

Listing Rules

Listing Rules

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Chapter 1

Preliminary: All securities

1.1 Introduction

Application

1.1.1

FCA

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LR applies as follows:

- (1) all of *LR* (other than ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7) applies to an *issuer*; and
- (2) ■ LR 1, ■ LR 8.1, ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7 apply to a *sponsor* and a *person* applying for approval as a *sponsor*.

Note: when exercising its functions under Part VI of the *Act*, the *FCA* may use the name: the UK Listing Authority.

Other relevant parts of Handbook

Note: Other parts of the *Handbook* that may also be relevant to *issuers* or *sponsors* include *DTR* (the Disclosure Rules and Transparency Rules sourcebook), *PR* (the Prospectus Rules sourcebook), *COBS* (the Conduct of Business sourcebook), *DEPP* (Decision Procedure and Penalties Manual), Chapter 9 of *SUP* (the Supervision manual) and *GEN* (General Provisions).

The following Regulatory Guides may also be relevant to *issuers* or *sponsors*:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

1.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

1.2.1

FCA

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- (1) The *FCA* may dispense with or modify the *listing rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of EU directives and the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer* or *sponsor* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FCA* may revoke or modify a dispensation or modification.

1.2.2

FCA

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- (1) An application to the *FCA* to dispense with or modify a *listing rule* must be in writing.
- (2) The application must:
 - (a) contain a clear explanation of why the dispensation or modification is requested;
 - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
 - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
 - (d) contain any statement or information that is required by the *listing rules* to be included for a specific type of dispensation or modification; and
 - (e) include copies of all documents relevant to the application.

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3

1.2.3

FCA

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An application to dispense with or modify a *listing rule* should ordinarily be made:

- (1) for a *listing rule* that is a continuing obligation, at least five *business days* before the proposed dispensation or modification is to take effect; and

- (2) for any other *listing rule*, at least ten *business days* before the proposed dispensation or modification is to take effect.

Companies in severe financial difficulty

1.2.4

FCA

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If an *issuer* applies to the *FCA* to dispense with or modify a *listing rule* on the basis that it is in severe financial difficulty, the *FCA* would ordinarily expect the *issuer* to comply with the conditions in ■ LR 10.8 (to the extent relevant to the particular *rule* for which the dispensation or modification is sought). In particular, the *FCA* would expect the *issuer* to comply with those conditions that are directed at demonstrating that it is in severe financial difficulty.

Early consultation with FCA

1.2.5

FCA

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An *issuer* or *sponsor* should consult with the *FCA* at the earliest possible stage if it:

- (1) is in doubt about how the *listing rules* apply in a particular situation; or
- (2) considers that it may be necessary for the *FCA* to dispense with or modify a *listing rule*.

1.2.6

FCA

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Where a *listing rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency or in the case of a submission from a *sponsor* in relation to the provision of a *sponsor service*.

Address for correspondence

Note:The *FCA*'s address for correspondence is:

The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London, E14 5HS
Tel: 020 7066 8333
<http://www.fca.org.uk/firms/markets/ukla>

1.3 Information gathering and publication

Information gathering

1.3.1

FCA

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An *issuer* must provide to the *FCA* as soon as possible:

- (1) any information and explanations that the *FCA* may reasonably require to decide whether to grant an application for *admission*;
- (2) any information that the *FCA* considers appropriate to protect investors or ensure the smooth operation of the market; and [Note: Article 16.1 *CARD*]
- (3) any other information or explanation that the *FCA* may reasonably require to verify whether *listing rules* are being and have been complied with.

FCA may require issuer to publish information

1.3.2

FCA

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- (1) The *FCA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market. [Note: Article 16.2 *CARD*]
- (2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published). [Note: Article 16.2 *CARD*]

Misleading information not to be published

1.3.3

FCA

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An *issuer* must take reasonable care to ensure that any information it notifies to a *RIS* or makes available through the *FCA* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

1.3.4

FCA

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Notification when a RIS is not open for business

If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business it must distribute the information as soon as possible to:

- (1) not less than two national newspapers in the *United Kingdom*;
- (2) two newswire services operating in the *United Kingdom*; and
- (3) a *RIS* for release as soon as it opens.



1.4 Miscellaneous

Appointment of sponsor

1.4.1
FCA

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(1) If it appears to the *FCA* that there is, or there may be, a breach of the *listing rules* or the *disclosure rules* and *transparency rules* by an *issuer* with a *premium listing*, the *FCA* may in writing require the *issuer* to appoint a *sponsor* to advise the *issuer* on the application of the *listing rules*, the *disclosure rules* and the *transparency rules*.

(2) If required to do so under (1), an *issuer* must, as soon as practicable, appoint a *sponsor* to advise it on the application of the *listing rules*, the *disclosure rules* and the *transparency rules*.

[Note: ■ LR 8.2 sets out the various circumstances in which an *issuer* must appoint, or obtain guidance from, a *sponsor*.]

Overseas companies

1.4.2
FCA

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If a *listing rule* refers to a requirement in legislation applicable to a *listed company* incorporated in the *United Kingdom*, a *listed overseas company* must comply with the requirement so far as:

- (1) information available to it enables it to do so; and
- (2) compliance is not contrary to the law in its country of incorporation.

1.4.3
FCA

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A *listed overseas company* must, if required to do so by the *FCA*, provide the *FCA* with a letter from an independent legal adviser explaining why compliance with a requirement referred to in ■ LR 1.4.2 R is contrary to the law in its country of incorporation.

1.4.4

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[deleted]

1.4.5

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[deleted]

1.4.6

FCA

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English language

A document that is required under a *listing rule* to be filed, notified to a RIS, provided to the *FCA* or sent to *security* holders must be in English.

1.4.7

FCA

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Market abuse safe harbours

Pursuant to section 118A(5) of the *Act*, behaviour conforming with the *listing rules* specified in ■ LR 1 Annex 1 RR does not amount to market abuse under section 118(1) of the *Act*.

1.4.8

FCA

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Fees

The provisions relating to periodic fees for *issuers* and *sponsors* are set out in ■ FEES 1, ■ 2 and ■ 4.

1.4.9

FCA

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Electronic Communication

- (1) If the *listing rules* require an *issuer* to send documents to its *security* holders, the *issuer* may, in accordance with ■ DTR 6.1.8 R, use *electronic means* to send those documents.

1.4.10

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[deleted]

1.5 Standard and Premium Listing

Standard and premium listing explained

1.5.1

FCA

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- (1) Under the *listing rules* each *issuer* must satisfy the requirements in the rules that are specified to apply to it and its relevant *securities*. In some cases a *listing* is described as being either a *standard listing* or a *premium listing*.
- (2) A *listing* that is described as a *standard listing* sets requirements that are based on the minimum EU directive standards. A *listing* that is described as a *premium listing* will include requirements that exceed those required under relevant EU directives.
- (3) *Premium listing* exists for *equity shares* of commercial companies, *closed-ended investment funds* and *open-ended investment companies*. Any other *listing* will be a *standard listing*.
- (4) In one case, for *equity shares* of a commercial company, an *issuer* will have a choice under the *listing rules* as to whether it has a *standard listing* or a *premium listing*. The type of *listing* it applies for will therefore determine the requirements it must comply with.
- (5) ■ LR 5.4A provides a process for the transfer of the category of *listing* of *equity shares*.
- (6) In one case, for further classes of *equity shares* of an *investment entity*, the *equity shares* may be admitted to a *standard listing* provided that, and only for so long as, the *issuer* has a *premium listing* of *equity shares*.

Misleading statements about status

1.5.2

FCA

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An *issuer* that is not an issuer with a *premium listing* of its *equity shares* must not describe itself or hold itself out (in whatever terms) as having a *premium listing* or make any representation which suggests, or which is reasonably likely to be understood as suggesting, that it has a *premium listing* or complies or is required to comply with the requirements that apply to a *premium listing*.

1.6 Listing Categories

1.6.1 **G** [deleted]

1.6.1A **R** An *issuer* must comply with the *rules* that are applicable to every *security* in the category of *listing* which applies to each *security* the *issuer* has *listed*. The categories of *listing* are:

FCA

- (1) *premium listing (commercial company)*;
- (2) *premium listing (closed-ended investment fund)*;
- (3) *premium listing (open-ended investment companies)*;
- (4) *standard listing (shares)*;
- (5) *standard listing (debt and debt-like securities)*;
- (6) *standard listing (certificates representing certain securities)*;
- (7) *standard listing (securitised derivatives)*;
- (8) *standard listing (miscellaneous securities)*.

1.6.2 **R** An *issuer* must inform the *FCA* if the characteristics of a *security* change so that the *security* no longer meets the definition of a *security* in the category in which it has been placed.

FCA

Market abuse safe harbours

FCA

The *listing rules* referred to in ■ LR 1.4.7 R are:

- (1) LR 1.3.3 R (Misleading information not to be published);
- (2) LR 1.3.4 R (Notification when a *RIS* is not open for business);
- (3) Paragraphs 20, 21 and 22 of the Annex to LR 9 (The Model Code)(Dealings by connected persons and investment managers);
- (4) LR 9.6.6 R (Notifications relating to capital);
- (5) LR 9.6.7 R, LR 9.6.8 R, and LR 9.6.10 G (Notifications of major interests in shares);
- (6) LR 9.7.1 R and LR 9.7.2 R (Preliminary statement of annual results and dividends);
- (7) LR 9.9.3 R
- (8) LR 12.2.1 R (4) (Prohibition on purchase of own securities);
- (9) LR 12.4.6 R (Notification of purchases);
- (10) LR 12.5.2 R and LR 12.5.3 R (Notifications of purchases, early redemptions and cancellations);
- (11) LR 13.3.1 R (1) and LR 13.3.1 R (2) (Contents of all circulars);
- (12) LR 14.3.19 R and LR 14.3.21 R (Notification of major interests in shares);
- (13) LR 14.4.10 R; and
- (14) LR 17.3.4 R (Annual accounts).

Chapter 2

Requirements for listing: All securities



2.1 Preliminary

Application

2.1.1
FCA

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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*).

