</i> is not applicable to an <i>issuer</i> to which this transitional provision applies.		
			(3)	<i>UKLR 18.3.3R(1)</i> is modified so that all the words are omitted and replaced by the following: 'An <i>issuer's listed securitised derivatives</i> must be admitted to trading		

				on a RIE's market for <i>listed securities</i> at all times.'		
7.	UKLR 19.2.3R(1)	R	(1)	This transitional provision applies to an <i>issuer</i> with <i>securities</i> admitted to <i>listing</i> in the <i>warrants, options</i> and other <i>miscellaneous securities</i> category before [<i>Editor's note: insert the date on which this instrument comes into force</i>] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note: insert the date on which this instrument comes into force</i>].	From [date]	[date]
			(2)	UKLR 19.2.3R(1) is not applicable to an <i>issuer</i> to which this transitional provision applies.		
			(3)	UKLR 19.2.3R(1) is modified so that all of the words are omitted and replaced by the following: 'An <i>issuer's listed miscellaneous securities</i> must be admitted to trading on a RIE's market for <i>listed securities</i> at all times.'		
8.	UKLR 22.2.1R	R	(1)	This transitional provision applies to an <i>issuer</i> with <i>securities</i> admitted to <i>listing</i> in the <i>equity shares (transition)</i> category before [<i>Editor's note: insert the date on which this instrument comes into force</i>] but only with respect to the <i>issuer's securities listed</i> and admitted to trading prior to [<i>Editor's note: insert the date on</i>	From [date]	[date]

			which this instrument comes into force].		
		(2)	<i>UKLR 22.2.1R</i> is not applicable to an <i>issuer</i> to which this transitional provision applies.		
		(3)	<p><i>UKLR 22.2.1R</i> is modified so that all of the words are omitted and replaced by the following:</p> <p>‘Other than in regard to <i>securities</i> which are admitted to trading on a <i>RIE’s</i> market for listed securities, the <i>listed equity shares</i> of a <i>company</i> must be admitted to trading on a <i>regulated market</i> for <i>listed securities</i>.’</p>		

TP 12 Transitional provision in relation to listing particulars approved before [Editor’s note: insert the date on which this instrument comes into force]

1	<i>UKLR 20.5.10R</i>	G	Where the <i>FCA</i> approved an application prior to [Editor’s note: insert the date on which this instrument comes into force] and an <i>applicant</i> submitted <i>listing particulars</i> as part of their application and the <i>securities</i> have not been admitted to trading on a <i>regulated market</i> prior to [Editor’s note: insert the date on which this instrument comes into force], an <i>applicant</i> will need to consider if a <i>prospectus</i> is required for the <i>securities</i> to be <i>admitted to trading</i> . If an <i>applicant</i> does require a <i>prospectus</i> , a new application may need to be made in accordance with <i>UKLR 20.5.2R</i> .	From [date]	[date]
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2	<p>UKLR 3.2.3R, UKLR 11.4.1R, UKLR 12.3.2R, UKLR 15.3.1R(2), UKLR 16.3.1R, UKLR 17.2.2R(1), UKLR 18.3.3R(1), UKLR 19.2.3R(1) and UKLR 22.2.1R</p>	G	(1)	<p>On or after [<i>Editor's note</i>: insert the date on which this instrument comes into force], for all <i>securities</i> not admitted to trading on a <i>regulated market</i> immediately prior to [<i>Editor's note</i>: insert the date on which this instrument comes into force], any <i>listing particulars</i> together with any <i>supplementary listing particulars</i> approved prior to [<i>Editor's note</i>: insert the date on which this instrument comes into force] will be obsolete for the purposes of complying with <i>UKLR</i> because <i>securities</i> must be <i>admitted to trading</i> on a <i>regulated market</i> on or after [<i>Editor's note</i>: insert the date on which this instrument comes into force] and unless an exemption applies, a <i>prospectus</i> will be required for any <i>admission to trading</i> on a <i>regulated market</i>.</p>	From [date]	[date]
			(2)	<p>Under an issuance programme where the <i>listing particulars</i>, together with any <i>supplementary listing particulars</i>, were approved before [<i>Editor's note</i>: insert the date on which this instrument comes into force], an <i>issuer</i> will be unable to <i>list securities</i> specified in any <i>final terms</i> because they will need to be <i>admitted to trading</i> on a <i>regulated market</i> and unless an exemption applies, a <i>prospectus</i> will be required for any <i>admission to</i></p>		

			<i>trading on a regulated market.</i>		
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Annex D

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

[Editor's Note: This Annex takes into account the changes introduced by the Disclosure Guidance and Transparency Rules Sourcebook (Amendment) Instrument 2024 (FCA 2024/49), which come into force on 3 November 2025.]

In this Annex, striking through indicates deleted text.

8 Primary Information Providers

...

8 Annex 2R Headline codes and categories

Headline code	Headline Category	Description
...		
Low priority		
...		
CIR	Circ re.	Notification that a document issued to holders of listed securities (including notices of meeting but excluding listing particulars , annual report and accounts, interim reports, proxy cards and dividend or interest vouchers) is available for public inspection
...		

UK LISTING RULES (FURTHER ISSUANCE) INSTRUMENT 202X

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 73A (Part 6 Rules);
 - (b) section 88 (Sponsors);
 - (c) section 89A (Transparency Rules);
 - (d) section 89P (Primary information providers);
 - (e) section 96 (Obligations of issuers of listed securities);
 - (f) section 137A (The FCA’s general rule-making power);
 - (g) section 137T (General supplementary powers);
 - (h) section 139A (Power of the FCA to give guidance); and
 - (i) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); 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); and
 - (b) regulation 18 (Further provision about regulated market admission rules).
- B. The rule-making powers listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on *[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
Fees manual (FEES)	Annex B
UK Listing Rules sourcebook (UKLR)	Annex C
Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM)	Annex D

Disclosure Guidance and Transparency Rules sourcebook (DTR)	Annex E
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[*Editor's note:* Annexes A, C and D to this instrument take into account the proposals and legislative changes suggested in the consultation paper 'Consultation on the new Public Offers and Admissions to Trading Regulations regime (POATRs)' (CP24/12), which includes the introduction of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM), as if they were made final.]

Notes

- E. 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

- F. This instrument may be cited as the UK Listing Rules (Further Issuance) Instrument 202X.

By order of the Board
[*date*]

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

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the consultation paper 'Consultation on the new Public Offers and Admissions to Trading Regulations regime' (CP24/12) as if they were made final.]

In this Annex, underlining indicates new text. Amend the following definitions as shown.

sponsor (1) (in *UKLR* and *PRM*) a *person* approved, under section 88 of the *Act* by the *FCA*, as a sponsor.

...

Annex B

Amendments to the Fees manual (FEES)

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

3 Application, Notification and Vetting Fees

...

3 Annex Primary market transaction fees 12R

...

For the purposes of *FEES* 3 Annex 12R:

Category A1 includes:

...

- (c) applying for eligibility for *listing of equity shares* where ~~UKLR 5.1.2R(1) or (2)~~ UKLR 5.1.2R(2) applies; or

...

...

Annex C

Amendments to the UK Listing Rules sourcebook (UKLR)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in:

- (1) the consultation paper 'Consultation on the new Public Offers and Admissions to Trading Regulations regime' (CP24/12); and
- (2) chapter 5 of and Appendix 1 to this consultation paper in the draft UK Listing Rules (Listing Particulars) Instrument 202X,

as if they were made final.]

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

Insert the following new section, UKLR 1.6, after UKLR 1.5 (Listing categories). The text is all new and not underlined.

1.6 Admission to the official list

The official list and its location

- 1.6.1 G Under the *Act*, the *FCA* must maintain the *official list*.
- 1.6.2 G The *FCA* will maintain the *official list* on its website.

Admission to the official list

- 1.6.3 G *UKLR 3.2.9R* provides that an application for *listing of securities* of any *class* must relate to all *securities* of that *class*, which have been issued and which may be issued in the future.
- 1.6.4 G *UKLR 20.2.7G* provides guidance on when *admission to listing* becomes effective following the *FCA's* decision on an application for *listing*.
- 1.6.5 G *Securities* which are issued after the date on which *admission to listing* becomes effective in accordance with *UKLR 20.2.7G* will automatically become *listed* upon issuance.

Amend the following as shown.

3 Requirements for listing: all securities

3.1 Preliminary

Application

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

...

No conditional admission

3.1.5 G ...

Relevant securities

3.1.6 R In this chapter:

(1) references to ‘relevant securities’ are to the securities which are in issue or are proposed to be in issue on the date on which the FCA’s decision to admit securities of that class to listing becomes effective; and

(2) references to ‘relevant shares’ are to the shares which are in issue or are proposed to be in issue on the date on which the FCA’s decision to admit shares of that class to listing becomes effective.

3.2 Requirements for listing: all securities

...

Validity

3.2.2 R ~~To be listed,~~ For securities to be admitted to listing, the relevant securities must:

...

Admission to trading

3.2.3 R ~~To be listed,~~ For securities to be admitted to listing, the relevant securities must be admitted to trading on a *regulated market* for *listed securities*.

Transferability

3.2.4 R (1) ~~To be listed,~~ For securities to be admitted to listing, the relevant securities must be freely transferable.

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

3.2.5 G The *FCA* may modify *UKLR* 3.2.4R to allow partly paid *securities* to be ~~listed~~ admitted to listing if it is satisfied that their transferability is not

restricted and investors have been provided with appropriate information to enable dealings in the *securities* to take place on an open and proper basis.

...

Market capitalisation

- 3.2.7 R (1) ~~The~~ For securities to be admitted to listing, the expected aggregate market value of all relevant securities (excluding *treasury shares* and *shares of a closed-ended investment fund or open-ended investment company*) to be ~~listed~~ admitted to listing at admission must be at least:
- (a) £30 million for *shares*; and
 - (b) £200,000 for *debt securities*.
- (2) The expected aggregate market value of the relevant shares of a *closed-ended investment fund* or *open-ended investment company* ~~to be listed~~ must be at least £700,000.
- (3) ~~Paragraph (1) does not apply to tap issues where the amount of the debt securities is not fixed. [deleted]~~
- (4) ~~Paragraphs (1) and (2) do not apply if securities of the same class are already listed. [deleted]~~
- 3.2.8 R The *FCA* may modify *UKLR 3.2.7R* to admit *securities* where the relevant securities are of a lower value if it is satisfied that there will be an adequate market for the *securities* ~~concerned~~.

Whole class to be listed

- 3.2.9 R An application for *listing of securities* of any class must: relate to all securities of that class which have been issued and which may be issued in the future.
- (1) ~~if no securities of that class are already listed, relate to all securities of that class, issued or proposed to be issued; or~~
 - (2) ~~if securities of that class are already listed, relate to all further securities of that class, issued or proposed to be issued.~~

Prospectus

- 3.2.10 R (1) This *rule* applies if:
- (a) a *prospectus* must be approved and published for the relevant securities; or
 - (b) the *applicant* is permitted and elects to draw up a *prospectus* for the relevant securities.

- (2) ~~To be listed,~~ For securities to be admitted to listing, a prospectus must have been approved by the FCA and published in relation to the relevant securities.

...

4 Sponsors: responsibilities of issuers

...

4.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

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

- (1) ...

- (1A) is required to publish a prospectus or supplementary prospectus under PRM 1.4.1R in connection with a further issuance of equity shares listed in the equity (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category;

...

...

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

5.1 Application

...

- 5.1.2 R This chapter applies to an applicant for the admission of equity shares to the equity shares (commercial companies) category including an applicant that has a class of equity shares admitted to the equity shares (commercial companies) category and is applying for a new class of equity shares to be admitted to the equity shares (commercial companies) category except where:

- (1) ~~the applicant meets the following conditions: [deleted]~~

- (a) ~~it has an existing listing in the equity shares (commercial companies) category;~~

(b) ~~it is applying for the admission of equity shares of the same class as the shares that have been admitted to the equity shares (commercial companies) category; and~~

(e) ~~it is not entering into a transaction classified as a reverse takeover; or~~

...

...

5.4 Constitutional arrangements

...

5.4.5 R Where the *applicant* will have *specified weighted voting rights shares* in issue following *admission*, the *applicant* must have in place, ~~on the first occasion the *applicant* makes an application for the admission of equity shares to the equity shares (commercial companies) category;~~ a *constitution* which ensures that all of the following conditions are met:

(1) The *specified weighted voting rights shares* may only be issued to a *person* who, ~~on the first occasion~~ when the *applicant* makes an its application for the admission of equity shares to the equity shares (commercial companies) category, was:

...

...

5.4.6A R The *specified weighted voting rights shares* may only be issued to a *person* specified in UKLR 5.4.5R(1)(a) to (e) on the first occasion the *applicant* makes an application for the admission of a class of equity shares to the equity shares (commercial companies) category.

...

5.5 Shares in public hands

...

5.5.2 R For the purposes of UKLR 5.5.1R:

(1) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* ~~for which application for admission has been made~~ which are in issue or proposed to be in issue at the time at which the *FCA*'s decision to admit the *shares* to listing becomes effective in accordance with UKLR 20.2.7G are in public hands; and

...

...

6 Equity shares (commercial companies): continuing obligations

...

6.2 Requirements with continuing application

Admission to trading

6.2.1 R *A listed company must comply with UKLR 3.2.3R at all times in respect of its listed equity shares.*

6.2.2 R *A listed company must inform the FCA in writing as soon as possible if it has:*

- (1) ~~requested a RIE to admit or re-admit any of its listed equity shares to trading; [deleted]~~

...

Transferability

6.2.2A R *A listed company must comply with the requirements in UKLR 3.2.4R(1) in relation to the listed equity shares at all times.*

...

Shares in public hands

6.2.22 R *A listed company must comply with UKLR 5.5.1R to UKLR 5.5.3R at all times in respect of its listed equity shares.*

...

Sovereign controlled commercial companies

- 6.2.34 R (1) Where:
- (a) *a listed company is a sovereign controlled commercial company and:*
- (i) *has a sovereign controlling shareholder which was a controlling shareholder ~~on the first occasion on which~~ when the company made an application for the admission of equity shares to the equity shares (commercial companies) category;*

...

...

...

...

6.4 Notifications

...

Notifications relating to capital

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

...

- (4) ~~(except in relation to a block listing of securities)~~ the results of any new issue of *equity securities* or a public offering of existing *equity securities*.

...

6.6 Annual financial report

...

