

UKLA Technical Note

Removal from the Official List of listed equity shares of individual funds (individual sub-funds) of Open-ended Investment Companies (OEICs)

Ref: UKLA / TN / 424.1 – Guidance Consultation

This note provides clarity around the position of OEICs, and removing listed equity shares of individual sub-funds from the Official List.

An issuer with a premium listing who wishes the FCA to cancel the listing of their equity shares from the Official List is required under our rules (LR5.2.5R) to:

- produce a circular
- convene a General Meeting (GM) to get shareholder approval for the cancellation, and then
- provide a minimum notice period of 20 business days following the GM before cancellation can take place.

LR 5.2.5R may not be practical for removal of listed equity shares of individual sub-funds of OEICs, as the structure of the share capital is not the same as a Commercial Company with a premium listing. In addition, shares of an individual sub-fund are commonly redeemed when a sub-fund is closed, as their articles of association facilitate this. LR5.2.8R is not a suitable alternative, as this rule expressly states that it does not apply to equity shares with a premium listing.

However DEPP 2.5.11G provides for an administrative procedure whereby the FCA will remove securities from the Official List where those securities have 'matured' or otherwise 'ceased to exist'. Where listed equity shares of an individual sub-fund of an OEIC have matured or ceased to exist, the FCA will take such action as outlined in DEPP 2.5.11G. The FCA would expect an issuer to confirm to the FCA that these shares have 'ceased to exist' and that they have 'no objections to the removal of the shares from the Official List'.

We would also like to highlight that LR5.2.7AR only applies where an investment entity no longer has a premium listing of equity shares. Therefore LR5.2.7AR cannot be used for the removal of premium listed equity shares from the Official List.

If you have any questions concerning the above, or if the procedure you are undertaking requires further consideration (for example a suspension) please call the Listing Applications team on +44 (0) 20 7066 8352.