Refusal of applications

2.1.2
FCA

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Under the *Act*, the *FCA* may not grant an application for *admission* unless it is satisfied that:

- (1) the requirements of the *listing rules* are complied with; and
- (2) any special requirement (see ■ LR 2.1.4 R) is complied with.

2.1.3
FCA

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Under the *Act*, the *FCA* may also refuse an application for *admission* if it considers that:

- (1) *admission* of the *securities* would be detrimental to investors' interests; or
- (2) for *securities* already listed in another *EEA State*, the *issuer* has failed to comply with any obligations under that listing.

Special requirements

2.1.4
FCA

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(1) The *FCA* may make the *admission* of *securities* subject to any special requirement that it considers appropriate to protect investors. [Note: article 12 *CARD*]

(2) The *FCA* must explicitly inform the *issuer* of any special requirement that it imposes. [Note: article 12 *CARD*]

No conditional admission

2.1.5
FCA

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The *FCA* is not able to make the *admission* of *securities* conditional on any event. The *FCA* may, in particular cases, seek confirmation from an *issuer* before the *admission* of *securities* that the *admission* does not purport to be conditional on any matter.



2.2 Requirements for all securities

Incorporation

2.2.1

FCA

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An *applicant* (other than a *public sector issuer*) must be:

- (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
- (2) operating in conformity with its *constitution*. [Note: articles 42 and 52 CARD]

Validity

2.2.2

FCA

R

To be *listed*, *securities* must:

- (1) conform with the law of the *applicant's* place of incorporation;
- (2) be duly authorised according to the requirements of the *applicant's constitution*; and
- (3) have any necessary statutory or other consents. [Note: articles 45 and 53 CARD]

Admission to trading

2.2.3

FCA

R

Other than in regard to *securities* to which ■ LR 4 applies, to be *listed*, *equity shares* must be admitted to trading on a *regulated market* for *listed securities* operated by a *RIE*. All other *securities* must be admitted to trading on a *RIE's* market for *listed securities*.

Transferability

2.2.4

FCA

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- (1) To be *listed*, *securities* must be freely transferable. [Note: articles 46, 54 and 60 CARD]
- (2) To be *listed*, *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)).

2.2.5
FCA

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The FCA may modify ■ LR 2.2.4 R to allow partly paid *securities* to be *listed* 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. [Note: articles 46 and 54 CARD]

2.2.6
FCA

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The FCA may in exceptional circumstances modify or dispense with ■ LR 2.2.4 R where the *applicant* has the power to disapprove the transfer of *shares* if the FCA is satisfied that this power would not disturb the market in those *shares*. [Note: article 46 CARD]

Market capitalisation

2.2.7
FCA

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- (1) The expected aggregate market value of all *securities* (excluding *treasury shares*) to be *listed* must be at least:
 - (a) £700,000 for *shares*; and
 - (b) £200,000 for *debt securities*.
- (2) Paragraph (1) does not apply to tap issues where the amount of the *debt securities* is not fixed.
- (3) Paragraph (1) does not apply if *securities* of the same *class* are already *listed*. [Note: articles 43 and 48 CARD]

2.2.8
FCA

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The FCA may modify ■ LR 2.2.7 R to admit *securities* of a lower value if it is satisfied that there will be an adequate market for the *securities* concerned. [Note: articles 43 and 58 CARD]

Whole class to be listed

2.2.9
FCA

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An application for *listing* of *securities* of any *class* must:

- (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. [Note: articles 49, 56 and 62 CARD]

Prospectus

2.2.10
FCA

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- (1) This *rule* applies if under the *Act* or under the law of another *EEA State*:
 - (a) a *prospectus* must be approved and published for the *securities*; or
 - (b) the *applicant* is permitted and elects to draw up a *prospectus* for the *securities*.
- (2) To be *listed*:

- (a) a *prospectus* must have been approved by the *FCA* and published in relation to the *securities*; or
- (b) if another *EEA State* is the *Home Member State* for the *securities*, the relevant competent authority must have supplied the *FCA* with:
 - (i) a certificate of approval;
 - (ii) a copy of the *prospectus* as approved; and
 - (iii) (if applicable) a translation of the *summary* of the *prospectus*.

Listing particulars

2.2.11
FCA

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- (1) This *rule* applies if, under ■ LR 4 , *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 ■ LR 4.

Convertible securities and miscellaneous securities carrying the right to buy or subscribe for other securities

2.2.12
FCA

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Convertible securities and *miscellaneous securities* giving the holder the right to buy or subscribe for other *securities* may be *admitted to listing* only if the *securities* into which they are convertible or over which they give a right to buy or subscribe are already, or will become at the same time:

- (1) *listed securities*; or
- (2) *securities* listed on a regulated, regularly operating, recognised open market. [Note: article 59 CARD]

2.2.13
FCA

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The *FCA* may dispense with ■ LR 2.2.12 R if it is satisfied that holders of the *convertible securities* have at their disposal all the information necessary to form an opinion about the value of the underlying *securities*. [Note: article 59 CARD]

2.2.14

R

[deleted]

2.2.15

R

[deleted]

(1)

(2)

Chapter 3

Listing applications: All securities



3.1 Application

3.1.1

FCA

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This chapter applies to an *applicant* for the *admission* of *securities*.



3.2 Application for admission to listing

Location of official list

3.2.1
FCA

G The *FCA* will maintain the *official list* on its website.

Method of application

3.2.2
FCA

R An *applicant* for *admission* must apply to the *FCA* by:

- (1) submitting, in final form:
 - (a) the documents described in ■ LR 3.3 in the case of an application in respect of *equity shares*;
 - (b) the documents described in ■ LR 3.4 in the case of an application in respect of *debt securities* or other *securities*;
 - (c) the documents described in ■ LR 3.5 in the case of a block listing;
- (2) submitting all additional documents, explanations and information as required by the *FCA*;
- (3) submitting verification of any information in such manner as the *FCA* may specify; and
- (4) paying the fee set out in ■ FEES 3 by the required date.

3.2.3
FCA

G Before submitting the documents referred to in ■ LR 3.2.2 R (1), an *applicant* should contact the *FCA* to agree the date on which the *FCA* will consider the application.

3.2.4
FCA

R All documents must be submitted to the Listing Applications team at the *FCA*'s address.

Grant of an application for admission to listing

3.2.5
FCA

G The *FCA* will admit *securities* to *listing* if all relevant documents required by ■ LR 3.2.2 R have been submitted to the *FCA* .

3.2.6

FCA

G

When considering an application for *admission to listing*, the *FCA* may:

- (1) carry out any enquiries and request any further information which it considers appropriate, including consulting with other regulators or exchanges;
- (2) request that an *applicant*, or its specified representative answer questions and explain any matter the *FCA* considers relevant to the application for *listing*;
- (3) take into account any information which it considers appropriate in relation to the *application for listing*;
- (4) request that any information provided by the *applicant* be verified in such manner as the *FCA* may specify; and
- (5) impose any additional conditions on the *applicant* as the *FCA* considers appropriate.

3.2.7

FCA

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

- (1) disseminated by a *RIS*; or
- (2) posted on a notice board designated by the *FCA* should the electronic systems be unavailable.



3.3 Shares

Application

3.3.1
FCA

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■ LR 3.3.2 R to ■ LR 3.3.7 R 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 48 hours in advance

3.3.2
FCA

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

- (1) a completed Application for Admission of Securities to the Official List;
- (2) one of:
 - (a) the *prospectus*, or *listing particulars*, that has been approved by the *FCA*; or
 - (b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another *EEA State* is the *home Member State* for the *shares*; or
 - (c) [deleted]
- (3) any *circular* that has been published in connection with the application, if applicable;
- (4) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable;
- (5) written confirmation of the number of *shares* to be allotted (pursuant to a board resolution allotting the *shares*); and [Note: If this is not possible, see ■ LR 3.3.4 R]
- (6) if a *prospectus* or *listing particulars* have 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.

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FCA* website.

3.3.2A
FCA

R If a *prospectus* or *listing particulars* have not been produced then the Application for Admission of Securities to the Official List must contain confirmation that a *prospectus* or *listing particulars* are not required and details of the reasons why they are not required.

Documents to be provided on the day

3.3.3
FCA

R The following documents signed by a *sponsor* (if a *sponsor* is required under ■ LR 8) or by a duly authorised officer of the *applicant* (if a *sponsor* is not required under ■ LR 8) must be submitted, in final form, to the *FCA* before 9 a.m. 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 [Note: see ■ LR 8.4.3 R and ■ LR 8.4.9 R];
- (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: see ■ LR 8.4.3 R and ■ LR 8.4.9 R].

Note: The Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the *FCA* website.

3.3.4
FCA

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 ■ LR 3.3.2 R or the number of *shares* to be *admitted* is lower than the number notified under ■ LR 3.3.2 R, 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 one hour before the *admission to listing* is to become effective.

3.3.4A
FCA

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.

Other documents to be submitted

3.3.5
FCA

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 ■ LR 3.2.7 G as being *admitted to listing*.

Documents to be kept

3.3.6
FCA

R An *applicant* must keep copies of the following for six 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*.

3.3.7
FCA

R An *applicant* must provide to the *FCA* the documents set out in ■ LR 3.3.6 R, if requested to do so.

Equity securities applications other than applications for the primary listing of equity shares

3.3.8

[Deleted]



3.4 Debt and other securities

Application - debt securities etc

3.4.1
FCA

R ■ LR 3.4.4 R to ■ LR 3.4.6 R apply to an *applicant* that is seeking *admission* of any of the following types of *securities*:

- (1) *debt securities*;
- (2) *asset-backed securities*;
- (3) *certificates representing certain securities*;
- (4) [deleted]
- (5) *convertible securities* ;
- (6) *miscellaneous securities*; and
- (7) *preference shares that are specialist securities*.

Application - issuance programmes

3.4.2
FCA

R ■ LR 3.4.7 R to ■ LR 3.4.8 R apply to an *applicant* for the *admission* of a *debt securities* or *asset-backed securities* issuance programme.

Application - public sector issuers

3.4.3
FCA

R ■ LR 3.4.9 R to ■ LR 3.4.13 R apply to an *applicant* that is a *public sector issuer*.