Sovereign controlled commercial companies

6.6.22 R Where:

- (1) *a listed company* is a *sovereign controlled commercial company* and:
- (a) has a *sovereign controlling shareholder* which was a *controlling shareholder* ~~on the first occasion on which~~ when the *company* made an application for the *admission* of *equity shares* to the *equity shares (commercial companies)* category;

...

...

...

8 Equity shares (commercial companies): related party transactions

...

8.2 Requirements for related party transactions

...

Sovereign controlling shareholders

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

(1) a *listed company* is a *sovereign controlled commercial company* and:

(a) has a *sovereign controlling shareholder* which was a *controlling shareholder* ~~on the first occasion on which~~ when the *company* made an application for the *admission* of *equity shares* to the *equity shares (commercial companies)* category;

...

...

...

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

...

9.4 Transactions

Rights issue

...

9.4.3 G ~~In a *rights issue*, the *FCA* may list the *equity securities* at the same time as they are admitted to trading in nil paid form. On the *equity securities* being paid up and the allotment becoming unconditional, the *listing* will continue without any need for a further application to list fully paid *securities*.~~
[deleted]

...

Discounts not to exceed 10%

9.4.13 R ...

(2) In ~~paragraph (1)~~ this rule, the middle market price of *equity shares* means the middle market quotation for those *equity shares* as derived from the daily official list of the *London Stock Exchange* or any other publication of a *RIE* showing quotations for *listed securities* for the relevant date.

...

(5) ...

- (6) Where an offer or placing falls within the scope of (1), the notification made under paragraph (5) must set out:
- (a) the name of the *listed company*;
 - (b) a description of the *equity shares* being offered or placed;
 - (c) the total number of *equity shares* being offered or placed;
 - (d) the date of announcing the terms of the offer or agreeing the placing;
 - (e) the middle market price of the *equity shares* being offered or placed at the time of the announcement or agreement;
 - (f) the percentage discount of the price of the *equity shares* being offered or placed to that middle market price; and
 - (g) where that discount is more than 10%, whether the *listed company's* shareholders specifically approved the terms of the offer or placing at that discount.

...

Fractional entitlements

- 9.4.16 R If, for an issue of *equity securities* (other than an issue in lieu of dividend), a shareholder's entitlement includes a fraction of a *security*, a *listed company* must ensure that the fraction is sold for the benefit of the holder, except that if its value (net of expenses) does not exceed £5.00, it may be sold for the *company's* benefit. ~~Sales of fractions may be made before listing is granted.~~

Further issues

- 9.4.17 R ~~When *shares* of the same class as *shares* that are listed are allotted, an application for admission to listing of such *shares* must be made as soon as possible and, in any event, within one month of the allotment. [deleted]~~
- 9.4.17 R When further *equity shares* of the *listed* class are issued, the *listed company* must comply with the requirements in UKLR 3.2.2R to UKLR 3.2.4R in relation to such *equity shares*.

...

10 Equity shares (commercial companies): contents of circulars

...

10.3 Contents of all circulars

Contents of all circulars

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

...

(9) if it relates to a transaction in connection with which *securities* are proposed to be ~~*listed*~~ *admitted to listing*, include a statement that an application has been or will be made for the *securities* to be *admitted* and, if known, a statement of the following matters:

...

(h) ...

(9A) if it relates to a transaction in connection with which *securities* in a *listed class* are proposed to be issued, include, if known, the proposed date of issue.

...

...

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

...

11.2 Requirements for listing

11.2.1 R ~~To be *listed*,~~ For *securities* to be *admitted to listing*, an *applicant* must comply with:

(1) the following provisions of *UKLR 5* (Equity shares (commercial companies): requirements for admission to listing), modified so that references to the *equity shares (commercial companies)* category are to the *closed-ended investment funds* category:

...

(c) *UKLR 5.4.7R*; and

(d) *UKLR 5.5.1R* to *UKLR 5.5.4G*; and

(e) ~~*UKLR 5.6.1R*~~; and [deleted]

...

...

11.3 Listing applications and procedures

...

~~Multi-class fund or umbrella fund~~

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

...

11.6 Circular requirements

...

- 11.6.5 R ...

~~Relevant related party transaction circulars~~

- 11.6.6 R ...

...

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

...

12.2 Requirements for listing and listing applications

Requirements for listing

- 12.2.1 R ~~To be listed, For securities to be *admitted to listing*, an *applicant* must be an *open-ended investment company* which is:~~

...

~~Listing applications~~

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

Multi-class fund or umbrella fund

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

- 12.2.4 G An applicant which is a multi-class or umbrella fund is required to make a listing application when creating a new class of security which is to be listed.

12.3 Requirements with continuing application

...

Admission to trading

- 12.3.2 R A listed company must comply with UKLR 3.2.3R at all times in respect of its listed securities.

Further issues

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

- 12.3.3 R When further shares of the listed class are issued, the listed company must comply with the requirements in UKLR 3.2.2R to UKLR 3.2.4R in relation to such shares.
- A

...

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

...

13.2 Requirements for listing

...

Equity shares in public hands

- 13.2.4 R ...
- (2) For the purposes of paragraph (1):
- (a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* ~~for which application for admission has been made~~ which are in issue or proposed to be in issue at the time at which the FCA's decision to admit the *shares* to listing becomes effective in accordance with UKLR 20.2.7G are in public hands; and

...

...

...

13.3 Continuing obligations

Admission to trading

- 13.3.1 R *A listed company must comply with UKLR 3.2.3R at all times in respect of its listed equity shares.*

...

Equity shares in public hands

- 13.3.4 R (1) *A listed shell company must comply with UKLR 13.2.4R at all times in respect of its listed equity shares.*

...

...

Further issues

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

- 13.3.8 R *When further equity shares of the listed class are issued, the listed company must comply with the requirements in UKLR 3.2.2R to UKLR 3.2.4R in relation to such equity shares.*

A

...

14 Equity shares (international commercial companies secondary listing): requirements for listing and continuing obligations

...

14.2 Requirements for listing

...

Shares in public hands

- 14.2.2 R ...
- (2) For the purposes of paragraph (1):
- (a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* ~~for which application for admission has been made~~ which are in issue or proposed to be in issue at the time at which the FCA's decision to admit the *shares* to listing becomes effective in accordance with UKLR 20.2.7G are in public hands; and

...

...

Qualifying home listing

14.2.6 R To be ~~listed~~ admitted to listing, equity shares must:

...

...

14.3 Requirements with continuing application

Continuing obligations

14.3.1 R A listed company must comply with ~~UKLR 3.2.3R, UKLR 14.2.1R, UKLR 14.2.2R, UKLR 14.2.4R and UKLR 14.2.6R~~ at all times.:

(1) UKLR 3.2.3R, UKLR 14.2.2R and UKLR 14.2.6R at all times in respect of its listed equity shares; and

(2) UKLR 14.2.1R and UKLR 14.2.4R at all times.

...

Further issues

14.3.5 R ~~Where shares of the same class as equity shares that are listed are allotted, an application for admission to listing of such shares must be made as soon as possible and in any event within one year of the allotment. [deleted]~~

14.3.5 R When further equity shares of the listed class are issued, the listed company must comply with the requirements in UKLR 3.2.2R to UKLR 3.2.4R in relation to such equity shares.

...

15 Certificates representing certain securities (depository receipts): requirements for listing and continuing obligations

...

15.2 Requirements for listing

...

15.2.4 R For the certificates to be ~~listed~~ admitted to listing, the shares which the certificates represent must:

...

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

...

Admission to trading on overseas market

- 15.2.8 R For the securities to be *listed admitted to listing*, the *shares* which the certificates represent must be admitted to trading on an *overseas* regulated, regularly operating, recognised open market.

Certificates in public hands

- 15.2.9 R ...
- (2) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 10% of the certificates ~~for which application for admission has been made~~ which are in issue or proposed to be in issue at the time at which the FCA's decision to admit the shares to listing becomes effective in accordance with UKLR 20.2.7G are in public hands.

...

...

Additional requirements for the certificates

- 15.2.12 R To be *listed admitted to listing*, the *certificates representing certain securities* must satisfy the requirements set out in UKLR 3.2.2R to UKLR 3.2.10R. For this purpose, in those *rules*, references to *securities* are to be read as references to the *certificates representing certain securities* for which application for *listing* is made.
- 15.2.13 R To be *listed admitted to listing*, the *certificates representing certain securities* must not impose obligations on the *depository* that issues the certificates except to the extent necessary to protect the certificates holders' rights to, and the transmission of entitlements of, the *shares*.

...

15.3 Continuing obligations

- 15.3.1 R An *issuer* of the *equity shares* which the certificates represent must comply with:

...

(2) *UKLR 3.2.3R, ~~UKLR 15.2.8R~~ UKLR 3.2.4R(1) and UKLR 15.2.9R at all times in respect of its listed certificates representing certain securities;*

(2A) *UKLR 15.2.5R(1) and UKLR 15.2.8R at all times in respect of the equity shares which the listed certificates represent;*

...

...

16 Non-equity shares and non-voting equity shares: requirements for listing and continuing obligations

...

16.2 Requirements for listing

Shares in public hands

16.2.1 R ...

(2) For the purposes of paragraph (1):

(a) a sufficient number of *shares* will be taken to have been distributed to the public when 10% of the *shares* ~~for which application for admission has been made~~ which are in issue or proposed to be in issue at the time at which the FCA's decision to admit the *shares* to listing becomes effective in accordance with UKLR 20.2.7G are in public hands; and

...

...

...

16.3 Continuing obligations

Admission to trading

16.3.1 R *A listed company must comply with UKLR 3.2.3R at all times in respect of its listed shares.*

Shares in public hands

16.3.2 R (1) *A listed company must comply with UKLR 16.2.1R at all times in respect of its listed shares.*

...

...

Further issues

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

16.3.4 R When further *shares* of the *listed* class are issued, the *listed company* must
A comply with the requirements in UKLR 3.2.2R to UKLR 3.2.4R in relation
to such *shares*.

...

17 Debt and debt-like securities: continuing obligations

...

17.2 Requirements with continuing application

...

Admission to trading

- 17.2.2 R (1) *A listed company* must comply with UKLR 3.2.3R at all times in respect of its *listed securities*.
- (2) *An issuer* must inform the *FCA* in writing without delay if it has:
- (a) ~~requested a *RIE* to admit or re-admit any of its *listed securities* to trading; [deleted]~~

...

...

18 Securitised derivatives: requirements for listing and continuing obligations

18.1 Application

...

Other derivative products

- 18.1.2 R For the purposes of this chapter, an *issuer* of other derivative products that have received the specific approval of the *FCA* to be ~~*listed*~~ *admitted to listing* under this chapter must comply with the *rules* applicable to an *issuer* of *specialist securitised derivatives*, unless otherwise stated.

...

18.2 Requirements for listing

...

Requirements for listing

- 18.2.2 R For a *securitised derivative* to be ~~listed~~ admitted to listing, its *underlying instrument* must be traded on a regulated, regularly operating, recognised open market, unless it is:

...

...

Requirements for listing: retail products

- 18.2.4 R To be ~~listed~~ admitted to listing, a *retail securitised derivative* must:

...

- 18.2.5 R To be ~~listed~~ admitted to listing, if a *retail securitised derivative* gives its holder a right of exercise, its terms and conditions must provide that:

...

18.3 Continuing obligations

...

Admission to trading

- 18.3.3 R (1) A *listed company* must comply with UKLR 3.2.3R at all times in respect of its *listed securitised derivatives*.
- (2) An *issuer* must inform the *FCA* in writing as soon as possible if it has:
- (a) ~~requested a *RIE* to admit or re-admit any of its *listed securitised derivatives* to trading; [deleted]~~

...

...

19 Warrants, options and other miscellaneous securities: continuing obligations

...

19.2 Continuing obligations

...

Admission to trading

- 19.2.3 R (1) *A listed company must comply with UKLR 3.2.3R at all times in respect of its listed miscellaneous securities.*
- (2) *An issuer must inform the FCA in writing as soon as possible if it has:*
- (a) ~~requested a RIE to admit or re-admit any of its listed miscellaneous securities to trading; [deleted]~~

...

...

20 Admission to listing: processes and procedures

20.1 Application

- 20.1.1 R This chapter applies to an *applicant* ~~for the admission of securities.~~

20.2 Application for admission to listing

~~Location of official list~~

- 20.2.1 R ~~The FCA will maintain the official list on its website. [deleted]~~

Method of application

- 20.2.2 R ~~An applicant for admission~~ must apply to the FCA for admission to listing by:

- (1) submitting, in final form:

...

- (b) the documents described in UKLR 20.4 in the case of an application in respect of *shares*; and

- (c) the documents described in UKLR 20.5 in the case of an application in respect of *debt securities* or other *securities*; ~~and~~

- (d) ~~the documents described in UKLR 20.6 in the case of a block listing; [deleted]~~

...

- (4) ...

- 20.2.2 G An application for listing of securities must relate to all securities of a class
A which have been issued and which may be issued in the future.

...

Grant of an application for admission to listing

- 20.2.5 G The *FCA* will ~~admit securities to listing~~ grant the *applicant's* application for admission to listing if all relevant documents required by *UKLR* 20.2.2R have been submitted to the *FCA*.

...

- 20.2.7 G The admission to listing becomes effective only when the *FCA's* decision to admit the *securities to listing* has been announced by being either:

...

20.3 All securities

Board confirmation

...

- 20.3.2 G An *applicant* must provide the board confirmation required under *UKLR* 20.3.1R on the first occasion on which it makes an application for an *admission of securities to listing*. Accordingly, a *listed company* is not required to provide the board confirmation where it makes: an application for the admission of a new class of securities at a later date.

- (1) ~~an application for the admission of securities of the same class as securities that are already listed; or~~
- (2) ~~an application for the admission of a new class of securities.~~

...

20.4 Shares

Application

- 20.4.1 R *UKLR* 20.4.2R to ~~*UKLR* 20.4.9R~~ *UKLR* 20.4.4R apply to an *applicant* which is applying for a *listing* of its *shares* except for *preference shares* that are *specialist securities*.

Documents to be provided 2 business days in advance

- 20.4.2 R The following documents must be submitted, in final form, to the *FCA* by midday 2 *business days* before the *FCA* is to consider the application:

...

- (5) ~~written confirmation of the number of shares to be allotted (pursuant to a board resolution allotting the shares);~~ [deleted]

- (6) if a *prospectus* has not been produced, a copy of the *RIS* announcement detailing the ~~number and~~ type of *shares* that are the subject of the application and the circumstances of their issue; and

...