Documents to be provided 48 hours in advance

3.4.4
FCA

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

- (1) a completed Application for Admission of Securities to the Official List;
- (2) either:

- (a) the *prospectus*, or *listing particulars* that has been approved by the *FCA*; or
 - (b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another *EEA State* is the *home Member State* for the *securities*;
- (3) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable; and
- (4) written confirmation of the number of *securities* to be issued (pursuant to a board resolution). [Note: if this is not possible, see ■ LR 3.4.5 R]

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

Documents to be provided on the day of admission

3.4.5

FCA

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 ■ LR 3.4.4 R or, the number of *securities* to be admitted is lower than the number notified under ■ LR 3.4.4 R, written confirmation of the number of *securities* to be issued or admitted must be provided to the *FCA* by the *applicant* at least one hour before the *admission to listing* is to become effective.

Documents to be kept

3.4.6

FCA

R

An *applicant* must keep, for six years after the *admission to listing*, a copy of the items set out in ■ LR 3.3.6 R (1) to ■ (6) and ■ LR 3.3.6 R (9) and must provide any of those documents to the *FCA* if requested to do so.

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

3.4.7

FCA

R

An *applicant* must comply with ■ LR 3.4.4 R to ■ LR 3.4.6 R with the following modifications:

- (1) [deleted]
- (2) if the *FCA* approves the application it will admit to listing all *debt 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*:
 - (a) being advised of the *final terms* of each issue for which a *listing* is sought; and
 - (b) receiving and approving for publication any supplementary documents that may be appropriate .
 - (c) [deleted]

- (3) an *applicant* must submit a *supplementary prospectus* or *supplementary listing particulars* instead of the document required by ■ LR 3.4.4 R (2) in the case of an increase in the maximum amount of *debt securities* which may be in issue and *listed* at any one time under an issuance programme.

3.4.7A
FCA

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.

Issuance programmes: final terms

3.4.8
FCA

R

- (1) The *final terms* must be submitted in writing to the *FCA* as soon as possible after they have been agreed and no later than 2 p.m. on the day before *listing* is to become effective.
- (2) The *final terms* may be submitted by:
- (a) the *applicant*; or
 - (b) a duly authorised officer of the *applicant*.
- (3) [deleted]

Note: For further details on *final terms*, see ■ PR 2.2.9 R .

Exempt public sector issuers

3.4.9
FCA

R

A *public sector issuer* that seeks *admission of debt securities* referred to in paragraphs 2 and 4 of Schedule 11A of the *Act* 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 UKLA section of the *FCA*'s website.

3.4.9A
FCA

G

An application referred to in ■ LR 3.4.9 R should be made in accordance with the timetable referred to in ■ LR 3.4.8 R.

3.4.9B
FCA

G

A *public sector issuer* that is not required to produce a *prospectus* or *listing particulars* must confirm on its application form that no *prospectus* or *listing particulars* are required.

3.4.9C
FCA

G

Apart from ■ LR 3.4.9 R, ■ LR 3.4.9A G and ■ LR 3.4.9B G no other provisions in ■ LR 3.4 apply to the *admission of debt securities* referred to in paragraphs 2 and 4 of Schedule 11A of the *Act*.

Other public sector issuers

3.4.10

FCA

R

■ LR 3.4.7 R, ■ LR 3.4.8 R and ■ LR 3.4.11 R to ■ LR 3.4.13 R apply to applications for *admission to listing of debt securities* by a *public sector issuer* other than one referred to in ■ LR 3.4.9 R.

3.4.11

FCA

R

An *applicant* referred to in ■ LR 3.4.10 R must submit the items set out in ■ LR 3.4.4 R to the FCA in final form by midday two *business days* before the FCA is to consider the application .

3.4.12

R

[deleted]

3.4.13

FCA

R

An *applicant* referred to in ■ LR 3.4.10 R must keep, for six years after the *admission to listing*, a copy of the items set out in ■ LR 3.3.6 R (1) to ■ LR 3.3.6 R (6) and in ■ LR 3.3.6 R (9).



3.5 Block listing

Application

3.5.1
FCA

R This section applies to an *applicant* that wishes to apply for *admission of securities* using a block listing.

When a block listing can be used

3.5.2
FCA

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 required for the *securities*, an *applicant* may apply for a block listing of a specified number of the *securities*.

3.5.3
FCA

G The grant of a block listing constitutes *admission to listing* for the *securities* that are the subject of the block. Separately, the provisions of **PR 1.2.2 R** will need to be considered by the *applicant* when the *securities* that are the subject of the block listing are being issued.

3.5.4
FCA

R An *applicant* applying for *admission to listing* by way of a block listing must submit in final form, at least two *business days* before the *FCA* is to consider the application, a completed Application for Admission of Securities to the Official List. An application in respect of multiple schemes must identify the schemes but need not set out separate block listing amounts for each scheme.

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FCA* website.

3.5.5
FCA

- R**
- (1) An *applicant* applying for *admission to listing* by way of a block listing must notify an *RIS* of the number and type of *securities* that are the subject of the block listing application and the circumstances of their issue.
 - (2) The notification in paragraph (1) must be made by 9 a.m. on the *day* the *FCA* is to consider the application.

3.5.6
FCA

R Every six *months* the *applicant* must notify a *RIS* of the details of the number of *securities* covered by the block listing which have been allotted in the previous six *months*, using the Block Listing Six Monthly Return.

Note: A copy of the Block Listing Six Monthly Return can be found on the UKLA section of the FCA website.

3.5.7

FCA

G

An *issuer* that wishes to synchronise block listing six monthly returns for a number of block listing facilities may do so by providing the return required by ■ LR 3.5.6 R earlier than required to move the timing of returns onto a different six monthly cycle. An *issuer* with multiple block listing facilities should ensure that allotments under each facility are separately stated.

3.5.8

[Deleted]

3

Chapter 4

Listing particulars for professional securities market and certain other securities: All securities

4.1 Application and Purpose

Application

4.1.1
FCA

R This chapter applies to an *issuer* that has applied for the *admission* of:

- (1) *securities* specified in Schedule 11A of the *Act* (other than *securities* specified in paragraphs 2, 4 or 9 of that Schedule); or
- (2) any other *specialist securities* for which a *prospectus* is not required under the *prospectus directive*.

Purpose

4.1.2
FCA

- G** (1) The purpose of this chapter is to require *listing particulars* to be prepared and published for *securities* that are the subject of an application for *listing* in the circumstances set out in ■ LR 4.1.1 R where a *prospectus* is not required under the *prospectus directive*.

Listing particulars to be approved and published

4.1.3
FCA

R An *issuer* must ensure that *listing particulars* for *securities* referred to in ■ LR 4.1.1 R are approved by the *FCA* and published in accordance with ■ LR 4.3.5 R.

Note: Under ■ LR 2.2.11 R, the *securities* will only be *listed* if *listing particulars* for the *securities* have been approved by the *FCA* and published.

4.2 Contents and format of listing particulars

General contents of listing particulars

4.2.1
FCA

G

Section 80 (1) of the *Act* (general duty of disclosure in listing particulars) requires *listing particulars* submitted to the *FCA* to contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of:

- (1) the assets and liabilities, financial position, profits and losses, and prospects of the *issuer* of the *securities*; and
- (2) the rights attaching to the *securities*.

Summary

4.2.2
FCA

R

(1) The *listing particulars* must contain a *summary* that complies with the requirements in section 87A(5) and (6) of the *Act* and ■ PR 2.1.4 EU to ■ PR 2.1.7 R (as if those requirements applied to the *listing particulars*).

- (2) Paragraph (1) does not apply:
- (a) in relation to *specialist securities* referred to in ■ LR 4.1.1R (2); or
 - (b) if, in accordance with ■ PR 2.1.3 R, no *summary* would be required in relation to the *securities*.

Format of listing particulars

4.2.3
FCA

R

(1) The *listing particulars* must be in a format that complies with the relevant requirements in ■ PR 2.2 and the *PD Regulation* (as if those requirements applied to the *listing particulars*).

Minimum information to be included

PAGE
3

4.2.4
FCA

R

The following minimum information from the *PD Regulation* must be included in *listing particulars*:

- (1) for an issue of bonds including bonds convertible into the *issuer's shares* or exchangeable into a third party *issuer's shares* or derivative *securities*, irrespective of the denomination of the issue,

the minimum information required by the *schedules* applicable to debt and derivative *securities* with a denomination per unit of at least 100,000 euros;

- (2) the additional information required by the underlying share *building block* where relevant;
- (3) for an issue of *asset-backed securities*, irrespective of the denomination per unit of the issue, the minimum information required by the *schedules* and *building blocks* applicable to *asset-backed securities* with a denomination per unit of at least 100,000 euros;
- (4) for an issue of *certificates representing shares*, irrespective of the denomination per unit of the issue, the *schedule* applicable to depositary receipts over shares with a denomination per unit of at least 100,000 euros (except that item 13.2 (relating to profit forecasts) in Annex 10 and Annex 28 is not to apply);
- (5) for an issue of *securities* by the government of a *non-EEA State* or a local or regional authority of a *non-EEA State*, the *schedule* applicable to *securities* issued by third countries and their regional and local authorities; and
- (6) for all issues that are guaranteed, the information in the *guarantee building block*.

4.2.5

FCA

G

For all other issues the *FCA* would expect issuers to follow the most appropriate *schedules* and *building blocks* in the *PD Regulation* to determine the minimum information to be included in *listing particulars*.

Incorporation by reference

4.2.6

FCA

R

An *issuer* may incorporate information by reference in the *listing particulars* as if ■ PR 2.4 and the *PD Regulation* applied to the *listing particulars*.

Equivalent information

4.2.7

FCA

R

An *issuer* may include equivalent information in *listing particulars* as if ■ PR 2.5.1 R applied to the *listing particulars*.

English language

4.2.8

FCA

R

Listing particulars must be in English.

Omission of information

4.2.9

FCA

G

Under section 82 of the *Act* (exemptions from disclosure) the *FCA* may authorise the omission from *listing particulars* of information on specified grounds.

4.2.10 **R** A request to the *FCA* to authorise the omission of specific information in a particular case must:

FCA

- (1) be in writing from the *issuer*;
- (2) identify the specific information concerned and the specific reasons for the omission; and
- (3) state why in the *issuer's* opinion one or more of the grounds in section 82 of the *Act* applies.

4.2.11 **R** For the purposes of section 82(1)(g) of the *Act*, *specialist securities* are specified.

FCA

Responsibility for listing particulars

4.2.12 **G** Part 3 of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (SI 2001/2956) sets out the *persons* responsible for *listing particulars*. In particular, in those regulations:

FCA

- (1) regulation 6 specifies who is generally responsible for *listing particulars*; and
- (2) regulation 9 modifies the operation of regulation 6 in relation to *specialist securities*.

4.2.13 **R**

- (1) In the case of *listing particulars* for *specialist securities*:
 - (a) the *issuer* must state in the *listing particulars* that it accepts responsibility for the listing particulars;
 - (b) the *directors* may state in the *listing particulars* that they accept responsibility for the *listing particulars*; and
 - (c) other *persons* may state in the *listing particulars* that they accept responsibility for all or part of the *listing particulars* and in that case the statement by the *issuer* or *directors* may be appropriately modified.
- (2) An *issuer* that is the government of a *non-EEA State* or a local or regional authority of a *non-EEA State* is not required under paragraph (1)(a) to state that it accepts responsibility for the *listing particulars*.

FCA



4.3 Approval and publication of listing particulars

Approval of listing particulars

4.3.1 **R** An application for approval of *listing particulars* or *supplementary listing particulars* must comply with the procedures in ■ PR 3.1 (as if those procedures applied to the application), except that the applicant does not need to submit a completed form A.
FCA

4.3.2 **R** The *FCA* will approve *listing particulars* or *supplementary listing particulars* if it is satisfied that the requirements of the *Act* and this chapter have been complied with.
FCA

4.3.3 **G** The *FCA* will try to notify the applicant of its decision on an application for approval of *listing particulars* or *supplementary listing particulars* within the same time limits as are specified in section 87C of the *Act* (consideration of application for approval) for an application for approval of a *prospectus* or *supplementary prospectus*.
FCA

4.3.4 **R** An *issuer* must ensure that *listing particulars* or *supplementary listing particulars* are not published until they have been approved by the *FCA*.
FCA

Filing and publication of listing particulars etc

4.3.5 **R** An *issuer* must ensure that after *listing particulars* or *supplementary listing particulars* are approved by the *FCA*, the *listing particulars* or *supplementary listing particulars* are filed and published as if the relevant requirements in ■ PR 3.2 and the *PD Regulation* applied to them.
FCA

4.4 Miscellaneous

Supplementary listing particulars

4.4.1

FCA

G

Section 81 of the *Act* (supplementary listing particulars) requires an *issuer* to submit *supplementary listing particulars* to the *FCA* for approval if at any time after *listing particulars* have been submitted to the *FCA* and before the commencement of dealings in the *securities* following their *admission* to the *official list*:

- (1) there is a significant change affecting any matter contained in those particulars the inclusion of which was required by:
 - (a) section 80 of the *Act* (general duty of disclosure in listing particulars); or
 - (b) *listing rules*; or
 - (c) the *FCA*; or
- (2) a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when the particulars were prepared.

4.4.2

FCA

R

An *issuer* must ensure that after *supplementary listing particulars* are approved by the *FCA*, the *supplementary listing particulars* are filed and published as if the requirements in ■ PR 3.2 and the *PD Regulation* applied to them.

Final terms

4.4.3

FCA

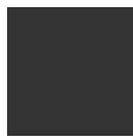
R

If final terms of the offer are not included in the *listing particulars*:

- (1) the final terms must be provided to investors and filed with the *FCA*, and made available to the public, as if the relevant requirements in ■ PR 3.2 and the *PD Regulation* applied to them; and
- (2) the *listing particulars* must disclose the criteria and/or the conditions in accordance with which the above elements will be determined or, in the case of price, the maximum price.

Chapter 5

Suspending, cancelling and restoring listing and reverse takeovers: All securities



5.1 Suspending listing

FCA may suspend listing

5.1.1

FCA

R

- (1) The *FCA* may suspend, with effect from such time as it may determine, the *listing* of any *securities* if the smooth operation of the market is, or may be, temporarily jeopardised or it is necessary to protect investors. [Note: article 18(1) *CARD*]
- (2) An *issuer* that has the *listing* of any of its *securities* suspended must continue to comply with all *listing rules* applicable to it.
- (3) If the *FCA* suspends the *listing* of any *securities*, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.

5.1.2

FCA

G

Examples of when FCA may suspend

Examples of when the *FCA* may suspend the *listing* of *securities* include (but are not limited to) situations where it appears to the *FCA* that:

- (1) the *issuer* has failed to meet its continuing obligations for *listing*; or
- (2) the *issuer* has failed to publish financial information in accordance with the *listing rules*; or
- (3) the *issuer* is unable to assess accurately its financial position and inform the market accordingly; or
- (4) there is insufficient information in the market about a proposed transaction; or
- (5) the *issuer's securities* have been suspended elsewhere; or
- (6) the *issuer* has appointed administrators or receivers, or is an *investment trust* and is winding up; or
- (7) for a *securitised derivative* that relates to a single *underlying instrument*, the *underlying instrument* is suspended; or
- (8) for a *securitised derivative* that relates to a basket of *underlying instruments*, one or more *underlying instruments* of the basket are suspended; or

- (9) for a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *security* over which the *listed miscellaneous security* carries a right to buy or subscribe has been suspended.

5.1.3

FCA

G

The *FCA* will not suspend the *listing* of a *security* to fix its price at a particular level.

Suspension at issuer's request

5.1.4

FCA

G

An *issuer* that intends to request the *FCA* to suspend the *listing* of its *securities* will need to comply with ■ LR 5.3. The *FCA* will not suspend the *listing* if it is not satisfied that the circumstances justify the suspension.



5.2 Cancelling listing

FCA may cancel listing

5.2.1
FCA

R

The *FCA* may cancel the *listing of securities* if it is satisfied that there are special circumstances that preclude normal regular dealings in them. [Note: article 18(2) *CARD*]

Examples of when FCA may cancel

5.2.2
FCA

G

Examples of when the *FCA* may cancel the *listing of securities* include (but are not limited to) situations where it appears to the *FCA* that:

- (1) the *securities* are no longer admitted to trading as required by these *rules*; or
- (2) the *issuer* no longer satisfies its continuing obligations for *listing*, for example if the percentage of *shares* in public hands falls below 25% or such lower percentage as the *FCA* may permit (the *FCA* may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or
- (3) the *securities' listing* has been suspended for more than six months;
- (4) the *securities* are *equity shares* with a *standard listing* issued by an *investment entity* where the *investment entity* no longer has a *premium listing of equity shares*.

5.2.3
FCA

G

The *FCA* will generally seek to cancel the *listing of an issuer's equity shares* or *certificates representing equity securities* when the *issuer* completes a *reverse takeover*.

[Note: ■ LR 5.6 contains further detail relating to *reverse takeovers*.]

Cancellation at issuer's request

5.2.4
FCA

R

An *issuer* must satisfy the requirements applicable to it in ■ LR 5.2.5 R to ■ LR 5.2.11 R and ■ LR 5.3 before the *FCA* will cancel the *listing of its securities* at its request.

5.2.4A
FCA

G

■ LR 5.2.4 R applies even if the *listing of the securities* is suspended.

Cancellation of listing of equity shares

5.2.5

FCA

R

Subject to ■ LR 5.2.7 R, ■ LR 5.2.10 R and ■ LR 5.2.12 R, an *issuer* with a *premium listing* that wishes the *FCA* to cancel the *listing* of any of its *equity shares* with a *premium listing* must:

- (1) send a *circular* to the holders of the *securities*. The *circular* must:
 - (a) comply with the requirements of ■ LR 13.3.1 R and ■ LR 13.3.2 R (contents of all circulars);
 - (b) be submitted to the *FCA* for approval prior to publication; and
 - (c) include the anticipated date of cancellation (which must be not less than 20 *business days* following the passing of the resolution referred to in paragraph (2));
- (2) obtain, at a general meeting, the prior approval of a resolution for the cancellation from a majority of not less than 75% of the holders of the *securities* as (being entitled to do so) vote in person or, where proxies are allowed, by proxy;
- (3) notify a *RIS*, at the same time as the *circular* is despatched to the relevant *security* holders, of the intended cancellation and of the notice period and meeting; and
- (4) also notify a *RIS* of the passing of the resolution in accordance with ■ LR 9.6.18 R.

5.2.5A

R

[deleted]

- (1) [deleted]
- (2) [deleted]

5.2.6

R

[deleted]

5.2.7

FCA

R

■ LR 5.2.5 R (2) will not apply where an *issuer* of *equity shares* notifies a *RIS* :

- (1) that the financial position of the *issuer* or its *group* is so precarious that, but for the proposal referred to in ■ LR 5.2.7 R (2), there is no reasonable prospect that the *issuer* will avoid going into formal insolvency proceedings;
- (2) that there is a proposal for a transaction, arrangement or other form of reconstruction of the *issuer* or its *group* which is necessary to ensure the survival of the *issuer* or its *group* and the continued *listing* would jeopardise the successful completion of the proposal;

- (3) explaining;
 - (a) why the cancellation is in the best interests of those to whom the *issuer* or its *directors* have responsibilities (including the bodies of *securities* holders and creditors, taken as a whole); and
 - (b) why the approval of shareholders will not be sought prior to the cancellation of *listing*; and
- (4) giving at least 20 *business days* notice of the intended cancellation.

5.2.7A
FCA

R Where an *investment entity* no longer has a *premium listing* of *equity shares* it must apply under ■ LR 5.2.8 R for *cancellation* of the *listing* of any other class of *listed equity shares*.

Requirements for cancellation of other securities

5.2.8
FCA

R An *issuer* that wishes the *FCA* to cancel the *listing* of *listed securities* (other than *equity shares* with a *premium listing*) must notify a *RIS*, giving at least 20 *business days* notice of the intended cancellation but is not required to obtain the approval of the holders of those *securities* contemplated in ■ LR 5.2.5 R (2).