...

Documents to be provided on the day

- 20.4.4 R ~~The following documents~~ A completed Shareholder Statement, signed by a *sponsor* (if a *sponsor* is required under *UKLR 4*) or by a duly authorised officer of the *applicant* (if a *sponsor* is not required under *UKLR 4*), must be submitted, in final form, to the *FCA* before 9am on the day the *FCA* is to consider the application:.

- (1) ~~a completed Shareholder Statement, in the case of an *applicant* that is applying for a *listing* of a class of *shares* for the first time; or~~
- (2) ~~a completed Pricing Statement, in the case of a *placing*, *open offer*, *vendor consideration placing*, *offer for subscription* of *equity shares* or an issue out of treasury of *equity shares* of a class already listed.~~

[**Note:** The Shareholder Statement and the Pricing Statement forms form can be found on the Primary Markets section of the *FCA*'s website.]

- 20.4.5 R ~~If written confirmation of the number of *shares* to be allotted pursuant to a board resolution cannot be submitted to the *FCA* by the deadline set out in *UKLR 20.4.2R* or the number of *shares* to be *admitted* is lower than the number notified under *UKLR 20.4.2R*, written confirmation of the number of *shares* to be allotted or *admitted* must be provided to the *FCA* by the *applicant* or its *sponsor* at least 1 hour before the *admission to listing* is to become effective. [deleted]~~

- 20.4.6 R ~~If the *FCA* has considered an application for *listing* and the *shares* the subject of the application are not all allotted and *admitted* following the initial allotment of the *shares* (for example, under an *offer for subscription*), further allotments of *shares* may be *admitted* if, before 4pm on the day before *admission* is sought, the *FCA* has been provided with:~~

- (1) ~~written confirmation of the number of *shares* allotted pursuant to a board resolution; and~~
- (2) ~~a copy of the *RIS* announcement detailing the number and type of *shares* and the circumstances of their issue. [deleted]~~

Other documents to be submitted

- 20.4.7 R ~~Written confirmation of the number of *shares* that were allotted (pursuant to a board resolution allotting the *shares*) must be submitted to the *FCA* as soon as practicable after *admission* if the number is lower than the number~~

that was announced under *UKLR 20.2.7G* as being *admitted to listing*.
~~[deleted]~~

Documents to be kept

- 20.4.8 R ~~An applicant must keep copies of the following for 6 years after the admission to listing:~~
- (1) ~~any agreement to acquire any assets, business or shares in consideration for or in relation to which the company's shares are being issued;~~
 - (2) ~~any letter, report, valuation, contract or other documents referred to in the prospectus, listing particulars, circular or other document issued in connection with those shares;~~
 - (3) ~~the applicant's constitution as at the date of admission;~~
 - (4) ~~the annual report and accounts of the applicant and of any guarantor, for each of the periods which form part of the applicant's financial record contained in the prospectus or listing particulars;~~
 - (5) ~~any interim accounts made up since the date to which the last annual report and accounts were made up and prior to the date of admission;~~
 - (6) ~~any temporary and definitive documents of title;~~
 - (7) ~~in the case of an application in respect of shares issued pursuant to an employees' share scheme, the scheme document;~~
 - (8) ~~where listing particulars or another document are published in connection with any scheme requiring court approval, any court order and the certificate of registration issued by the Registrar of Companies; and~~
 - (9) ~~copies of board resolutions of the applicant allotting or issuing the shares. [deleted]~~
- 20.4.9 R ~~An applicant must provide to the FCA the documents set out in UKLR 20.4.8R, if requested to do so. [deleted]~~

20.5 Debt and other securities

...

Application – public sector issuers

- 20.5.3 R ~~UKLR 20.5.13R to UKLR 20.5.19R~~ UKLR 20.5.18R apply to an applicant that is a public sector issuer.

Documents to be provided 2 business days in advance

20.5.4 R An *applicant* must submit, in final form, to the *FCA* by midday 2 *business days* before the *FCA* is to consider the application:

...

(3) any approved *supplementary prospectus*, if applicable; and

(4) ~~written confirmation of the number of *securities* to be issued (pursuant to a board resolution); and [deleted]~~

...

Documents to be provided on the day of admission

20.5.5 R ~~If confirmation of the number of *securities* to be issued pursuant to a board resolution cannot be submitted to the *FCA* by the deadline set out in *UKLR* 20.5.4R or the number of *securities* to be admitted is lower than the number notified under *UKLR* 20.5.4R, written confirmation of the number of *securities* to be issued or admitted must be provided to the *FCA* by the *applicant* at least 1 hour before the *admission to listing* is to become effective. [deleted]~~

...

~~Documents to be kept~~

20.5.7 R ~~An *applicant* must keep, for 6 years after the *admission to listing*, a copy of the items set out in *UKLR* 20.4.8R(1) to (6) and *UKLR* 20.4.8R(9) and must provide any of those documents to the *FCA* if requested to do so. [deleted]~~

20.5.8 R ~~In addition to the documents referred to in *UKLR* 20.5.7R, an *applicant* for *admission* of *securitised derivatives* must keep a copy of the securitised derivative agreement or securitised derivative instrument or similar document for 6 years after the *admission* of the relevant *securitised derivatives*. [deleted]~~

20.5.9 R ~~In addition to the documents referred to in *UKLR* 20.5.7R, an *applicant* for *admission* of *certificates representing certain securities* must keep a copy of the executed deposit agreement for 6 years after the *admission* of the relevant *certificates*. [deleted]~~

Procedure for issuance programmes: initial offering and increase to programme size

20.5.10 R An *applicant* must comply with *UKLR* 20.5.4R ~~to *UKLR* 20.5.7R~~ and *UKLR* 20.5.6R with the following modifications:

(1) if the *FCA* approves the application, it will admit to listing all *classes of securities* which may be issued under the programme within 12 months after the publication of the *base prospectus*, subject to the *FCA*:

- (a) being advised of the *final terms* of each ~~issue~~ class for which a *listing* is sought; and
- (b) receiving and approving for publication any supplementary documents that may be appropriate; and
- (2) an *applicant* must submit a *supplementary prospectus* instead of the document required by *UKLR 20.5.4R(2)* in the case of an increase in the maximum amount of *securities* which may be in issue and *listed* at any one time under an issuance programme.
- 20.5.10 G When further securities of the listed class are issued, an issuer may be required under PRM 2.3.9R(2) to file the final terms in respect of those securities with the FCA.
- 20.5.11 G ~~An applicant for the admission of securities under an issuance programme must confirm in its Application for Admission of Securities to the Official List that, at admission, all of the securities the subject of the application will be in issue pursuant to board resolutions authorising the issue. [deleted]~~

...

Other public sector issuers

- 20.5.17 R ~~UKLR 20.5.10R, UKLR 20.5.12R, and UKLR 20.5.18R and UKLR 20.5.19R~~ apply to applications for *admission to listing* of *debt securities* by a *public sector issuer* other than one referred to in *UKLR 20.5.13R*.
- ...
- 20.5.19 R ~~An applicant referred to in UKLR 20.5.17R must keep, for 6 years after the admission to listing, a copy of the items set out in UKLR 20.4.8R(1) to (6) and UKLR 20.4.8R(9). [deleted]~~

UKLR 20.6 is deleted in its entirety. The deleted text is not shown but the section is marked [deleted] as shown below.

20.6 ~~Block listing [deleted]~~

Amend the following as shown.

21 **Suspending, cancelling and restoring listing and transfer between listing categories: all securities**

...

21.5 **Transfer between listing categories**

Application

...

- 21.5.4 R An ~~applicant~~ *issuer* which is applying to transfer its category of *listing* to the *equity shares (shell companies)* category from the *equity shares (commercial companies)* category, the *equity shares (transition)* category or the *equity shares (international commercial companies secondary listing)* category under UKLR 21.5.1R(10), (16) and (17) should consider the *guidance* in UKLR 13.2.2G to UKLR 13.2.3G.

...

22 Equity shares (transition): continuing obligations

....

22.2 Continuing obligations

Admission to trading

- 22.2.1 R A *listed company* must comply with UKLR 3.2.3R at all times in respect of its *listed equity shares*.

Shares in public hands

- 22.2.2 R ...

(2) For the purposes of paragraph (1):

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

...

...

...

Further issues

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

- 22.2.5A R When further *equity shares* of the *listed* class are issued, the *listed company* must comply with the requirements in UKLR 3.2.2R to UKLR 3.2.4R in relation to such *equity shares*.

...

24 Sponsors

...

24.3 Role of a sponsor: transactions... Application for admission: new applicants

- 24.3.1 R ~~UKLR 24.3.2R to UKLR 24.3.4G~~ and UKLR 24.3.3R apply in relation to an application for *admission of equity shares* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category if:
- (1) an *applicant* does not have *equity shares* already admitted to *listing*; and
 - (2) the conditions in ~~UKLR 5.1.2R(1) or UKLR 5.1.2R(2)~~ do not apply; and
 - (3) ~~in connection with the application, the *applicant* is required:~~ [deleted]
 - (a) ~~to publish a document under article 1(4)(f) or (g) or (5)(e) or (f) of the *Prospectus Regulation*; or~~
 - (b) ~~to submit to the *FCA*:~~
 - (i) ~~a *prospectus* or *supplementary prospectus*; or~~
 - (ii) ~~a summary document under article 1(5)(j) of the *Prospectus Regulation*.~~

- 24.3.2 R A *sponsor* must not submit to the *FCA* an application on behalf of an *applicant*, in accordance with *UKLR 20*, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

...

- (3) the *directors* of the *applicant* have a reasonable basis on which to make any working capital statement included in the document referred to in ~~UKLR 24.3.1R~~ UKLR 4.2.1R(1);

...

New applicants: procedure

- 24.3.3 R A *sponsor* must:

...

- (2) submit a completed Shareholder statement ~~or Pricing Statement, as applicable,~~ to the *FCA* by 9am on the day the *FCA* is to consider the application;

...

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

- 24.3.4 G ~~Depending on the circumstances of the case, a sponsor providing sponsor services to an applicant on an application for admission may have to confirm in writing to the FCA the number of equity shares to be allotted or admitted. [deleted]~~

[**Note:** See UKLR 20.4.5R.]

Application for admission: ~~further issues~~ new share class or new holding company

- 24.3.5 R ~~UKLR 24.3.6R to UKLR 24.3.8G and UKLR 24.3.7R~~ apply in relation to an application for *admission* of a new class of equity shares to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category of an *applicant* that has *securities* already *admitted to listing* listing or in circumstances in which ~~UKLR 5.1.2R(1) or UKLR 5.1.2R(2)~~ apply applies.

...

~~Further issues~~ New share class or new holding company: procedure

- 24.3.7 R A *sponsor* must:

...

- (2) submit a completed Shareholder Statement ~~or Pricing Statement, as applicable,~~ to the *FCA* by 9am on the day the *FCA* is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering the application for *admission* have been disclosed with sufficient prominence in the document referred to in ~~UKLR 4.2.1R(1) or UKLR 4.2.1R(2)~~, or otherwise in writing to the *FCA*.

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

- 24.3.8 G ~~Depending on the circumstances of the case, a sponsor providing sponsor services to an applicant on an application for admission may have to confirm, in writing to the FCA, the number of equity shares to be allotted or admitted. [deleted]~~

[**Note:** See ~~UKLR 20.4.5R.~~]

...

Circulars: procedure

- 24.3.11 R A *sponsor* acting on a transaction falling within UKLR 24.3.9R must:
- (1) submit a completed Sponsor's Declaration for the Production of a Circular to the *FCA* on the day the circular is to be approved by the *FCA* and prior to the time the *circular* is approved; and
 - (2) ~~submit a Pricing Statement, if applicable, to the *FCA* by 9am on the day the *FCA* is to consider the application; and~~

...

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

...

Initial transactions

- 24.3.15 R ...

Further issues of equity shares listed in the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category

- 24.3.16 R (1) UKLR 24.3.17R to UKLR 24.3.19R apply in relation to the publication of:
- (a) a prospectus or supplementary prospectus under the PRM in connection with a further issuance of equity shares listed in the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category; or
 - (b) a document under PRM 1.4.7R or PRM 1.4.8R.
- (2) In UKLR 24.3.17R and UKLR 24.3.19R, a reference to a prospectus includes a supplementary prospectus.

- 24.3.17 R A sponsor appointed in accordance with UKLR 4.2.1R(1A) must not submit to the FCA, on behalf of an issuer with a listing of equity shares, a prospectus referred to in UKLR 4.2.1R(1A) for approval of such prospectus unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the issuer has satisfied all applicable requirements set out in PRM; and
- (2) the directors of the issuer have a reasonable basis on which to make any working capital statement included in the prospectus referred to in UKLR 4.2.1R(1A).

24.3.18 R A sponsor appointed in accordance with UKLR 4.2.1R(2) must confirm to the FCA that it has come to a reasonable opinion, after having made due and careful enquiry, that the issuer has satisfied all applicable requirements set out in PRM, prior to either:

- (1) submitting to the FCA, on behalf of an issuer with a listing of equity shares, a document referred to in PRM 1.4.7R for approval of such document; or
- (2) any publication of the document referred to in PRM 1.4.8R.

Further issues of equity shares listed in the equity shares (commercial companies) category, the closed-ended investment funds category or the equity shares (shell companies) category: procedure

24.3.19 R A sponsor must submit a completed Sponsor’s Declaration either:

- (1) on the day the FCA is to consider the application for approval of a prospectus referred to in UKLR 4.2.1R(1A) and prior to the time such prospectus is approved; or
- (2) at a time agreed with the FCA if the FCA did not approve the prospectus referred to in UKLR 4.2.1R(1A).

[Note: The Sponsor’s Declaration form can be found on the Primary Markets section of the FCA’s website.]

...

TP 1 Transitional provisions: general

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
Transitional provisions for UKLR 15					
8.	UKLR 15.3.1R(2) UKLR 15.3.1R(2A) in so far as it applies UKLR 15.2.8R (Admission to trading on	R	An issuer of equity shares represented by certificates representing certain securities that were admitted to listing prior to 29 July 2024 is not required to comply with UKLR 15.3.1R(2) UKLR 15.3.1R(2A) in so far as it applies UKLR	Indefinitely	29 July 2024

	overseas market)		15.2.8R (Admission to trading on overseas market).		
...					

TP 9 Transitional provisions for a prospectus approved before IP completion day

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	<i>UKLR 7.3.6R, UKLR 7.3.7R, UKLR 10.1.3R, and UKLR 10.4.1R and UKLR 20.4.8R</i>	R	For the purposes of these rules, references to a <i>prospectus</i> include:	For UKLR 20.4.8R , a period of 6 years following <i>IP completion day</i> . For <i>UKLR 7.3.6R, UKLR 7.3.7R, UKLR 10.1.3R and UKLR 10.4.1R</i> , an <u>An</u> indefinite period of time.	29 July 2024
			(1) a prospectus referred to under regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019; and		
			(2) a prospectus approved by the <i>FCA</i> before <i>IP completion day</i> .		

TP 10 Transitional provisions in relation to market capitalisation under UKLR 3.2.7R(1)

Transitional provisions for applications for admission to listing

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
2.	UKLR 3.2.7R(1)	R	The expected aggregate market value of all <i>shares</i> <u>which are in issue or are proposed to be in issue at the time at which the FCA's decision to admit <i>shares</i> of that class to listing becomes effective (excluding treasury shares) to be listed</u> must be at least £700,000.	Indefinitely	29 July 2024

Transitional provisions for shell companies

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
2.	UKLR 3.2.7R(1)	R	The expected aggregate market value of all <i>shares</i> <u>which are in issue or are proposed to be in issue at the time at which the FCA's decision to admit <i>shares</i> of that class to listing becomes effective (excluding treasury shares) to be listed</u> must be at least £700,000.	Indefinitely	29 July 2024

Transitional provisions for issuers of listed shares

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
-----	--	-----	----------------------------	--	---

...					
2.	UKLR 3.2.7R(1)	R	The expected aggregate market value of all <i>shares which are in issue or are proposed to be in issue at the time at which the FCA's decision to admit shares of that class to listing becomes effective</i> (excluding <i>treasury shares</i>) to be listed must be at least £700,000.	Indefinitely	29 July 2024

Insert the following new transitional provision, UKLR TP 13, after UKLR TP 12 (Transitional provision in relation to listing particulars approved before [*Editor's note*: insert the date on which this instrument comes into force]). The text is all new and is not underlined.

TP 13 Transitional provisions: further issuances

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
Admission to listing					
1.	UKLR	R	(1) This transitional provision applies to a <i>listed company</i> which had a <i>listing of securities</i> immediately before [<i>Editor's note</i> : insert the date on which this instrument comes into force].	From [date]	[date]
			(2) <i>Securities</i> of the <i>listed class</i> which are issued on or after [<i>Editor's note</i> : insert the date on which this instrument	From [date]	[date]

				comes into force] will automatically become <i>listed</i> upon issuance except <i>securities</i> that were admitted to trading on a <i>RIE's</i> market for <i>listed securities</i> immediately before [<i>Editor's note</i> : insert the date on which this instrument comes into force].		
			(3)	For <i>certificates representing certain securities</i> of the <i>listed class</i> that were admitted to trading on a <i>RIE's</i> market for <i>listed securities</i> immediately before [<i>Editor's note</i> : insert the date on which this instrument comes into force], the <i>certificates representing certain securities</i> issued on or after [<i>Editor's note</i> : insert the date on which this instrument comes into force] will automatically become <i>listed</i> upon issuance up to the number of	From [date]	[date]

				<p><i>securities</i> specified in the <i>listing particulars</i> approved before <i>[Editor's note: insert the date on which this instrument comes into force]</i>.</p>		
			(4)	<p>For a <i>listed company</i> that is an <i>open-ended investment company</i> that had an application for <i>listing</i> granted prior to <i>[Editor's note: insert the date on which this instrument comes into force]</i>, the <i>securities</i> that were the subject of that application can be designated to the relevant <i>class</i> at the time of issue.</p>	<p>From [date]</p>	<p>[date]</p>

Annex D

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

[*Editor's note:* This Annex takes into account:

- (1) the proposals and legislative changes suggested in the consultation paper 'Consultation on the new Public Offers and Admissions to Trading Regulations regime' (CP 24/12);
- (2) changes suggested in Annex A (Amendments to the Glossary of definitions) in Appendix 1 to this consultation paper in the draft Prospectus (Smarter Regulatory Framework and Consequential Amendments) (No 2) Instrument 2025),

as if they were made final.]

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

Insert the following new sections, PRM 1.5 (Admission requirement in respect of a further issue) and PRM 1.6 (Notification requirements), after PRM 1.4 (Prospectus requirement). The text is all new and is not underlined.

1.5 Admission requirement in respect of a further issue

Application

- 1.5.1 R This section applies to an *issuer* who is making a further issuance of *transferable securities* fungible with *transferable securities* already *admitted to trading on a regulated market*, irrespective of whether there is an exemption to the *Public Offers and Admissions to Trading Regulations* or whether there is a *prospectus* requirement in *PRM 1.4*.

Admission requirement within 60 days

- 1.5.2 R An *issuer* must obtain the *admission to trading on a regulated market* of any further issuance of *transferable securities*, fungible with those already *admitted to trading*, with effect no later than *60 days* from:
- (1) in the case of *equity securities*, the securities being allotted; or
 - (2) in the case of *non-equity securities*, the securities being issued.
- 1.5.3 G *PRM 1.5.2R* applies irrespective of:
- (1) whether the further *issue* is made in accordance with an exemption in the *Public Offers and Admissions to Trading Regulations*;

- (2) whether a *prospectus* is required for the *admission to trading* in accordance with *PRM*; or
- (3) when a *prospectus* is published.

1.6 Notification requirements

Application

- 1.6.1 R This section applies to an *issuer* who is:
- (1) applying for *admission to trading* of *transferable securities* on a *regulated market* that are not fungible with any other *transferable securities* already *admitted to trading* on a *regulated market*; or
 - (2) issuing further *transferable securities* fungible with *transferable securities* already *admitted to trading* on a *regulated market*.

Notification requirement

- 1.6.2 R An *issuer* must notify the public of the *admission to trading* of *transferable securities* to a *regulated market* via a *RIS*, on the same *business day* that the *admission to trading* occurs.
- 1.6.3 R The notification referred to in *PRM* 1.6.2R must contain the following information:
- (1) the name and legal entity identifier (LEI) of the *issuer*;
 - (2) the *regulated market* on which the *transferable securities* have been *admitted to trading*;
 - (3) the name, type and *ISIN* of *transferable securities* *admitted to trading*;
 - (4) the number of *transferable securities* being *admitted to trading*;
 - (5) whether the *transferable securities* *admitted to trading* are fungible with *transferable securities* already *admitted to trading*;
 - (6) the date the *transferable securities* were *admitted to trading*;
 - (7) the total number of *transferable securities* fungible with other *transferable securities* already *admitted to trading*, taking into account the further issuance, where applicable;
 - (8) confirmation that:
 - (a) a *prospectus* has been published in relation to the *transferable securities* *admitted to trading*, where a *prospectus* is required in accordance with *PRM* 1.4.1R together with:

- (i) the date of the *prospectus* and its period of validity; and
 - (ii) a link to where the *prospectus* is published, in accordance with *PRM 9.5.3R*; or
- (b) the *issuer* is relying on an exemption from the requirement for a *prospectus* available at *PRM 1.4.2R* to *PRM 1.4.11R*, and which exemption it has relied on.

Amend the following as shown.

9 Approval of a prospectus

...

9.2 Submission requirements

...

Submission for approval of the final draft of the prospectus

9.2.11 R ...

9.2.11A R In respect of a *prospectus* or document referred to in *PRM 1.4.7R(1)* required for the *admission to trading of equity shares* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category, the *FCA* will not approve such *prospectus* or document referred to in *PRM 1.4.7R(1)* unless:

- (1) a *sponsor* has been appointed in accordance with *UKLR 4.2.1R*; and
- (2) that *sponsor* has discharged its responsibilities in accordance with *UKLR 24 (Sponsors)*.

9.2.11B R In respect of a document referred to in *PRM 1.4.8R(1)* required for the *admission to trading of equity shares* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category, such document must not be made available to the public in accordance with *PRM 1.4.8R(1)* unless:

- (1) a *sponsor* has been appointed in accordance with *UKLR 4.2.1R(2)*; and
- (2) the *sponsor* has discharged its responsibilities in accordance with *UKLR 24 (Sponsors)*.

...

Annex E

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

In this Annex, striking through indicates deleted text.

8 Primary Information Providers

...

8 Annex 2R Headline codes and categories

Headline code	Headline Category	Description
...		
Medium priority		
...		
ALS	Additional Listing	Notification by an issuer of the admission to the Official List of further securities of a class already admitted to listing
...		
BLR	Block listing Interim Review*	Six monthly notification by a company issuing securities on a regular basis. Notification of a company's annual report & accounts
...		

**PROSPECTUS (SMARTER REGULATORY FRAMEWORK AND
CONSEQUENTIAL AMENDMENTS) (No 2) INSTRUMENT 2025**

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 73A (Part 6 Rules)
 - (c) section 88 (Sponsors);
 - (d) section 89A (Transparency rules);
 - (e) section 96 (Obligations of issuers of listed securities);
 - (f) section 137A (The FCA’s general rule-making power);
 - (g) section 137R (Financial promotion rules);
 - (h) section 137T (General supplementary powers);
 - (i) section 139A (Power of the FCA to give guidance);
 - (j) section 395 (The FCA’s and PRA’s procedures); and
 - (k) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority); 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
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
General Provisions (GEN)	Annex C
Fees manual (FEES)	Annex D
Conduct of Business sourcebook (COBS)	Annex E
Market Conduct sourcebook (MAR)	Annex F
Product Intervention and Product Governance sourcebook (PROD)	Annex G
Decision Procedure and Penalties manual (DEPP)	Annex H
Investment Funds sourcebook (FUND)	Annex I
Regulated Covered Bonds sourcebook (RCB)	Annex J
UK Listing Rules sourcebook (UKLR)	Annex K
Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM)	Annex L
Disclosure Guidance and Transparency Rules sourcebook (DTR)	Annex M

[*Editor’s note:* Annexes A to C and E to M to this instrument take into account the proposals and legislative changes suggested in the Consultation Paper ‘Consultation on the new Public Offers and Admissions to Trading Regulations regime (POATRs)’ (CP24/12), which includes the introduction of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM), as if they were made final.]

Amendments to materials outside the Handbook

- E. The Enforcement Guide (EG) is amended in accordance with Annex N to this instrument.
- F. The Perimeter Guidance manual (PERG) is amended in accordance with Annex O to this instrument.

Notes

- G. 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

- H. This instrument may be cited as the Prospectus (Smarter Regulatory Framework and Consequential Amendments) (No 2) Instrument 2025.

By order of the Board
[*date*]

Annex A

Amendments to the Glossary of definitions

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

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

- | | |
|--|--|
| <i>non-complex listed corporate bond</i> | <p>a <i>debt security</i> that:</p> <ol style="list-style-type: none"> (1) is admitted to the official list maintained by the <i>FCA</i> in accordance with section 74 of the <i>Act</i>; (2) is issued by an <i>issuer</i> that: <ol style="list-style-type: none"> (a) has an existing <i>listing</i> in the <i>equity shares (commercial companies)</i> category; or (b) is a wholly owned subsidiary of a <i>listed company</i> (P) that has an existing <i>listing</i> in the <i>equity shares (commercial companies)</i> category; (3) (where the <i>issuer</i> falls within (2)(b)) is unconditionally and irrevocably guaranteed by P; (4) bears: <ol style="list-style-type: none"> (a) a fixed <i>coupon rate</i>, including where: <ol style="list-style-type: none"> (i) a set <i>coupon rate</i> (including a nil or zero rate) applies until maturity; or (ii) the <i>coupon rate</i> is a stepped <i>coupon</i>, being subject to pre-defined changes at fixed times prior to maturity; or (b) a floating or variable <i>coupon</i>, provided that: <ol style="list-style-type: none"> (i) the interest payable is determined by reference to: <ol style="list-style-type: none"> (A) the Bank of England official Bank Rate or any equivalent rate set by another central bank; |
|--|--|

- (B) a benchmark or index that tracks the rate of *UK* inflation; or
 - (C) the Sterling Overnight Index Average (SONIA), or any other equivalent risk-free reference rate in any currency,
- with or without a spread reflecting the credit risk of the *issuer*; and
- (ii) the interest payable is not subject to any additional modification or structuring such as a cap or a floor other than zero;
- (5) is unsubordinated, ranking equally with all other present and future indebtedness of the *issuer* in the form of bonds, notes, debentures, loan stock or other transferable securities;
 - (6) is unsecured;
 - (7) is not subject to a potential write-down or conversion as a result of a resolution authority exercising its powers; and
 - (8) is not a *convertible security*, *asset backed security* or security giving rise to a payment or delivery obligation linked to an underlying asset or index (except those in (4)(b)(i)).

Amend the following definitions as shown.

<i>admission or admission to listing</i>	(in <i>UKLR</i> and <i>PRM</i>) admission of <i>securities</i> to the <i>official list</i> .
<i>applicant</i>	... (2) [deleted] (in <i>PRM</i>) an applicant for approval of a <i>prospectus</i> or <u><i>supplementary prospectus</i> relating to <i>transferable securities</i></u> .
<i>convertible securities</i>	(in <i>UKLR</i> and <i>FEES</i>) a <i>security</i> which is: (a) convertible into, or exchangeable for, other <i>securities</i> ; or (b) accompanied by a <i>warrant</i> or <i>option</i> to subscribe for or purchase other <i>securities</i> .
<i>debt security</i>	(1) (in <i>UKLR</i> and, <i>DTR 7</i> and for the purposes of the definition of <u><i>non-complex listed corporate bond</i></u>) <i>debentures</i> , <i>alternative debentures</i> , debenture stock, loan stock, bonds, certificates of deposit or any other instrument creating or acknowledging indebtedness.