5.2.9
FCA

R *Issuers* with *debt securities* falling under ■ LR 5.2.8 R must also notify, in accordance with the terms and conditions of the *issue* of those *securities*, holders of those *securities* or a representative of the holders, such as a trustee, of intended cancellation of those *securities*, but the prior approval of the holders of those *securities* in a general meeting need not be obtained.

Cancellation in relation to takeover offers

5.2.10
FCA

R ■ LR 5.2.5 R does not apply to the cancellation of *equity shares* with a *premium listing* when in the case of a takeover offer:

- (1) the *offeror* has by virtue of its shareholdings and acceptances of the offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*; and
- (2) the *offeror* has stated in the offer *document* or any subsequent *circular* sent to the *security* holders that a notice period of not less than 20 *business days* prior to cancellation will commence either on the *offeror* attaining the required 75% as described in ■ LR 5.2.10 R (1) or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006 (Right of offeror to buy out minority shareholder).

5.2.10A **G** For the purposes of ■ LR 5.2.10R (2), the offer *document* or *circular* must make clear that the notice period begins only when the *offeror* has announced that it has acquired or agreed to acquire *shares* representing 75% of the voting rights.

FCA

5.2.11 **R** In the circumstances of ■ LR 5.2.10 R, the *company* must notify shareholders that the required 75% has been attained and that the notice period has commenced and of the anticipated date of cancellation or the explanatory letter or other material accompanying the section 979 notice must state that the notice period has commenced and the anticipated date of cancellation.

FCA

Cancellation as a result of schemes of arrangement etc

5.2.12 **R** ■ LR 5.2.5 R and ■ LR 5.2.8 R do not apply to the cancellation of *equity shares* as a result of:

FCA

- (1) a takeover or restructuring of the *issuer* effected by a scheme of arrangement under Part 26 of the Companies Act 2006; or
- (2) an administration or liquidation of the *issuer* pursuant to a court order under the Insolvency Act 1986, Building Societies Act 1986, Water Industry Act 1991, Banking Act 2009, Energy Act 2011 or the Investment Bank Special Administration Regulations 2011; or
- (3) the appointment of an administrator under paragraphs 14 (appointment by holder of floating charge) or 22 (appointment by company or directors) of Schedule B1 to the Insolvency Act 1986; or
- (4) a resolution for winding up being passed under section 84 of the Insolvency Act 1986; or
- (5) the appointment of a provisional liquidator by the court under section 135 of the Insolvency Act 1986; or
- (6) a company voluntary arrangement pursuant to Part 1 of the Insolvency Act 1986, subject to the time limits for the challenge of decisions made set out in Part 1 of the Insolvency Act 1986 having expired; or
- (7) statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation having similar effect to those set out in (1) to (6).

5.2.13 **G** In determining whether the statutory winding up or reconstruction measures in relation to an *overseas issuer* under equivalent *overseas* legislation have a similar effect to those set out in ■ LR 5.2.12R (1) to ■ LR 5.2.12R (6), the *FCA* will in particular have regard to whether those procedures require a court order, the approval of 75% of the shareholders entitled to vote on the resolution, or a formal declaration of the *overseas issuer's* insolvency or inability to pay its debts.

FCA



5.3 Requests to cancel or suspend

Information to be included in request to suspend or cancel

A request by an *issuer* for the *listing* of its *securities* to be suspended or cancelled must be in writing and must include:

- (1) the *issuer's* name;
- (2) details of the *securities* to which it relates and the *RIEs* on which they are traded;
- (3) a clear explanation of the background and reasons for the request;
- (4) the date on which the *issuer* requests the suspension or cancellation to take effect;
- (5) for a suspension, the time the *issuer* wants the suspension to take effect;
- (6) if relevant, a copy of any *circular* or announcement or other document upon which the *issuer* is relying;
- (7) if relevant, evidence of any resolution required under
■ LR 5.2.5 R;
- (8) if being made by an agent on behalf of the *issuer*, confirmation that the agent has the *issuer's* authority to make it;
- (9) the name and contact details of the *person* at the *issuer* (or, if appropriate, an agent) with whom the *FCA* should liaise in relation to the request;
- (10) if the *issuer* is making a conditional request, a clear statement of the applicable conditions;
- (11) a copy of any announcement the *issuer* proposes to notify to a *RIS* that it is relying on in making its request to suspend or cancel; and

(12) a copy of any announcement the *issuer* proposes to notify to a *RIS* announcing the suspension or cancellation.

5.3.2
FCA

R The *issuer* must also include with a request to cancel the *listing* of its *securities* the following:

- (1) if the cancellation is to take effect after the completion of the compulsory acquisition procedures under Chapter 3 of Part 28 of the Companies Act 2006 , a copy of the notice sent to dissenting shareholders of the offeree together with written confirmation that there have been no objections made to the court within the prescribed period;
- (2) for a cancellation referred to in ■ LR 5.2.10 R an extract from, or a copy of, the offer document or relevant circular clearly showing the intention to cancel the offeree's *listing* and a copy of the announcement stating the date on which the cancellation was expected to take effect; and
- (3) if a cancellation is to take place after a scheme of arrangement becomes effective under section 899 of the Companies Act 2006 and a new *company* is to be *listed* as a result of that scheme, either:
 - (a) a copy of the certificate from the Registrar of Companies that the scheme has become effective; or
 - (b) documents which demonstrate adequately that the scheme will become effective on a specified date in the future.

5.3.3
FCA

G Announcements referred to in ■ LR 5.3.1 R (12) should be issued after the dealing notice issued on a *RIS* announcing the suspension or cancellation.

Timing of suspension requests

5.3.4
FCA

G A written request by an *issuer* to have the *listing* of its *securities* suspended should be made as soon as practicable. Suspension requests received for the opening of the market should allow sufficient time for the *FCA* to deal with the request before trading starts.

Timing of cancellation requests

5.3.5
FCA

R A written request by an *issuer* to have the *listing* of its *securities* cancelled must be made not less than 24 hours before the cancellation is expected to take effect.

PAGE
9

5.3.6
FCA

G Cancellations will only be specified to take effect when the market opens on a specified day. An *issuer* should therefore ensure that all accompanying information has been provided to the *FCA* well before the date on which the *issuer* wishes the cancellation to take effect and at the very latest by 3 p.m. on the *business day* before it is to take effect. If the information is received after 3:00 p.m. on the day before the *issuer* wishes the cancellation to take effect, it will normally be specified to take effect at the start of the *business day* following the next day.

Withdrawing request

5.3.7

FCA

G

- (1) If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities*, it may withdraw its request at any time before the suspension or cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.
- (2) Even if an *issuer* withdraws its request, the *FCA* may still suspend or cancel the *listing* of the *securities* if it considers it is necessary to do so.
- (3) If an *issuer* has published either a statement or a *circular* that states that the *issuer* is, or intends, to seek a suspension or cancellation and the *issuer* no longer intends to do so, it should, as soon as possible, notify a *RIS* with a statement to that effect.

Notice of cancellation or suspension

5.3.8

FCA

G

If an *issuer* requests the *FCA* to suspend or cancel the *listing* of its *securities* under ■ LR 5.3.1 R and the *FCA* agrees to do so, the notification given by the *FCA* to the *issuer* will include the following information:

- (1) the date on which the suspension or cancellation took effect or will take effect;
- (2) details of the suspension or cancellation; and
- (3) in relation to requests for suspension, details of the *issuer's* right to apply for the suspension of its *listed securities* to be cancelled.



5.4 Restoring listing

Revoking a cancellation of listing

5.4.1
FCA

G

If an *issuer* has the *listing* of its *securities* cancelled, it may only have them readmitted to the *official list* by re-applying for their listing.

Restoring a listing that is suspended

5.4.2
FCA

R

The *FCA* may restore the *listing* of any *securities* that have been suspended if it considers that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors. The *FCA* may restore the *listing* even though the *issuer* does not request it.

Requests to restore

5.4.3
FCA

G

- (1) An *issuer* that has the *listing* of any of its *securities* suspended may request the *FCA* to have them restored.
- (2) The request should be made sufficiently in advance of the time and date the *issuer* wishes the *securities* to be restored.
- (3) Requests received for when the market opens should allow sufficient time for the *FCA* to deal with the request.
- (4) The request may be an oral request. The *FCA* may require documentary evidence that the events that lead to the suspension are no longer current (for example, financial reports have been published or an appropriate announcement has been made) to process the request.
- (5) Even if restoration is required urgently, it will normally take up to 30 minutes to be effected.
- (6) The *FCA* will issue a dealing notice on a *RIS* announcing the restoration.

Refusal of request to restore

5.4.4
FCA

R

The *FCA* will refuse a request to restore the *listing* of *securities* if it is not satisfied of the matters set out in ■ LR 5.4.2 R.

Withdrawal of a request to restore securities

5.4.5
FCA

G

- (1) If an *issuer* has requested the *FCA* to restore the *listing* of any *securities*, it may withdraw its request at any time while the *securities* are still suspended. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible.
- (2) Even if a request to restore has been withdrawn, the *FCA* may restore the listing of *securities* if it believes the circumstances justify it.

Restoring listing of securitised derivatives

5.4.6
FCA

G

- (1) If an *underlying instrument* is restored, the *securitised derivative's listing* will normally be restored.
- (2) For a *securitised derivative* relating to a basket of *underlying instruments* that has been suspended, the *securitised derivative's listing* may be restored by the *FCA*, irrespective of whether or not the *underlying instrument* has been restored, if:
 - (a) the *issuer* of the *securitised derivative* confirms to the *FCA* that despite the relevant *underlying instrument(s)* suspension a market in the *securitised derivative* will continue to be made; and
 - (b) the *FCA* is satisfied that restoring the *securitised derivative* is not inconsistent with either the protection of investors or the smooth operation of the market.

5.4.7
FCA

G

For a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *miscellaneous security's listing* will be restored if the *security* over which the *miscellaneous security* carries a right to buy or subscribe is restored.