	...
<i>issuer</i>	...
	(3) (in <i>UKLR</i> and, <i>FEES</i> (in relation to <i>UKLR</i>) and for the purposes of the definition of <i>non-complex listed corporate bond</i>) any <i>company</i> or other legal person or undertaking (including a <i>public sector issuer</i>), any <i>class</i> of whose <i>securities</i> has been <i>admitted to listing</i> or is the subject of an application for <i>admission to listing</i> .
	...
<i>listed</i>	(1) (except in <i>UKLR</i> , <i>SUP 11</i> , <i>INSPRU</i> and <i>IPRU(INS)</i> and for the purposes of the definition of <i>non-complex listed corporate bond</i>) included in an official list.
	...
	(3) (in <i>UKLR</i> and for the purposes of the definition of <i>non-complex listed corporate bond</i>) admitted to the <i>official list</i> maintained by the <i>FCA</i> in accordance with section 74 of the <i>Act</i> .
<i>listed company</i>	(in <i>UKLR</i> and <i>DEPP</i>) a <i>company</i> that has any <i>class</i> of its <i>securities listed</i> .
<i>PD</i>	(1) Prospectus Directive (<u>No 2003/71</u>).
	...
<i>Prospectus Regulation</i>	the <i>UK</i> version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is <u>was</u> part of <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>public international body</i>	(1) (in <i>UKLR</i>) 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. [deleted])
	...
<i>specified exempted documents</i>	(in <i>PRR PRM</i> and <i>FEES</i>) a <i>document</i> containing information about a transaction and its impact on the <i>issuer</i> for the purposes of <u>article 1(4)(f)</u>

or article 1(5)(e) as referred to in article 1(6a)(b) of the *Prospectus Regulation* PRM 1.4.7R(1) and PRM 1.4.8R(1).

- sponsor* (1) (in *UKLR* and *PRM*) a person approved, under section 88 of the *Act* by the *FCA*, as a sponsor.
- ...
- supplementary prospectus* ...
- (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.~~ has the meaning in regulation 21(4) of the *Public Offers and Admissions to Trading Regulations* – in summary, a document whose publication is required by rules made by the operator of a primary MTF and which is described by those rules as a ‘supplementary prospectus’.
- [Note: *MAR 5ZA.2.6R* and *MAR 5ZA.2.7R*]**
- transferable security* (1) (in *MAR 5ZA*, *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.
- ...

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

18 Whistleblowing

...

18.6 Whistleblowing obligations under the MiFID regime and other sectoral legislation

...

Whistleblowing obligations under other sectoral legislation

- 18.6.4 G In addition to obligations under the *MiFID* regime, similar whistleblowing obligations apply to miscellaneous *persons* subject to regulation by the *FCA* under the following non-exhaustive list of legislation:

...

- (5) ~~section 97A of the Act, as regards obligations under the *Prospectus Regulation*, the *PR Regulation*, and the *Prospectus RTS Regulation*~~ regulation 45 of the *Public Offers and Admissions to Trading Regulations* as regards reporting of infringements.

...

Annex C

Amendments to the General Provisions (GEN)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

Sch 4 Powers exercised

...

Powers to make rules

Sch 4.2 G

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FCA</i> to make the rules in <i>GEN</i> :	
	...
	Section 84 (Matters which may be dealt with by prospectus rules)
	Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus) (Contravention of prohibition relating to public offer of securities)
	Section 87 (Election to have prospectus)
	Section 87A (Criteria for approval of prospectus by competent authority)
	Section 87B (Exemptions from disclosure)
	Section 87G (Supplementary prospectus)
	...

Sch 4.3 G

The following additional powers have been exercised by the <i>FCA</i> to make the rules in <i>GEN</i> :	
	...
	Article 78(1) of <i>EMIR</i>

<u>Regulation 14 (FCA rules relating to admission to trading on regulated market) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 15 (FCA rules relating to admissions to trading on primary MTF) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 17 (FCA rules relating to public offers unconnected with admissions to trading) of the <i>Public Offers and Admissions to Trading Regulations</i></u>

Power to make rules or direct

Sch 4.3A G

The following additional powers and related provisions have been exercised by the <i>FCA</i> in <i>GEN</i> to direct, require or specify:
...
Regulation 34 (Due-diligence requirements of small registered UK AIFMs as institutional investors) of the <i>Securitisation Regulations 2024</i>
<u>Regulation 28 (Requirements to include information or to provide information or documents) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 33 (FCA's power to require information) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 34 (Powers exercisable to protect investors or advance FCA's operational objectives) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 35 (Power to suspend, restrict or prohibit offer to the public) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 36 (Power to suspend, restrict or prohibit admission to trading on regulated marked) of the <i>Public Offers and Admissions to Trading Regulations</i></u>
<u>Regulation 37 (Power to suspend, restrict or prohibit trading on a trading facility) of the <i>Public Offers and Admissions to Trading Regulations</i></u>

Powers to issue statements

...

Sch 4.6 G

The following additional powers and related provisions have been exercised by the <i>FCA</i> to issue the parts of the statements in <i>GEN</i> :	
	...
	Regulations 28 (Statements of policy) and 29 (Application of Part 26 of the 2000 Act) of the <i>Immigration Regulations</i>
	<u>Regulation 39 (Public censure) of the <i>Public Offers and Admissions to Trading Regulations</i></u>

...

Annex D

Amendments to the Fees manual (FEES)

In this Annex, striking through indicates deleted text.

3 Application, Notification and Vetting Fees

...

3.2 Obligation to pay fees

...

Table of application, notification, vetting and other fees payable to the FCA

3.2.7 R

Part 1A: Application, notification and vetting fees		
...		
Part 2: Primary market fees		
(1) Fee payer	(2) Fee payable	(3) Due date
...		
(d) Under the <i>Prospectus Rules</i> or the <i>Prospectus Regulation</i> , an issuer or a person requesting approval or review of a document arising in relation to a specific event or transaction, which is not a <i>significant transaction</i> or a <i>super transaction</i> .	FEES 3 Annex 12R	On or before the date that relevant document is first submitted to the FCA.
...		

...

Annex E

Amendments to the Conduct of Business sourcebook (COBS)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

4 Communicating with clients, including financial promotions

...

4.3 Financial promotions to be identifiable as such

4.3.1 R ...

- (3) If a *financial promotion* relates to a *firm's* business that is not *MiFID* or *equivalent third country business*, this rule applies to *communicating* or *approving* the *financial promotion* but does not apply:

...

- (b) to the extent that it is a ~~prospectus~~ an advertisement to which ~~article 22 of the *Prospectus Regulation*~~ *MAR 5ZA* or *PRM 12* applies;

...

...

...

4.5 Communicating with retail clients (non-MiFID provisions)

Application

4.5.1 R ...

- (3) This section does not apply in relation to a communication:

...

- (b) to the extent that it is a ~~prospectus~~ an advertisement to which ~~article 22 of the *Prospectus Regulation*~~ *MAR 5ZA* or *PRM 12* applies;

...

...

4.6 Past, simulated past and future performance (non-MiFID provisions)

Application

4.6.1 R ...

(3) This section does not apply in relation to a communication:

...

(b) to the extent that it is a ~~prospectus~~ an advertisement to which ~~article 22 of the Prospectus Regulation~~ MAR 5ZA or PRM 12 applies;

...

...

4.7 Direct offer financial promotions

Application

4.7.-2 R This section (other than *COBS 4.7.-1AEU* to *COBS 4.7.-1DG*) does not apply in relation to a communication:

...

(2) to the extent that it is a ~~prospectus~~ an advertisement to which ~~article 22 of the Prospectus Regulation~~ MAR 5ZA or PRM 12 applies;

...

...

4.9 Financial promotions with an overseas element

Application

4.9.1 R ...

(3) If a communication relates to a *firm's* business that is not *MiFID* or *equivalent third country business*, this section does not apply:

...

(b) to the extent that it is a ~~prospectus~~ an advertisement to which ~~article 22 of the Prospectus Regulation~~ MAR 5ZA or PRM 12 applies;

...

...

4.11 Record keeping: financial promotion

General

4.11.1 R ...

- (5) If a communication relates to a *firm's* business that is not *MiFID* or *equivalent third country business*, this section does not apply:

...

- (b) to the extent that it is a ~~prospectus~~ an advertisement to which ~~article 22 of the Prospectus Regulation~~ MAR 5ZA or PRM 12 applies;

...

...

11A Underwriting and placing**11A.1 Underwriting and placing**

...

Application of requirements for information flows during equity IPOs

11A.1.4 R *COBS* 11A.1.4BR to *COBS* 11A.1.4FR apply to a *firm* that:
A

- (1) has *agreed to carry on regulated activities* for a *client* that is an *issuer* ("the *issuer client*") that include underwriting or placing of *financial instruments*, where:

...

- (d) an approved *prospectus* will be required in accordance with ~~article 3 of the Prospectus Regulation~~ PRM 1.4 for the relevant securities; and

- (2) is intending to disseminate *investment research* or *non-independent research* on that *issuer client* or those ~~relevant securities~~ *transferable securities* before the *admission to trading*.

...

Timing restrictions for disseminating research on equity IPOs

11A.1.4 R ...
F

- (4) For this *rule*, publication of the relevant document means making the relevant document available to the public in accordance with ~~article 21 of the *Prospectus Regulation*~~ PRM 9.5.

...

...

14 Providing product information to clients

...

14.3 Information about designated investments (non-MiFID provisions)

...

Providing a description of the nature and risks of designated investments

...

- 14.3.3 R If a *firm* provides a *retail client* with information about a *designated investment* that is the subject of a current ~~offer to the public~~ offer of transferable securities to the public and a ~~prospectus~~ prospectus has been published in connection with that offer in accordance with the ~~*Prospectus Regulation*~~ rules in PRM, that *firm* must inform the *retail client* where that ~~prospectus~~ prospectus is made available to the public.

...

14.3A Information about financial instruments (MiFID provisions)

...

Providing a description of the nature and risks of financial instruments

...

[*Editor's note:* COBS 14.3A.5AR takes into account the proposals and legislative changes suggested in the Consultation Paper 'The MiFID Organisational Regulation' (CP24/24), as if they were made final.]

- 14.3A.5 R If a *firm* provides a *retail client* with information about a *financial instrument* that is the subject of a current ~~offer to the public~~ offer of transferable securities to the public and a ~~prospectus~~ prospectus has been published in connection with that offer in accordance with the ~~*Prospectus Regulation*~~ rules in PRM, that *firm* must inform the *client* where that ~~prospectus~~ prospectus is made available to the public.

...

22 Restrictions on the distribution of certain complex investment products

...

22.3 Restrictions on the retail distribution of contingent convertible instruments and CoCo funds

...

Exemptions

- 22.3.2 R Each of the exemptions listed below applies only if the *retail client* is of the type described for the exemption and provided any additional conditions for the exemption are met.

Title	Type of retail client	Additional conditions
...		
Prospectus	Any <i>retail client</i> .	The restrictions do not apply to the distribution of a prospectus required under the <i>Prospectus Regulation</i> rules in PRM or the rules of a <i>primary MTF operator</i> .
...		

...

TP2 Other Transitional Provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provisions: coming into force
...					
2.-2B	...	...	...	...	...
<u>2.-2C</u>	<u>COBS 4</u>	<u>R</u>	<u>In COBS 4, references to:</u>	<u>From [date]</u>	<u>[date]</u>

			<p>(1) <u>a ‘third party prospectus’ include a communication made by a firm if the communication is a prospectus that was approved by the FCA (before [date]) in accordance with Part 6 of the Act and the firm is not responsible for the information given in the prospectus under the rules regarding the requirement for a prospectus in respect of transferable securities that were in force at the relevant time; and</u></p>		
			<p>(2) <u>‘an advertisement to which MAR 5ZA or PRM 12 applies’ include a prospectus advertisement relating to an offer of transferable securities to the public or to an admission of transferable securities to trading on a regulated market which (in either case) is made in reliance on a prospectus which was approved by the FCA in accordance with</u></p>		

			Part 6 of the <i>Act</i> before [date] and to which article 22 of the <i>Prospectus Regulation</i> applies.		
...					
2.6A	...	...	...	...	...
<u>2.6B</u>	<u>COBS</u> <u>14.3.3R</u>	<u>R</u>	If a <i>firm</i> provides a <i>retail client</i> with information about a <i>designated investment</i> that is the subject of a <i>current offer of transferable securities to the public</i> and a prospectus has been published before [date] in connection with that offer in accordance with the <i>Prospectus Regulation</i> , that <i>firm</i> must inform the <i>retail client</i> where that prospectus is made available to the public.	From [date]	[date]
<u>2.6C</u>	<u>COBS</u> <u>14.3A.5AR</u>	<u>R</u>	If a <i>firm</i> provides a <i>retail client</i> with information about a <i>financial instrument</i> that is the subject of a <i>current offer of transferable securities to the public</i> and a prospectus has been published before [date] in connection with that offer in accordance with the <i>Prospectus Regulation</i> , that <i>firm</i> must inform the <i>client</i> where that prospectus is made available to the public.	From [date]	[date]
...					

2.49	...	...	...	...	...
<u>2.50</u>	<u>COBS</u> <u>22.3.2R</u>	<u>R</u>	The 'prospectus' <u>exemption also applies</u> <u>to the distribution of a</u> <u>valid prospectus</u> <u>published in accordance</u> <u>with the <i>Prospectus</i></u> <u><i>Regulation</i> before</u> <u>[date].</u>	<u>From [date]</u>	<u>[date]</u>

Annex F

Amendments to the Market Conduct sourcebook (MAR)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

5 **Multilateral trading facilities (MTFs)**

...

5.10 **Operation of an SME growth market**

Registering an MTF as an SME growth market

...

5.10.2 R For an *MTF* to be eligible for registration as an *SME growth market*, the *firm* must have effective rules, systems and procedures which ensure that:

...

(3) on initial admission to trading of *financial instruments* on the market, there is sufficient information to enable investors to make an informed judgement about whether or not to invest in the *financial instruments* published in either:

...

(b) ~~a prospectus, if the *Prospectus Regulation* is applicable~~ in respect of a public offer being made in conjunction with the initial admission to trading of the *financial instrument* on the *MTF*;

(i) a *prospectus*, if *PRM* is applicable; or

(ii) an *MTF admission prospectus*, where the *MTF* is subject to the rules in *MAR 5ZA.2.1R*;

...

...

5ZA **Multilateral trading facilities operating as a primary MTF**

5ZA.1 Application and purpose

...

5ZA.1.3 G ...

Application of GEN

5ZA.1.3 A G GEN does not apply in respect of the rules and guidance in MAR 5ZA, except as provided for in MAR 5ZA1.3BR and MAR 5ZA1.3CR.

5ZA.1.3 B R The rules and guidance in GEN 1.3, GEN 2.1, GEN 2.2.1R to GEN 2.2.16G and GEN 2.2.18R to GEN 2.2.25G apply to the following:

(1) persons carrying out the designated activities in regulation 9 and regulation 11 of the Public Offers and Admissions to Trading Regulations; and

(2) persons responsible for the content of an MTF admission prospectus in accordance with the rules and guidance in MAR 5ZA.4,

as they apply to authorised persons, insofar as they do not already apply.

5ZA.1.3 C R The persons identified in MAR 5ZA.1.3BR(1) and (2) must deal with the FCA in an open and cooperative way.

...

Insert the following new transitional provisions after MAR TP 2 (Transitional provisions relating to trading venue operators and transparency investment firms). The text is all new and is not underlined.

TP3 Transitional provisions for the admission to trading of transferable securities on an MTF before [Editor's note: insert the date on which this instrument comes into force]

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
Definitions					
1.	MAR TP 3	R	In these transitional provisions, the terms 'offer of transferable securities to the	From [date] for one year	[date]

			public' and 'prospectus' should be read as if the <i>Handbook Glossary</i> on [Editor's note: insert the date on which this instrument comes into force] was in force.		
Transitional provisions					
2.	All of <i>MAR 5ZA</i>	R	In relation to an offer of transferable securities to the public to be <i>admitted to trading</i> on an <i>MTF</i> that will be a <i>primary MTF</i> post [Editor's note: insert the date on which this instrument comes into force], the <i>MTF</i> is not subject to the <i>rules</i> in <i>MAR 5ZA</i> where the offer is made before [Editor's note: insert the date on which this instrument comes into force], even if the <i>transferable securities</i> are <i>admitted to trading</i> on the <i>MTF</i> after [Editor's note: insert the date on which this instrument comes into force].	From [date] for one year	[date]
3.	All of <i>MAR 5ZA</i>	R	Any disclosure or admission document that is used on an <i>MTF</i> prepared in accordance with the relevant <i>MTF</i> rules in force immediately before [Editor's note: insert the date on which this instrument comes into force] will not be an <i>MTF</i>	From [date] until the date applicable under <i>MAR TP3.3 (1)</i> or (2).	[date]

			<p><i>admission prospectus</i> and, in the case of a prospectus, will remain valid for use on the relevant <i>MTF</i> until the earlier of:</p>		
		(1)	<p>the end of its validity period according to the rules under which it was prepared; or</p>		
		(2)	<p>one year on from [<i>Editor's note</i>: insert the date on which this instrument comes into force].</p>		

Annex G

Amendments to the Product Intervention and Product Governance sourcebook (PROD)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

3 Product governance: MiFID

3.1 General

...

Proportionate application of rules

...

3.1.3 G (1) A proportionate application of the requirements in this chapter may mean that complying with the *rules* could be relatively simple for simple *financial instruments* distributed on an *execution-only transaction* basis where such *financial instruments* would be compatible with the needs and characteristics of the mass retail market.

(2) An example of the type of *financial instrument* that would ordinarily be regarded as simple for the purposes of (1) is a *non-complex listed corporate bond*. This is because its features, including the expected rate of return and any risk relating to that return, are capable of being well understood by customers in the mass retail market. A *non-complex listed corporate bond* is therefore likely to be compatible with the needs and characteristics of customers in the mass retail market and therefore appropriate for *distribution* by way of a wide range of channels.

3.2 Manufacture of products

...

Target market

...

3.2.9 G (1) The level of granularity of the target market and the criteria used to define the target market and determine the appropriate *distribution* strategy should be relevant for the *financial instrument* and should make it possible to assess which *clients* fall within the target market. For simpler, more common *financial instruments*, the target market could be identified with less detail while for more complicated

financial instruments such as bail-inable instruments or less common *financial instruments*, the target market should be identified with more detail.

[**Note:** recital 19 of the *MiFID Delegated Directive*]

- (2) Where the *financial instrument* is a *non-complex listed corporate bond*, the identification of the target market is likely to require less detail due to the nature of the *financial instrument*.

...

3.3 Distribution of products and investment services

...

Distributing financial instruments manufactured by firms to whom PROD 3.2 does not apply including third country firms

...

- 3.3.8 G Acceptable publicly available information is information which is clear, reliable and produced to meet regulatory requirements, such as disclosure requirements under the *transparency rules* or the *Prospectus Regulation rules in PRM*.

[**Note:** article 10(2) of the *MiFID Delegated Directive*]

...

Annex H

Amendments to the Decision Procedure and Penalties Manual (DEPP)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

2 Statutory notices and the allocation of decision making

...

2.5 Provision for certain categories of decision

...

Decisions relating to listing and public offers of securities

2.5.9 G *FCA* staff under *executive procedures* will take the following *statutory notice* decisions:

- (1) the refusal of an application for ~~listing~~ listing of securities;
- (2) the suspension of *listing* on the *FCA*'s own initiative or at the request of the ~~issuer~~ issuer;
- ...
- (4) the discontinuance of *listing* of securities at the ~~issuer's~~ issuer's request;
- (5) the exercise of any of the powers in sections 87K or 87L of the *Act* in ~~respect of a breach of any applicable provision~~ relation to a person with immediate effect; ~~and~~
- ...
- (7) the refusal of an application by an ~~issuer~~ issuer for cancellation of a suspension of *listing* made under section 77 of the *Act*; ~~and~~
- (8) the exercise of any of the powers in regulations 34, 35 or 36 of the Public Offers and Admissions to Trading Regulations in relation to a person with immediate effect.

...

2 Annex 1 Warning notices and decision notices under the Act and certain other enactments

...

Section of the Act	Description	Handbook reference	Decision maker
...			
78A(7)/(8)(a)	...	...	...
<u>87JB</u>	<u>when the FCA proposes or decides that for a period the restriction in section 87JB(1) is to apply in relation to a person</u>		<u>RDC</u>
...			

...

The Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023	Description	Handbook reference	Decision maker
...			

<u>The Public Offers and Admissions to Trading Regulations 2024</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>Regulation 29(3) and (4)</u>	<u>when the FCA proposes or decides that for a period the restrictions in regulation 29(1) are</u>		<u>RDC</u>

	to apply in relation to a <u>person</u>		
<u>Regulation 41(1) and (4)</u>	when the <i>FCA</i> proposes or decides to take action against a <u>person</u> under <u>regulation 39 or 40</u>		<u>RDC</u>

2 Annex Supervisory notices

2

Section of the Act	Description	Handbook reference	Decision maker
...			
87O(2)/(5)	when the <i>FCA</i> is proposing or deciding to exercise or deciding to maintain, vary or revoke any of the powers in sections 87K or 87L in respect of an infringement of any applicable provision. <u>proposes to exercise any of the powers in sections 87JA, 87K, 87L or 87LA in relation to a person, or exercises any of those powers in relation to a person with immediate effect, or decides to maintain, vary or revoke its earlier decision</u>	PR 5	<i>Executive procedures</i>
...			

...

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	Description	Handbook reference	Decision maker
...			

<u>The Public Offers and Admissions to Trading Regulations 2024</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>Regulation 38</u>	<u>when the FCA proposes to exercise any of the powers in regulations 34 to 37 in relation to a person, or exercises any of those powers in relation to a person with immediate effect, or decides to maintain, vary or revoke its earlier decision</u>		<u>Executive procedures</u>

...

6 Penalties

6.1 Introduction

...

6.1.1A G *DEPP* 6 includes the *FCA*'s statement of policy with respect to the imposition and amount of penalties under:

- (1) Regulation 9(1)(c) and (d) of the *UK Securitisation Regulations*;
and
- (2) Regulation 46(1)(c) and (d) of the *Securitisation Regulations 2024*;
and

(3) Regulation 42(1) of the *Public Offers and Admissions to Trading Regulations*.

...

Sch 3 Fees and other required payments

...

Sch 3.2 G

The <i>FCA</i> 's power to impose financial penalties is contained in:	
	...
	the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023
	<u>the <i>Public Offers and Admissions to Trading Regulations</i></u>

Sch 4 Powers Exercised

...

Sch 4.2 G

The following additional powers and related provisions have been exercised by the <i>FCA</i> to make the statements of policy in <i>DEPP</i> :	
	...
	Regulation 37 (Application of Part 26 of the Act (notices)) of the <i>SFTR (EU Exit) Regulations</i>
	<u>Regulation 42 of the <i>Public Offers and Admissions to Trading Regulations</i></u>

Annex I

Amendments to the Investment Funds sourcebook (FUND)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

3 Requirements for alternative investment fund managers

...

3.2 Investor information

...

Prior disclosure of information to investors

...

- 3.2.4 R Where the *AIF* is required to publish a *prospectus* under ~~article 3 of the *Prospectus Regulation*~~ PRM 1.4.1R, only information referred to in *FUND* 3.2.2R and 3.2.3R that is additional to that contained in the *prospectus* needs to be disclosed, either separately or as additional information in the *prospectus*.

[**Note:** article 23(3) of *AIFMD*]

...

Annex J

Amendments to Regulated Covered Bonds sourcebook (RCB)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

1 Introduction

1.1 Introduction to sourcebook

...

Other relevant provisions

...

- 1.1.9 G (1) *Issuers* which are subject to an obligation to publish a ~~prospectus~~ prospectus under the ~~Prospectus Regulation rules in PRM~~ are required by Chapter II of the ~~PR Regulation~~ to disclose risk factors. These requirements are set out in ~~PRR 2.3.1UK and PRR App 2.1.1UK~~, where there is a link to the relevant Annexes of the ~~PR Regulation~~ PRM 4 and associated annexures.

...

Annex K

Amendments to the UK Listing Rules sourcebook (UKLR)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in:

- (1) the Consultation Paper 'Consultation on the new Public Offers and Admissions to Trading Regulations regime' (CP24/12);
- (2) Chapter 5 of and Appendix 1 to this Consultation Paper in the draft UK Listing Rules (Listing Particulars) Instrument 202X; and
- (3) Chapter 4 of and Appendix 1 to this Consultation Paper in the draft UK Listing Rules (Further Issuance) Instrument 202X,

as if they were made final.]

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

1 Preliminary: all securities

1.1 Introduction

Application

1.1.1 R UKLR applies as follows:

...

[**Note:** Other parts of the *Handbook* that may also be relevant to *issuers* or *sponsors* include the Disclosure Guidance and Transparency Rules sourcebook (*DTR*), the Prospectus ~~Regulation Rules sourcebook~~ Rules: Admission to Trading on a Regulated Market sourcebook (*PRR PRM*), the Conduct of Business sourcebook (*COBS*), the Decision Procedure and Penalties manual (*DEPP*), Chapter 9 of the Supervision manual (*SUP*) and General Provisions (*GEN*).

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

...

4 Sponsors: responsibilities of issuers

...

4.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

- 4.2.1 R An issuer with a *listing of equity shares* in, or applying for *admission* of its *equity shares* to, the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category must appoint a *sponsor* on each occasion that the *issuer*:
- (1) is required to submit any of the following documents to the *FCA* in connection with an application for *admission* of *equity shares* to the *equity shares (commercial companies)* category, the *closed-ended investment funds* category or the *equity shares (shell companies)* category:
 - ...
 - (b) a ~~summary document~~ *prospectus summary* as required by ~~article 1(5)(j) of the *Prospectus Regulation* PRM 1.4.11R(3);~~
 - (2) is required to publish a document under ~~article 1(4)(f) or (g) or (5)(e) or (f) of the *Prospectus Regulation* PRM 1.4.7R or PRM 1.4.8R;~~
 - ...

...

6 Equity shares (commercial companies): continuing obligations

...

6.2 Requirements with continuing application

...

Disclosure of rights attached to equity shares

- 6.2.15 R Unless exempted in *UKLR* 6.2.18R, a *listed company* must:
- (1) forward to the *FCA* for publication a copy of one or more of the following:
 - ...
 - (c) a document describing:
 - (i) the rights attached to its *listed equity shares*;
 - (ii) limitations on such rights; and
 - (iii) the procedure for the exercise of such rights,

produced in accordance with the relevant Annex of ~~the *Prospectus Regulation* PRM~~ that would have applied had the

listed company been required to produce a *prospectus* for those *listed equity shares*; and

...

...

Publication of unaudited financial information

...

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

- (1) pro forma financial information prepared in accordance with ~~Annex 1 and Annex 2 of the *PR Regulation*~~ *PRM* Annex 1 and *PRM* Annex 2; or

...

...

6.4 Notifications

...

Notification of lock-up arrangements

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

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

...

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

...

7 Annex 2 Notification requirements

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

...

Part 3	Non-financial information
---------------	----------------------------------

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

...

...

10 Equity shares (commercial companies): contents of circulars

...

10.5 Circulars about purchase of own equity shares

Purchase of own equity shares

10.5.1 R ...

- (2) If the exercise in full of the authority sought would result in the purchase of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*) the *circular* must also include the following information referred to in ~~the *PR Regulation*~~ *PRM*:

...

10 Reverse takeover circulars – non-financial information Annex 2

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

...

...

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

...

11.6 Circular requirements

...

Relevant related party transaction circulars

...

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

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

Paragraph of ~~Annex 1 of the PR Regulation~~ PRM Annex 1:

...

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

Paragraph of ~~Annex 1 of the PR Regulation~~ PRM Annex 1:

...

...

...

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

...

13.3 Continuing obligations

...

Disclosure of rights attached to shares

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

- (1) forward to the *FCA* for publication a copy of one or more of the following:

...

(c) a document describing:

- (i) the rights attached to its *listed shares*;
- (ii) limitations on such rights; and

- (iii) the procedure for the exercise of such rights,
 produced in accordance with the relevant Annex of ~~the~~
~~*Prospectus Regulation PRM*~~ that would have applied had the
shell company been required to produce a *prospectus* for
 those *listed shares*; and

...

...

13.4 Initial transactions

...

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

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

...

- (2) a description of the *target*, to include key non-financial operating or performance measures appropriate to the *target's* business operations and the information as required under section 10 (Trend information) of Annex 1 (~~Trend information~~) of the *PR Regulation* (see *PRR App 2*) PRM Annex 1 for the *target*;

...

...

14 Equity shares (international commercial companies secondary listing): requirements for listing and continuing obligations

...

14.3 Requirements with continuing application

...

Disclosure of rights attached to shares

- 14.3.12 R Unless exempted in *UKLR* 14.3.15R, a listed company must:
- (1) forward to the *FCA* for publication a copy of one or more of the following:
- ...
- (c) a document describing:
- (i) the rights attached to its *listed shares*;
- (ii) limitations on such rights; and
- (iii) the procedure for the exercise of such rights,
- produced in accordance with the relevant Annex of ~~the~~ *Prospectus Regulation PRM* that would have applied had the *listed company* been required to produce a *prospectus* for those *listed shares*; and
- ...