5.4A Transfer between listing categories: Equity shares

Application

5.4A.1

FCA

R

This section applies to an *issuer* that wishes to transfer its category of *equity shares listing* from:

- (1) a *standard listing (shares)* to a *premium listing (commercial company)*; or
- (2) a *standard listing (shares)* to a *premium listing (investment company)*; or
- (3) a *premium listing (commercial company)* to a *standard listing (shares)*; or
- (4) a *premium listing (investment company)* to a *premium listing (commercial company)*; or
- (5) a *premium listing (commercial company)* to a *premium listing (investment company)*; or
- (6) a *premium listing (investment company)* to a *standard listing (shares)*.

5.4A.2

FCA

G

An *issuer* will only be able to transfer a *listing* of its *equity shares* from a *premium listing (investment company)* to a *standard listing (shares)* if it has ceased to be an *investment entity* (for example if it has become a commercial company) or if it continues to have a *premium listing* of a class of *equity shares*. This is because ■ LR 14.1.1 R provides that ■ LR 14 does not apply to *equity shares* of an *investment entity* without a *premium listing* of *equity shares*.

Initial notification to FCA

5.4A.3

FCA

R

- (1) If an *issuer* wishes to transfer its category of *equity shares listing* it must notify the *FCA* of the proposal.
- (2) The notification must be made as early as possible and in any event not less than 20 business days before it sends the *circular* required

under ■ LR 5.4A.4 R (2)(a) or publishes the announcement required under ■ LR 5.4A.5 R (2).

- (3) The notification must include:
- (a) an explanation of why the *issuer* is seeking the transfer;
 - (b) if a *sponsor's* letter is not required under ■ LR 8.4.14R(1), an eligibility letter setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer;
 - (c) a proposed timetable for the transfer; and
 - (d) if an announcement is required to be published under ■ LR 5.4A.5R (2), a draft of that announcement.

Shareholder approval required in certain cases

5.4A.4
FCA

R

- (1) This rule applies to a transfer of the *listing* of *equity shares* with a *premium listing* into or out of the category of *premium listing (investment company)* or a transfer of the *listing* of *equity shares* out of the category of *premium listing (commercial company)*.
- (2) The *issuer* must:
 - (a) send a *circular* to the holders of the *equity shares*;
 - (b) notify a *RIS*, at the same time as the circular is despatched to the relevant holders of the *equity shares*, of the intended transfer and of the notice period and meeting date;
 - (c) obtain at a general meeting, the prior approval of a resolution for the transfer from not less than 75% of the holders of the *equity shares* as (being entitled to do so) vote in person or, where proxies are allowed, by proxy; and
 - (d) notify a *RIS* of the passing of the resolution.

Announcement required in other cases

5.4A.5
FCA

R

- (1) This rule applies to any transfer of a *listing* of *equity shares* other than a transfer referred to in ■ LR 5.4A.4 R (1).
- (2) The *issuer* must publish an announcement on a *RIS* giving notice of its intention to transfer its listing category.

Approval and contents of circular

5.4A.6
FCA

R

The *circular* referred to in ■ LR 5.4A.4 R must:

- (1) comply with the requirements of ■ LR 13.1, ■ LR 13.2 and ■ LR 13.3;

- (2) be approved by the *FCA* before it is circulated or published; and
- (3) include the anticipated transfer date (which must be not less than 20 business days after the passing of the resolution under ■ LR 5.4A.4 R).

Approval and contents of announcement

5.4A.7
FCA

R

The announcement referred to in ■ LR 5.4A.5 R (2) must:

- (1) contain the same substantive information as would be required under ■ LR 13.1 and ■ LR 13.3 if it were a *circular* but modified as necessary so it is clear that no shareholder vote is required; and
- (2) include the anticipated transfer date (which must be not less than 20 business days after the date the announcement is published).

5.4A.8
FCA

R

The announcement must be approved by the *FCA* before it is published.

Specific information required in circular or announcement

5.4A.9
FCA

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Information required under ■ LR 13.3.1R(1) (Contents of all circulars) to be included in the *circular* or announcement should include an explanation of:

- (1) the background and reasons for the proposed transfer;
- (2) any changes to the *issuer's* business that have been made or are proposed to be made in connection with the proposal;
- (3) the effect of the transfer on the *issuer's* obligations under the *listing rules*;
- (4) how the *issuer* will meet any new eligibility requirements, for example working capital requirements, that the *FCA* must be satisfied of under ■ LR 5.4A.12 R (3); and
- (5) any other matter that the *FCA* may reasonably require.

Applying for the transfer

5.4A.10
FCA

R

If an *issuer* has initially notified the *FCA* under ■ LR 5.4A.3 R it may apply to the *FCA* to transfer the *listing* of its *equity shares* from one category to another. The application must include:

- (1) the *issuer's* name;
- (2) details of the *equity shares* to which the transfer relates;
- (3) the date on which the *issuer* wishes the transfer to take effect;
- (4) a copy of any *circular*, announcement or other document on which the *issuer* is relying;

- (5) if relevant, evidence of any resolution required under ■ LR 5.4A.4 R;
- (6) if an agent is making the application on the *issuer's* behalf, confirmation that the agent has the *issuer's* authority to do so;
- (7) the name and contact details of the person at the *issuer* (or, if appropriate an agent) with whom the *FCA* should liaise in relation to the application; and
- (8) a copy of any announcement the *issuer* proposes to notify to a *RIS* informing the market that the transfer has taken place.

Issuer must comply with eligibility requirements

- (1) An *issuer* applying for a transfer of its *equity shares* must comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity shares* to the category of *listing* to which it wishes to transfer.
- (2) For the purposes of applying the eligibility requirements referred to in (1) to a transfer then, unless the context otherwise requires, a reference in such a requirement:
 - (a) to the admission of *equity shares* is to be taken to be a reference to the transfer of the *equity shares*; and
 - (b) to a *prospectus* or *listing particulars* is to be taken to be a reference to the *circular* or announcement.

Approval of transfer

If an *issuer* applies under ■ LR 5.4A.10 R, the *FCA* may approve the transfer if it is satisfied that:

- (1) the *issuer* has complied with ■ LR 5.4A.4 R or ■ LR 5.4A.5 R (whichever is relevant);
- (2) the 20 business day period referred to in ■ LR 5.4A.6 R or ■ LR 5.4A.7 R (whichever is relevant) has elapsed; and
- (3) the *issuer* and the *equity shares* will comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity shares* to the category of *listing* to which it wishes to transfer.

The *FCA* will not generally reassess compliance with eligibility requirements (for example ■ LR 6.1.16 R (Working capital) if the *issuer* has previously been assessed by the *FCA* as meeting those requirements under its existing *listing* category when its *equity shares* were *listed*.

5.4A.11
FCA

R

5.4A.12
FCA

R

5.4A.13
FCA

G

When transfer takes effect

5.4A.14

R

FCA

- (1) If the *FCA* approves a transfer of a *listing* then it must announce its decision on a *RIS*.
- (2) The transfer becomes effective when the *FCA*'s decision to approve is announced on the *RIS*.
- (3) The *issuer* must continue to comply with the requirements of its existing category of *listing* until the decision is announced on the *RIS*.
- (4) After the decision is announced the *issuer* must comply with the requirements of the category of *listing* to which it has transferred.

Directive obligations

5.4A.15

G

FCA

An *issuer* may take steps, in connection with a transfer, which require it to consider whether a *prospectus* is necessary, for example, if the *company* or its capital is reconstituted in a way that could amount to an *offer of transferable securities to the public*. The *issuer* and its advisers should consider whether directive obligations may be triggered.

Transfer as an alternative to cancellation

5.4A.16

G

FCA

There may be situations in which an *issuer*'s business has changed over a period of time so that it no longer meets the requirements of the applicable *listing* category against which it was initially assessed for *listing*. In those situations, the *FCA* may consider cancelling the *listing* of the *equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category.



5.5 Miscellaneous

Decision-making procedures for suspension, cancellation etc

5.5.1

FCA

G

The decision-making procedures that the *FCA* will follow when it cancels, suspends or refuses a request by an *issuer* to suspend, cancel or restore *listing* are set out in *DEPP* (Decision Procedure and Penalties) .

5.5.2

FCA

R

Suspension, cancellation or restoration by overseas exchange or authority

An *issuer* must inform the *FCA* if its listing has been suspended, cancelled or restored by an *overseas* exchange or *overseas* authority.

5.5.3

FCA

G

- (1) The *FCA* will not automatically suspend, cancel or restore the *listing* of *securities* at the request of an *overseas* exchange or *overseas* authority (for example, if listing of a *listed issuer's securities* are suspended, cancelled or restored on its home exchange).
- (2) The *FCA* will not normally suspend the *listing* of *securities* where there is a trading halt for the *security* on its home exchange.
- (3) If a *listed issuer* requests a suspension, cancellation or restoration of the *listing* of its *securities*, after a suspension, cancellation or restoration on its home exchange, the *issuer* should send to the *FCA* written confirmation:
 - (a) that the suspension, cancellation or restoration of listing on its home exchange has become effective; or
 - (b) if it has not yet become effective, of the time and date it is proposed to become effective.
- (4) If an *overseas* exchange or *competent authority* requests the *FCA* to suspend, cancel or restore the *listing* of *securities*, the *FCA* will, wherever practical, contact the *issuer* or its *sponsor* before it suspends, cancels or restores the *listing*. Therefore, *issuers* are encouraged to contact the *FCA* at the same time as they contact their home exchange.
- (5) If the *FCA* is unable to contact the *issuer* or *sponsor*, it will suspend, cancel or restore the *listing* of the *securities* when it is satisfied that the listing of the relevant *securities* has been, or will be, suspended, cancelled or restored on their home exchange.

5.6 Reverse takeovers

Application

5.6.1
FCA

R This section applies to an *issuer* with:

- (1) a *premium listing*;
- (2) a *standard listing (shares)*; or
- (3) a *standard listing of certificates representing equity securities*.

Categories of reverse takeover to which this section does not apply

5.6.2
FCA

R ■ LR 5.6 does not apply where an *issuer* acquires the *shares* or *certificates representing equity securities* of a *target* with the same category of *listing* as the *issuer*.