...

16 Non-equity shares and non-voting equity shares: requirements for listing and continuing obligations

...

16.3 Continuing obligations

...

Disclosure of rights attached to shares

- 16.3.11 R Unless exempted in *UKLR* 16.3.14R, a *listed company* must:
- (1) forward to the *FCA* for publication a copy of one or more of the following:
- ...
- (c) a document describing:
- (i) the rights attached to its *listed shares*;
- (ii) limitations on such rights; and
- (iii) the procedure for the exercise of such rights,
- produced in accordance with the relevant Annex of ~~the~~ *Prospectus Regulation PRM* that would have applied had the

listed company been required to produce a *prospectus* for those *listed shares*; and

...

...

17 Debt and debt-like securities: continuing obligations

...

17.2 Requirements with continuing application

...

Disclosure of rights attached to securities

17.2.11 R Unless exempted in *UKLR* 17.2.14R, an *issuer* must:

(1) forward to the *FCA* for publication a copy of one or more of the following:

...

(c) a document describing:

(i) the rights attached to its *listed securities*;

(ii) limitations on such rights; and

(iii) the procedure for the exercise of such rights,

produced in accordance with the relevant Annex of ~~the~~ *Prospectus Regulation PRM* that would have applied had the *issuer* been required to produce a *prospectus* for those *listed securities*; and

...

...

18 Securitised derivatives: requirements for listing and continuing obligations

...

18.3 Continuing obligations

...

Disclosure of rights attached to securitised derivatives

18.3.10 R Unless exempted in *UKLR* 18.3.13R, an *issuer* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:

...

- (c) a document describing:
- (i) the rights attached to its *listed securitised derivatives*;
 - (ii) limitations on such rights; and
 - (iii) the procedure for the exercise of such rights,
- produced in accordance with the relevant Annex of ~~the~~ *Prospectus Regulation PRM* that would have applied had the *company* been required to produce a *prospectus* for those *listed securitised derivatives*; and

...

...

19 Warrants, options and other miscellaneous securities: continuing obligations

...

19.2 Continuing obligations

...

Disclosure of rights attached to miscellaneous securities

19.2.8 R Unless exempted in *UKLR* 19.2.11R, an *issuer* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:

...

- (c) a document describing:
- (i) the rights attached to its *listed miscellaneous securities*;
 - (ii) limitations on such rights; and
 - (iii) the procedure for the exercise of such rights,

produced in accordance with the relevant Annex of ~~the~~ *Prospectus Regulation PRM* that would have applied had the *issuer* been required to produce a *prospectus* for those *listed miscellaneous securities*; and

...

...

20 Admission to listing: processes and procedures

...

20.5 Debt and other securities

...

Issuance programmes: final terms

20.5.12 R ...

[**Note:** For further details on *final terms*, see ~~article 8(5) of the *Prospectus Regulation*~~ PRM 2.3.9R.]

Exempt public sector issuers

20.5.13 R An *issuer* that seeks *admission of debt securities* referred to in ~~article 1(2)(b) and (d) of the *Prospectus Regulation*~~ PRM 1.3.1R(2), PRM 1.3.1R(4) and PRM 1.3.1R(5) must submit to the *FCA* in final form a completed Application for Admission of Securities to the Official List.

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

...

20.5.16 G Apart from *UKLR 20.5.13R*, *UKLR 20.5.14G* and *UKLR 20.5.15G*, no other provisions in *UKLR 20.5* apply to the *admission of debt securities* referred to in ~~article 1(2)(b) and (d) of the *Prospectus Regulation*~~ PRM 1.3.1R(2), PRM 1.3.1R(4) and PRM 1.3.1R(5).

...

22 Equity shares (transition): continuing obligations

...

22.2 Continuing obligations

...

Disclosure of rights attached to shares

22.2.12 R Unless exempted in *UKLR 22.2.15R*, a *listed company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:

...

- (c) a document describing:
 - (i) the rights attached to its *listed shares*;
 - (ii) limitations on such rights; and
 - (iii) the procedure for the exercise of such rights,

produced in accordance with the relevant Annex of the ~~the~~ *Prospectus Regulation PRM* that would have applied had the *company* been required to produce a *prospectus* for those *listed shares*; and

...

...

TP 10 Transitional provisions in relation to market capitalisation under UKLR 3.2.7R(1)

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 3.2.7R(1)	R	These transitional provisions apply to an <i>applicant</i> for the <i>admission of shares</i> : ... [Note: Guidance on submissions for an eligibility review for listing can be accessed on the FCA's Knowledge Base at https://www.fca.org.uk/markets/primary-markets/knowledge-base.]	Indefinitely	29 July 2024
...					

Transitional provisions for shell companies

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	UKLR 3.2.7R(1)	R	These transitional provisions apply to a <i>shell company</i> : ... [Note: Guidance on submissions for an eligibility review for <i>listing</i> and a <i>prospectus</i> review can be accessed on the FCA's Knowledge Base at https://www.fca.org.uk/markets/primary-markets/knowledge-base.]	Indefinitely	29 July 2024
...					

Insert the following transitional provisions after UKLR TP 13 (Transitional provisions: further issuances). All of the text is new and is not underlined.

TP 14 **Transitional provisions for a prospectus approved before [Editor's note: insert the date on which this instrument comes into force]**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
Definitions					
1.	The <i>Handbook Glossary</i> definitions as referred		In these transitional provisions, unless otherwise specified, the definitions below should be read as they had effect in the <i>Handbook Glossary</i> on [Editor's note: insert day	from [date]	[date]

	to in column 4.		before the date on which this instrument comes into force]:		
			(a) base prospectus;		
			(b) prospectus;		
			(c) Prospectus Regulation;		
			(d) Prospectus Rules; and		
			(e) supplementary prospectus.		
Provisions relating to a prospectus, a supplementary prospectus or a base prospectus					
2.	The provisions of the <i>UKLR</i> referred to in column 4.	R	For the purpose of satisfying the <i>rules</i> and <i>guidance</i> below, an <i>applicant</i> , <i>issuer</i> , <i>listed company</i> or <i>listed shell company</i> is entitled to rely on a prospectus approved and published before [<i>Editor's note</i> : insert the date on which this instrument comes into force], prepared in accordance with the requirements of the Prospectus Regulation:	from [date]	[date]
			(a) <i>UKLR</i> 6.2.15R;		
			(b) <i>UKLR</i> 7.3.6R;		
			(c) <i>UKLR</i> 7.3.7R;		
			(d) <i>UKLR</i> 10.1.3R;		
			(e) <i>UKLR</i> 10.4.1R;		
			(f) <i>UKLR</i> 13.3.15R;		
			(g) <i>UKLR</i> 13.4.17G;		
			(h) <i>UKLR</i> 14.3.12R;		
			(i) <i>UKLR</i> 16.3.11R;		
			(j) <i>UKLR</i> 17.2.11R;		
			(k) <i>UKLR</i> 18.3.10R;		

			(l)	UKLR 19.2.8R; and			
			(m)	UKLR 22.2.12R.			
3.	The provisions of the UKLR referred to in column 4.	R	For the purpose of complying with the rules listed below, an <i>applicant</i> is entitled to rely on a prospectus or base prospectus approved and published before [<i>Editor's note</i> : insert the date on which this instrument comes into force], prepared in accordance with the requirements of the Prospectus Regulation during the period it is valid under article 12 of the Prospectus Regulation insofar as it continues to apply under regulation 48(2) of the <i>Public Offers and Admissions to Trading Regulations</i> :		from [date] until the prospectus or base prospectus referred to in column 4 ceases to be valid	[date]	
			(a)	UKLR 3.2.10R;			
			(b)	UKLR 20.4.2R;			
			(c)	UKLR 20.5.4R; and			
			(d)	UKLR 20.5.10R.			
4.	The provisions of the UKLR referred to in column 4.	R	For the purpose of satisfying the rules in UKLR 20.4.2R(4) or UKLR 20.5.4R(3), an <i>applicant</i> is entitled to rely on:		from [date] until the prospectus to which the supplementary prospectus relates ceases to be valid	[date]	
			(a)	any supplementary prospectus approved before [<i>Editor's note</i> : insert the date on which this instrument comes into force], prepared in accordance with the requirements of the Prospectus Regulation; or			
			(b)	a supplementary prospectus approved			

			and published after [<i>Editor's note</i> : insert the date on which this instrument comes into force] with respect to a <i>prospectus</i> valid pursuant to article 12 of the Prospectus Regulation insofar as it continues to apply under regulation 48(2) of the <i>Public Offers and Admissions to Trading Regulations</i> .		
5.	UKLR 13.4.17G	G	A <i>shell company</i> is entitled to rely on a prospectus approved and published before [<i>Editor's note</i> : insert the date on which this instrument comes into force], provided that the prospectus was published in relation to the <i>admission to listing</i> of that <i>company's</i> shares.	from [date] until the prospectus referred to in column 4 ceases to be valid	[date]
Provisions relating to appointment of sponsors and role of a sponsor					
6.	UKLR 4.2.1R	R	Where a prospectus has been approved and published before [<i>Editor's note</i> : insert the date on which this instrument comes into force] and remains valid under article 12 of the Prospectus Regulation insofar as it continues to apply under regulation 48(2) of the <i>Public Offers and Admissions to Trading Regulations</i> , an <i>issuer</i> who is required to submit a supplementary prospectus in relation to that prospectus will be subject to the requirement in UKLR 4.2.1R(1) and appoint a <i>sponsor</i> .	from [date] until the prospectus referred to in column 4 ceases to be valid	[date]
7.	UKLR 24.3.2R(2)	R	Where a prospectus has been approved and published before [<i>Editor's note</i> : insert the date on which this instrument	from [date] until the prospectus referred to in	[date]

			comes into force] and remains valid under article 12 of the Prospectus Regulation insofar as it continues to apply under regulation 48(2) of the <i>Public Offers and Admissions to Trading Regulations</i> and an issuer is required to submit to the FCA a supplementary prospectus in relation to that prospectus, UKLR 24.3.2R(2) applies as if the reference to ‘Prospectus Rules’ is as a reference to that term as it had effect immediately before [Editor’s note: insert the date on which this instrument comes into force]	column 4 ceases to be valid	
8.	All of UKLR 24.3	R	Where a <i>sponsor</i> is required to provide a Sponsor Declaration in relation to a supplementary prospectus submitted in accordance with (7), the following terms, where used in UKLR 24.3, should be read in accordance with TP14.1 rather than the meaning given to them immediately after [Editor’s note: insert the date on which this instrument comes into force]:	from [date] until the prospectus to which the supplementary prospectus relates ceases to be valid	[date]
			(a) prospectus;		
			(b) supplementary prospectus; and		
			(c) Prospectus Regulation.		

Annex L

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

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs) (CP24/12) as if they were made final.]

[*Editor's note:* Any inconsistencies in numbering as a result of deletions of provisions, sub-provisions and annexes set out in this Annex will be resolved when these rules are made final.]

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

1 Introduction, application and prospectus requirement

...

1.2 Application

- 1.2.1 R (1) ~~Subject to (2)~~ Unless otherwise specified, the *rules and guidance* in this sourcebook apply to the ~~following~~ *designated activities specified in the Public Offers and Admissions to Trading Regulations* as follows:
- (a) ~~requesting or obtaining the admission to trading of transferable securities on a regulated market~~ regulation 9 (Designated activities: public offers of relevant securities); and
 - (b) ~~communicating an advertisement relating to the admission to trading, or proposed admission to trading, of transferable securities on a regulated market;~~ regulation 10 (Designated activities: admissions to trading on 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~~ [deleted]
 - (d) ~~admitting to trading transferable securities on a regulated market.~~ [deleted]
- ~~[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: PRM 8 (Protected forward-looking statements)~~ also applies to the *designated activities*

specified in regulation 11 (Designated activities: admissions to trading on primary MTF), noting the application provision in MAR 5ZA 1.5G.

- (a) ~~requesting or obtaining the admission to trading of transferable securities on a primary MTF; and [deleted]~~
- (b) ~~admission to trading of transferable securities on a primary MTF. [deleted]~~

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

...

1.2.3 G ...

Application of GEN

1.2.4 G GEN does not apply in respect of the rules and guidance in PRM, except as provided for in PRM 1.2.5R and PRM 1.2.6G.

1.2.5 R The rules and guidance in GEN 1.3, GEN 2.1, GEN 2.2.1R to GEN 2.2.16G and GEN 2.2.18R to GEN 2.2.25G apply to the following:

- (1) persons carrying out the designated activities referred to in PRM 1.2.1R; and
- (2) persons responsible for the content of a prospectus in accordance with the rules and guidance in PRM 3,

as they apply to authorised persons, insofar as they do not already apply.

1.2.6 R The persons identified in PRM 1.2.5R(1) and (2) must deal with the FCA in an open and cooperative way.

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 any admission to trading of the ~~following types of securities~~ transferable securities listed below will not be subject to the requirement for a *prospectus* in PRM 1.4:

...

- (3) ~~shares in the capital of the central bank of any State; [deleted]~~

...

- (6) ~~non fungible shares of capital where: [deleted]~~

(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. [deleted]~~

~~[Note: Prospectus Regulation Art 2(a) definition of ‘securities’]~~

1.4 Prospectus requirement

...

Further issuances

1.4.3 R ...

1.4.3A G For the purpose of PRM, a transferable security should be considered fungible with an existing security if it is either:

(1) immediately fungible with the existing transferable security on issue; or

(2) at the time of issue, the transferable security is intended to become fungible with the existing transferable security at a known future date, falling not more than 12 months after the date of issue.

Conversion or exchange of other transferable securities

1.4.4 R ...

(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 any of (i), (ii) or (iii) to (iv) below, as applicable, upon the *admission to trading* on a *regulated market* of the securities giving access to the shares:

(i) ...

(ii) the *Prospectus Regulation*; ~~or~~

(iii) the *EU Prospectus Regulation*; or

(iv) the *Prospectus Directive*.

...

...

...

2 Drawing up the prospectus

...

2.5 Prospectus summary

Requirement for a prospectus summary

2.5.1 R ...

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

...

(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 [deleted]~~

(b) ~~the securities have a denomination per unit of at least £50,000. [deleted]~~

...