Class 1 requirements

5.6.3
FCA

R Notwithstanding the effect of ■ LR 5.6.2 R, an *issuer* with a *premium listing* must in relation to a *reverse takeover* comply with the requirements of ■ LR 10.5 (Class 1 requirements) for that transaction.

Definition

5.6.4
FCA

R A *reverse takeover* is a transaction, whether effected by way of a direct acquisition by the *issuer* or a subsidiary, an acquisition by a new *holding company* of the *issuer* or otherwise, of a business, a *company* or assets:

- (1) where any *percentage ratio* is 100% or more; or
- (2) which in substance results in a fundamental change in the business or in a change in board or voting control of the *issuer*.

When calculating the *percentage ratio*, the *issuer* should apply the *class tests*.

5.6.5
FCA

G For the purpose of ■ LR 5.6.4R (2), the *FCA* considers that the following factors are indicators of a fundamental change:

- (1) the extent to which the transaction will change the strategic direction or nature of its business; or

- (2) whether its business will be part of a different industry sector following the completion of the transaction; or
- (3) whether its business will deal with fundamentally different suppliers and end users.

Requirement for a suspension

5.6.6
FCA

R

An *issuer*, or in the case of an *issuer* with a *premium listing*, its *sponsor*, must contact the *FCA* as early as possible:

- (1) before announcing a *reverse takeover* which has been agreed or is in contemplation, to discuss whether a suspension of *listing* is appropriate; or
- (2) where details of the *reverse takeover* have leaked, to request a suspension.

5.6.7
FCA

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Examples of where the *FCA* will consider that a *reverse takeover* is in contemplation include situations where:

- (1) the *issuer* has approached the *target's* board;
- (2) the *issuer* has entered into an exclusivity period with a *target*; or
- (3) the *issuer* has been given access to begin due diligence work (whether or not on a limited basis).

5.6.8
FCA

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Generally, when a *reverse takeover* is announced or leaked, there will be insufficient publicly available information about the proposed transaction and the *issuer* will be unable to assess accurately its financial position and inform the market accordingly. In this case, the *FCA* will often consider that suspension will be appropriate, as set out in ■ LR 5.1.2G (3) and ■ (4). However, if the *FCA* is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the *issuer* that a suspension is not required.

5.6.9
FCA

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■ LR 5.6.10 G to ■ LR 5.6.18 R set out circumstances in which the *FCA* will generally be satisfied that a suspension is not required.

Target admitted to a regulated market

5.6.10
FCA

G

- (1) the *target* has *shares* or *certificates representing equity securities* admitted to a *regulated market*; and
- (2) the *issuer* makes an announcement stating that the *target* has complied with the disclosure requirements applicable on that *regulated market* and providing details of where information disclosed pursuant to those requirements can be obtained.

5.6.11 **R** An announcement made for the purpose of ■ LR 5.6.10G (2) must be published by means of an *RIS*.
FCA

Target subject to the disclosure regime of another market

5.6.12 **G** The *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction if the *target* has *securities* admitted to an investment exchange or trading platform that is not a *regulated market* and the *issuer*:
FCA

- (1) confirms, in a form acceptable to the *FCA*, that the disclosure requirements in relation to financial information and *inside information* of the investment exchange or trading platform on which the *target's securities* are admitted are not materially different from the disclosure requirements under *DTR*; and
- (2) makes an announcement to the effect that:
 - (a) the *target* has complied with the disclosure requirements applicable on the investment exchange or trading platform to which its securities are admitted and provides details of where information disclosed pursuant to those requirements can be obtained; and
 - (b) there are no material differences between those disclosure requirements and the disclosure requirements under *DTR*.

5.6.13 **R** Where an *issuer* has a *premium listing*, a written confirmation provided for the purpose of ■ LR 5.6.12G (1) must be given by the *issuer's sponsor*.
FCA

5.6.14 **R** An announcement made for the purpose of ■ LR 5.6.12G (2) must be published by means of an *RIS*.
FCA

Target not subject to a public disclosure regime

5.6.15 **G** Where the *target* in a *reverse takeover* 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 *issuer* is not able to give the confirmation and make the announcement contemplated by ■ LR 5.6.12 G, 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 *issuer* makes an announcement containing:
FCA

- (1) financial information on the *target* covering the last three years. Generally, the *FCA* would consider the following information to be sufficient:
 - (a) profit and loss information to at least operating profit level;
 - (b) balance sheet information, highlighting at least net assets and liabilities;
 - (c) relevant cash flow information; and
 - (d) a description of the key differences between the *issuer's* accounting policies and the policies used to present the financial information on the *target*;
- (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 ■ PR Appendix 3 Annex 1 item 12 (Trend information) for the *target*;

- (3) a declaration that the *directors* of the *issuer* consider that the announcement contains sufficient information about the business to be acquired to provide a properly informed basis for assessing its financial position; and
- (4) a statement confirming that the *issuer* has made the necessary arrangements with the *target* vendors to enable it to keep the market informed without delay of any developments concerning the *target* that would be required to be released were the *target* part of the *issuer*.

5.6.16
FCA

R An announcement made for the purpose of ■ LR 5.6.15 G must be published by means of an *RIS*.

5.6.17
FCA

R Where an *issuer* has a *premium listing*, a *sponsor* must provide written confirmation to the *FCA* that in its opinion, it is reasonable for the *issuer* to provide the declarations described in ■ LR 5.6.15G (3) and ■ (4).

5.6.18
FCA

R Where the *FCA* has agreed that a suspension is not necessary as a result of an announcement made for the purpose of ■ LR 5.6.15 G the *issuer* must comply with ■ DTR 2.2.1 R on the basis that the *target* already forms part of the enlarged *group*.

Cancellation of listing

5.6.19
FCA

G The *FCA* will generally seek to cancel the *listing* of an *issuer's equity shares* or *certificates representing equity securities* when the *issuer* completes a *reverse takeover*.

5.6.20
FCA

G ■ LR 5.6.23 G to ■ LR 5.6.29 G set out circumstances in which the *FCA* will generally be satisfied that a cancellation is not required.

5.6.21
FCA

R Where the *issuer's listing* is cancelled following completion of a *reverse takeover*, the *issuer* must re-apply for the *listing* of the *shares* or *certificates representing equity securities* and satisfy the relevant requirements for *listing*, except that for an *issuer* with a *premium listing*, ■ LR 6.1.3 R (1)(b) and ■ LR 6.1.3 R (1)(e) will not apply in relation to the *issuer's accounts*.

5.6.22
FCA

G Notwithstanding ■ LR 5.6.21 R, financial information provided in relation to the *target* will need to satisfy ■ LR 6.1.3 R (1)(b) and ■ LR 6.1.3 R (1)(e).

Acquisitions of targets from different listing categories: issuer maintaining its listing category

5.6.23
FCA

G Where an *issuer* acquires the *shares* or *certificates representing equity securities* of a *target* with a different *listing category* from its own and the *issuer* wishes to maintain its existing *listing category*, the *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if:

- (1) the *issuer* will continue to be eligible for its existing *listing category* following completion of the transaction;

- (2) the *issuer* provides an eligibility letter setting out how the *issuer* as enlarged by the acquisition satisfies each *listing rule* requirement that is relevant to it being eligible for its existing *listing* category; and
- (3) the *issuer* makes an announcement or publishes a *circular* explaining:
 - (a) the background and reasons for the acquisition;
 - (b) any changes to the acquiring *issuer's* business that have been made or are proposed to be made in connection with the acquisition;
 - (c) the effect of the transaction on the acquiring *issuer's* obligations under the *listing rules*;
 - (d) (where appropriate) how the acquiring *issuer* will continue to meet the eligibility requirements referred to in ■ LR 5.6.21 R; and
 - (e) any other matter that the *FCA* may reasonably require.

5.6.24 **R** An announcement or circular published for the purpose of ■ LR 5.6.23 G must be published by means of an *RIS*.

FCA

5.6.25 **R** An eligibility letter prepared for the purposes of ■ LR 5.6.23 G must be provided to the *FCA* not less than 20 *business days* prior to the announcement of the transaction referred to in ■ LR 5.6.24 R.

FCA

5.6.26 **R** Where an *issuer* has a *premium listing*, the eligibility letter provided for the purposes of ■ LR 5.6.23 G must be provided by a *sponsor*.

FCA

Acquisitions of targets from different listing categories: issuer changing listing category

5.6.27 **G** The *FCA* will generally be satisfied that a cancellation is not required on completion of a *reverse takeover* if the *target* is *listed* with a different *listing* category from that of the *issuer* and the *issuer* wishes to transfer its *listing* to a different *listing* category in conjunction with the acquisition and the *issuer* as enlarged by the relevant acquisition complies with the relevant requirements of ■ LR 5.4A to transfer to a different *listing* category.

FCA

5.6.28 **G** An *issuer* wishing to transfer a *listing* of its *equity shares* from a *premium listing* (*investment company*) to a *standard listing* (*shares*) should note ■ LR 5.4A.2 G which sets out limitations resulting from the application of ■ LR 14.1.1 R (application of the *listing rules* to a *company* with or applying for a *standard listing* of *shares*).

FCA

5.6.29 **G** Where an issuer is applying ■ LR 5.4A in order to avoid a cancellation as contemplated by ■ LR 5.6.27 G, the *FCA* will normally waive the requirement for shareholder approval under ■ LR 5.4A.4R (2)(c) where the *issuer* is obtaining separate shareholder approval for the acquisition.

FCA

Chapter 6

Additional requirements for premium listing (commercial company)



6.1 Application

6.1.1
FCA

R This chapter applies to a *new applicant* for the *admission of equity shares to premium listing (commercial company)* except where
 ■ LR 6.1.1A R applies .

6.1.1A
FCA

R This chapter does not apply where a *company* with an existing *premium listing of equity shares* introduces a new *holding company* to its existing *group* and no transaction as defined in ■ LR 10.1.3 R is being undertaken that would otherwise increase the assets or liabilities of the *group*.

Applicant must satisfy requirements in this chapter

6.1.2
FCA

G An *applicant* for the *admission of equity shares to a premium listing (commercial company)* must satisfy the requirements in this chapter (in addition to those in ■ LR 2).