3 Persons responsible for a prospectus or supplementary prospectus

3.1 Persons responsible for a prospectus or supplementary prospectus

...

4 Minimum information requirements

4.1 Overview and application

Overview

4.1.1 G ...

Document	PRM reference	Annex
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>
...
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>
...		
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 <u>Non-equity securities</u>	<i>PRM 4.2.10R to PRM 4.2.11R</i>	<i>PRM Annex 7 (Registration document for wholesale non-equity securities)</i>

...		
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)
...		
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 <u>Non-equity securities</u>	<i>PRM</i> 4.3.8R	<i>PRM</i> Annex 15 (Securities note for wholesale non-equity securities)
...		

...

4.2 Minimum information to be included in a registration document

...

- 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.~~

...

...

Registration document for secondary issuances of equity securities

...

- 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*, 7 unless it contains the information referred to in *PRM Annex 3*:

...

...

~~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*.~~
[deleted]

[~~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):~~ [deleted]

(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

...

4.3 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

...

4.3.2 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: *PRM 4.3.8R (PRM Annex 15)*.

(1) ~~*PRM 4.3.6R for retail securities (PRM Annex 14); or [deleted]*~~

(2) ~~*PRM 4.3.8R for wholesale securities (PRM Annex 15). [deleted]*~~

...

Securities note for secondary issuances of equity securities or of units issued by collective investment undertakings of the closed-end type

...

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 PRM 4.4.6R and PRM 4.4.7R*, 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*.~~

...

...

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) [deleted]~~

~~[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)*. [deleted]~~

~~[Note: *PR Regulation Art 15*]~~

Securities note for wholesale non-equity securities

...

4.4 Additional information to be included in the prospectus

...

Historical financial information

...

- 4.4.14 R ~~An exemption from *PRM 4.4.13R* is available for issuers *issuer* of wholesale non-equity securities and any other persons *person* 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*, is exempt from the requirement in *PRM 4.4.13R* provided that the historical financial information has been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards.~~

...

...

5 Incorporation by reference and use of hyperlinks

5.1 Incorporation by reference and use of hyperlinks

Incorporation by reference and forward incorporation by reference

- 5.1.1 R ...

(3) The information referred to in (1) is contained in:

[**Note:** *Prospectus Regulation* Art 19(1)(b)]

(-a) a document which has:

(i) before *IP completion day*, been approved by or filed with a *third country competent authority of an EU State* in accordance with the *EU Prospectus Regulation* or the *Prospectus Directive*; or

(ii) on or after *IP completion day*, been approved by or filed with the *FCA* in accordance with the *Prospectus Regulation* or the *UK law implementing the Prospectus Directive*;

...

...

6 Omission of information

6.1 Omission of information

...

7 Simplified disclosure regime for secondary issuances

7.1 Simplified disclosure regime for secondary issuances

...

8 Protected forward-looking statements

8.1 Application, definitions, exclusions and criteria

...

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:

...

(3) ~~PRM Annex 6 (Registration document for retail non-equity securities): [deleted]~~

(a) ~~Item 7.2; and~~

(b) ~~Section 8 (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): [deleted]~~

...

9 Approval of a prospectus

...

9.5 Publication of the prospectus

9.5.-1 R Where an offer of transferable securities to the public is made reliant on the exemption in paragraph 6(a), Schedule 1 of the *Public Offers and Admissions to Trading Regulations*, a prospectus must be made available to the public in accordance with the rules in PRM 9.5 and PRM 9.6 before that offer is made.

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 period.

...

...

10 Supplementary prospectus

10.1 Supplementary prospectus

...

11 Validity of a prospectus

11.1 Validity of a prospectus

...

12 Advertisements and other disclosure of information

12.1 Advertisements and other disclosure of information

...

Insert the following new chapter after PRM 12 (Advertisements and other disclosure of information). The text is all new and is not underlined.

13 Rules that can be waived or modified

13.1 Rules that can be waived or modified

13.1.1 G As a result of section 138A of the *Act* (Modification or waiver of rules), the *FCA* has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*.

13.1.2 G *PRM 6* (Omission of information) contains provisions relating to an application to omit information required to be included in a *prospectus* by virtue of Regulation 23 of the *Public Offers and Admissions to Trading Regulations* or other *prospectus* content requirement rules in *PRM*.

Amend the following as shown.

Annex 4 Registration document for Units of Closed-End Collective Investment Undertaking

...

...		
SECTION 2	INVESTMENT RESTRICTIONS	
...		
Item 2.2	...	
	(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 as if it were an issuer for the purposes of the minimum disclosure requirements for the registration document for equity securities (in the case of point 1. (a)) or minimum disclosure requirements for the registration document for units issued by closed-end collective investment undertakings (in the case of point 1. (b)) or the minimum disclosure requirements for the registration document for wholesale non-equity securities (in the case of point 1. (c));</i>
		...	
	...		
...			

PRM Annex 6 is deleted in its entirety. The deleted text is not shown.

Amend the following as shown.

Annex 7 Registration document for ~~wholesale~~ non-equity securities

...

PRM Annex 8 and PRM Annex 14 are deleted in their entirety. The deleted text is not shown.

Amend the following as shown.

Annex 15 ~~Securities note~~ Securities note for ~~wholesale non-equity securities~~ non-equity securities

...

PRM Annex 16 is deleted in its entirety. The deleted text is not shown.

Amend the following as shown.

Annex 17 Securities giving Rise to Payment or Delivery Obligations Linked to an Underlying Asset

...

...			
SECTION 2	INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING		
...			
Item 2.2	Information concerning the underlying		
...			
Item 2.2.2	A statement setting out the type of the underlying.		Category A

	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
		...	
	...		
...			

Insert the following transitional provision after PRM Annex 28 (List of Additional Information in Final Terms). The text is all new and is not underlined.

TP 1 Transitional provisions for prospectuses approved before [Editor's note: insert the date on which this instrument comes into force]

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
Definitions					
1.	PRM TP	R	In these transitional provisions, unless otherwise specified, the definitions below should be read as they had effect in the <i>Handbook Glossary</i> on [Editor's note: insert day before the main commencement day]:	From [date]	[date]
			(a) PRR;		
			(b) prospectus;		
			(c) base prospectus;		
			(d) universal registration document;		
			(e) Prospectus Regulation.		
Transitional provisions					
2.		G	Saving provisions for prospectuses approved before [Editor's note: insert the main commencement day] are contained in regulation 48(2) of the <i>Public Offers and Admissions to Trading Regulations</i> . Where a	From [date]	[date]

			<p>prospectus has been approved by the <i>FCA</i> in accordance with Part 6 of the <i>Act</i> and the Prospectus Regulation before [<i>Editor's note: insert main commencement day</i>], the <i>Public Offers and Admissions to Trading Regulations</i> do not affect the law applicable, including PRR, in relation to any offer of transferable securities to the public or request for admission of transferable securities to trading on a regulated market which (in either case) is made in reliance on that prospectus, together with any supplementary prospectus, during the period for which it is valid under article 12 of the Prospectus Regulation. Transitional and saving provisions in addition to the above are contained in Part 6 of the <i>Public Offers and Admissions to Trading Regulations</i>.</p>		
3.	All of PRR	G	<p>Where a prospectus, together with any supplementary prospectus, has been approved before [<i>Editor's note: insert the date on which this instrument comes into force</i>], that prospectus and any supplementary prospectus is subject to</p>	From [date]	[date]

			the <i>guidance</i> in PRR during the period for which it is valid under article 12 of the Prospectus Regulation insofar as it continues to apply in regulation 48(2) of the <i>Public Offers and Admissions to Trading Regulations</i> .		
4.	Approval process for frequent issuer status in <i>PRM 2.6.2R</i> to <i>PRM 2.6.5R</i>	R	Where a universal registration document has been approved under the <i>rules</i> in PRR, a <i>person</i> may apply for frequent issuer status after [<i>Editor’s note: insert the date on which this instrument comes into force</i>] during the universal registration document’s validity period, according to the process at <i>PRM 2.6.2R</i> to <i>PRM 2.6.5R</i> .	From [date]	[date]

Annex M

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

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

1B Introduction (Corporate governance)

1B.1 Application and purpose (Corporate governance)

...

Exemptions

1B.1.3 R *DTR* 7.1 does not apply to:

...

- (3) a *credit institution* whose *shares* are not *admitted to trading* and which has, in a continuous or repeated manner, issued only *debt securities* which are *admitted to trading* provided that:

...

- (b) the *credit institution* has not been subject to a requirement to publish a prospectus in accordance with ~~article 3 of the *Prospectus Regulation*~~ *PRM* 1.4; and

[**Note:** article 39(3)(d) of the *Audit Directive*]

...

...

4 Periodic Financial Reporting

...

4.4 Exemptions

...

Debt issuers

4.4.2 R The *rules* on annual financial reports in *DTR* 4.1 (including *DTR* 4.1.7R(4) and half-yearly financial reports (*DTR* 4.2) do not apply to an *issuer* that issues exclusively:

(1) debt securities admitted to trading the denomination per unit of which at least 100,000 euros (or an equivalent amount);

[**Note:** article 8(1)(b) of the *TD* and article 45(1) of the *Audit Directive*]

(2) non-complex listed corporate bonds; or

(3) both of the securities referred to in (1) and (2).

4.4.3 R The *rules* on half-yearly financial reports (*DTR* 4.2) do not apply to a *credit institution* whose *shares* are not *admitted to trading* and which has, in a continuous or repeated manner, only issued *debt securities* provided that:

...

(2) the *credit institution* has not published a prospectus in accordance with the *Prospectus Regulation* the rules in *PRM*.

[**Note:** article 8(2) of the *TD*]

...

Annex N

Amendments to the Enforcement Guide (EG)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

Insert the following new section, EG 19.43, after EG 19.42 (EU Exit Passport Regulations). The text is all new and is not underlined.

19.43 The Public Offers and Admissions to Trading Regulations 2024

- 19.43.1 The *Public Offers and Admissions to Trading Regulations* make provision about *public offers* of securities and the admission of *transferable securities* to trading on a *regulated market* or *primary MTF*. They replace the regime based on the *Prospectus Regulation*.
- 19.43.2 The *FCA* has investigative and enforcement powers, including in relation to a contravention of a provision of Part 6 of the *Act*, the *Public Offers and Admissions to Trading Regulations* and *designated activity rules* made by virtue of regulation 15 or 17 of the *Public Offers and Admissions to Trading Regulations*.
- 19.43.3 *DEPP* 6 includes the *FCA*'s statement of policy with respect to the imposition and amount of penalties required by regulation 42(1) of the *Public Offers and Admissions to Trading Regulations*.

Annex O

Amendments to the Perimeter Guidance manual (PERG)

[*Editor's note:* This Annex takes into account the proposals and legislative changes suggested in the Consultation Paper 'Consultation on the new Public Offers and Admission to Trading Regulations regime (POATRs)' (CP24/12) as if they were made final.]

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

8 Financial promotion and related activities

...

8.21 Company statements, announcements and briefings

...

Article 67: Promotions required or permitted by market rules

- 8.21.13 G Article 67 exempts any *financial promotion* other than an *unsolicited real time financial promotion* which relates to *shares, debentures, alternative debentures, government and public securities, warrants or certificates representing certain securities* which are permitted to be traded or dealt in on a relevant market. A relevant market for the purposes of article 67 is one which meets the criteria in Part A1 or Part I of, or is specified in or established under the rules of an exchange specified in Part III of schedule 3 to the *Financial Promotion Order*. This includes *recognised investment exchanges* and various overseas markets. The *financial promotion* must, however, be required or permitted to be *communicated* by the rules of the market or by a body which either regulates the market or regulates offers or issues of *investments* to be traded on the market.

...

Article 68: Promotions in connection with admission to certain UK and EEA markets

- 8.21.16 G Article 68 applies where the *financial promotion* relates to *securities* which have not yet been admitted to trading but for which application has been or is to be made. It exempts a *non-real time* or a *solicited real-time financial promotion* which a relevant UK or EEA market requires to be *communicated* before admission to trading can be granted. A relevant UK market for this purpose is a market with its head office in the UK and which meets the conditions in Part A1 of Schedule 3 to the *Financial Promotion Order*. A relevant EEA market for this purpose is a market with its head office in an *EEA State or Gibraltar* and which meets the conditions in Part I of Schedule 3 to the *Financial Promotion Order*. Article 68 also requires that the *financial promotion* be one:

- (1) which, if it were included in a prospectus issued in line with ~~prospectus rules made under Part VI of the Act~~ *Prospectus Rules*, would be required to be *communicated* by those rules; and
- (2) which is not accompanied by any information other than that information which is required or permitted to be published by the rules of the relevant *UK* or *EEA* market.

...

Article 70: Promotions included in listing particulars, etc

8.21.20 G Article 70 applies to a *non-real time financial promotion* included in:

...

- (3) a prospectus or supplementary prospectus approved in line with *Prospectus Rules* ~~including part of such a prospectus or supplementary prospectus~~; or
- (4) any other document required or permitted to be published by *listing rules* or *Prospectus Rules*.

~~Article 70 also applies to a *non-real time financial promotion* comprising the final terms of an offer or the final offer price or amount of *securities* which will be offered to the public and that complies with articles 8(1), 8(4), 8(5), 8(10), 17 and 21(2) of the *Prospectus Regulation*.~~

...

8.37 AIFMD Marketing

Introduction and purpose

8.37.1 G ...

- (2) The purpose of this section is to give *guidance* on:

...

- (f) the interaction between the marketing of an *AIF* and ~~the *Prospectus Regulation*~~ *PRM* (see *PERG* 8.37.15G);

...

...

The interaction between marketing and the prospectus directive

8.37.15 G (1) The *UK* provisions which implemented the *prospectus directive* were not amended by the *UK* provisions which implemented the *AIFMD*. However, the *prospectus directive* has been replaced by the

rules in PRM and closed-ended AIFs that are making an offer of securities to the public as defined in ~~the *prospectus directive*~~ regulation 7 of the *Public Offers and Admissions to Trading Regulations* need to comply with the requirements ~~under in *PRM*~~ and the *UK* provisions which implemented ~~both Directives~~ *AIFMD*.

- (2) However, where the AIF is required to publish a *prospectus* under ~~section 85 of the Act~~ *PRM 1.4.1R*, only information referred to in *FUND 3.2.2R* and *FUND 3.2.3R* that is additional to that contained in the *prospectus* needs to be disclosed, either separately or as additional information in the *prospectus*.

...

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