Historical financial information

6.1.3
FCA

- R**
- (1) A *new applicant* for the *admission of equity shares to a premium listing* must have published or filed historical financial information that:
 - (a) covers at least three years; [Note: article 44 CARD]
 - (b) has a latest balance sheet date that is not more than six months before the date of the *prospectus* or *listing particulars* for the relevant *shares* and not more than nine months before the date the *shares* are *admitted to listing* unless ■ LR 5.6.21 R applies;
 - (c) includes the consolidated accounts for the *applicant* and all its *subsidiary undertakings*;
 - (d) has been audited or reported on in accordance with the standards acceptable under item 20.1 of Annex I of the *PD Regulation*; and
 - (e) is not subject to a *modified report*, except as set out in ■ LR 6.1.3A G or ■ LR 5.6.21 R.

(2) A *new applicant* must:

- (a) take all reasonable steps to ensure that the *person* providing the opinion pursuant to ■ LR 6.1.3R (1)(e) and ■ LR 6.1.3DR (3) is independent of it; and
- (b) obtain written confirmation from the *person* providing the opinion pursuant to ■ LR 6.1.3R (1)(e) and ■ LR 6.1.3DR (3) that it complies with guidelines on independence issued or approved by its national accountancy or auditing bodies.

6.1.3A

FCA

G

The FCA may accept that ■ LR 6.1.3R (1)(e) and ■ LR 6.1.3DR (3) have been satisfied where a *modified report* is present only as a result of:

- (1) the presence of an emphasis-of-matter paragraph which arises in any of the earlier periods required by ■ LR 6.1.3 R and the opinion on the final period is unmodified; or
- (2) the opinion on the historical financial information for the final period under ■ LR 6.1.3 R includes an emphasis-of-matter paragraph with regard to going concern and ■ LR 6.1.16 R is complied with.

6.1.3B

FCA

R

The historical financial information required by ■ LR 6.1.3R (1) must:

- (1) represent at least 75% of the *new applicant's* business for the full period referred to in ■ LR 6.1.3R (1)(a); and
- (2) put prospective investors in a position to make an informed assessment of the business for which *admission* is sought.

6.1.3C

FCA

G

- (1) In determining what amounts to 75% of the *new applicant's* business for the purpose of ■ LR 6.1.3BR (1), the FCA will consider the size, in aggregate, of all of the acquisitions that the *new applicant* has entered into during the period required by ■ LR 6.1.3R (1)(a) and up to the date of the *prospectus*, relative to the size of the *new applicant* as enlarged by the acquisitions.
- (2) In ascertaining the size of the acquisitions relative to the *new applicant* for the purposes of ■ LR 6.1.3B R, the FCA will take into account factors such as the assets, profitability and market capitalisation of the businesses.
- (3) The figures used should be the latest available for the acquired entity and the *new applicant* as enlarged by the acquisition or acquisitions.

6.1.3D

FCA

R

Where the *new applicant* has made an acquisition or series of acquisitions such that its own consolidated financial information is insufficient to meet the 75% requirement in ■ LR 6.1.3B R, there must be historical financial information relating to the acquired entity or entities which has been published or filed and that:

- (1) covers the period from at least three years prior to the date under ■ LR 6.1.3R (1)(b) up to at least the date of acquisition by the *new applicant*;
- (2) is presented in a form that is consistent with the accounting policies adopted in the financial information required by ■ LR 6.1.3 R;
- (3) is not subject to a *modified report*, except as set out in ■ LR 6.1.3A G; and
- (4) in aggregate with its own historical financial information represents at least 75% of the enlarged *new applicant's* business for the full period referred to in ■ LR 6.1.3 R (1)(a).

6.1.3E

FCA

G

The purpose of ■ LR 6.1.3B R is to ensure that the *issuer* has representative financial information throughout the period required by ■ LR 6.1.3R (1)(a) and to assist prospective investors to make a reasonable assessment of what the future prospects of the *new applicant's* business might be. Investors are then able to consider the *new applicant's* historic revenue earning record in light of its particular competitive advantages, the outlook for the sector in which it operates and the general macro economic climate. The FCA may consider that a *new applicant* does not have representative historical financial information and that its *equity shares* are not eligible for a *premium listing* if a significant part or all of the *new applicant's* business has one or more of the following characteristics:

- (1) a business strategy that places significant emphasis on the development or marketing of products or services which have not formed a significant part of the *new applicant's* historical financial information;
- (2) the value of the business on *admission* will be determined, to a significant degree, by reference to future developments rather than past performance;
- (3) the relationship between the value of the business and its revenue or profit-earning record is significantly different from those of similar companies in the same sector;
- (4) there is no record of consistent revenue, cash flow or profit growth throughout the period of the historical financial information;
- (5) the *new applicant's* business has undergone a significant change in its scale of operations during the period of the historical financial information or is due to do so before or after *admission*;
- (6) it has significant levels of research and development expenditure or significant levels of capital expenditure.

Control of assets and independence

- 6.1.4 **R** **FCA** A *new applicant* for the *admission* of *equity shares* to a *premium listing* must demonstrate that:
- (1) [deleted]
 - (2) it controls the majority of its assets and has done so for at least the period referred to in ■ LR 6.1.3R (1)(a) ; and
 - (3) it will be carrying on an independent business as its main activity.

6.1.5 **G** [deleted]

6.1.6 **G** [deleted]

6.1.7 **G** [deleted]

Mineral companies

- 6.1.8 **R** **FCA** If a *mineral company* applies for the *admission* of its *equity shares* and cannot comply with ■ LR 6.1.3R (1)(a) because it has been operating for a shorter period:

- (1) it must have published or filed historical financial information since the inception of its business; and
- (2) ■ LR 6.1.3 R (1)(b) to ■ (e) and ■ (2) apply to the *mineral company* only with regard to the period for which it has published or filed historical financial information pursuant to (1).

- 6.1.9 **R** **FCA** ■ LR 6.1.3BR (1) and ■ LR 6.1.4 R do not apply to a *mineral company* that applies for the *admission* of its *equity shares*.

- 6.1.10 **R** **FCA**
- (1) This rule applies to a *mineral company* that is a *new applicant* for the *admission* of its *equity shares*.
 - (2) If the *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested, it must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources.

Scientific research based companies

6.1.11
FCA

R

If a *scientific research based company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with ■ LR 6.1.3R (1)(a) because it has been operating for a shorter period:

- (1) it must have published or filed historical financial information since the inception of its business; and
- (2) ■ LR 6.1.3 R (1)(b) to ■ (e) and ■ (2) apply to the *scientific research based company* only with regard to the period for which it has published or filed historical financial information under (1).

6.1.12
FCA

R

An *applicant* for the *admission* of *equity shares* to a *premium listing* of a *scientific research based company* does not need to satisfy ■ LR 6.1.3B R or ■ LR 6.1.4 R but must:

- (1) demonstrate its ability to attract funds from sophisticated investors prior to the marketing at the time of *listing*;
- (2) intend to raise at least £10 million pursuant to a marketing at the time of *listing*;
- (3) have a capitalisation, before the marketing at the time of *listing*, of at least £20 million (based on the issue price and excluding the value of any *equity shares* which have been issued in the six months before *listing*);
- (4) have as its primary reason for *listing* the raising of finance to bring identified products to a stage where they can generate significant revenues; and
- (5) demonstrate that it has a three year record of operations in laboratory research and development including:
 - (a) details of patents granted or details of progress of patent applications; and
 - (b) the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.

Other cases where the FCA may modify accounts and track record requirements

6.1.13
FCA

G

The *FCA* may modify or dispense with ■ LR 6.1.3 R (1)(a) or ■ LR 6.1.3B R if it is satisfied that it is desirable in the interests of investors and that investors have the necessary information available to arrive at an informed judgment about the *applicant* and the *equity shares* for which a *premium listing* is sought. [Note: article 44 CARD]

6.1.14
FCA

G

Before modifying or dispensing with ■ LR 6.1.3B R, the *FCA* must also be satisfied that there is an overriding reason for the *applicant* seeking a *premium listing* (rather than

seeking admission to a market more suited to a *company* without sufficient historical financial information to be eligible for a *premium listing*).

6.1.15

FCA

G

For the purposes of ■ LR 6.1.14 G the *FCA* will take into account factors such as whether the *applicant*:

- (1) is attracting significant funds from sophisticated investors;
- (2) is undertaking a significant marketing of *equity shares* in connection with the *admission* and has demonstrated that having listed status is a significant factor in the ability to raise funds; and
- (3) has demonstrated that it will have a significant market capitalisation on *admission*.

Working capital

6.1.16

FCA

R

An *applicant* for the *admission* of *shares* must satisfy the *FCA* that it and its *subsidiary undertakings* (if any) have sufficient working capital available for the group's requirements for at least the next 12 months from the date of publication of the *prospectus* or *listing particulars* (as the case may be) for the *shares* that are being admitted.

6.1.17

FCA

G

The *FCA* may dispense with the requirement under ■ LR 6.1.16 R if an *applicant* already has *equity shares listed*, and the *FCA* is satisfied that the *prospectus* or *listing particulars* (as the case may be) contain satisfactory proposals for providing the additional working capital thought by the *applicant* to be necessary.

6.1.18

FCA

G

The *FCA* may dispense with the requirement under ■ LR 6.1.16 R if the *FCA* is satisfied that:

- (1) the *applicant's* business is entirely or substantially, that of banking, insurance or providing similar financial services;
- (2) the *applicant's* solvency and capital adequacy is regulated by the *FCA* or is suitably regulated by another regulatory body; and
- (3) the *applicant* is meeting its solvency and capital adequacy requirements and is expected to do so for the next 12 months without having to raise further capital.

Shares in public hands

6.1.19

FCA

R

(1) If an application is made for the *admission* of a *class* of *shares*, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public in one or more *EEA States*.

(2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states.

- (3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands.
- (4) For the purposes of paragraphs (1), (2) and (3), *shares* are not held in public hands if they are held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant class.
- (5) For the purposes of paragraph (3), *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*. [Note: article 48 CARD]

6.1.20

FCA

G

The FCA may modify ■ LR 6.1.19 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public. For that purpose, the FCA may take into account *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: article 48 CARD]

Shares of a non-EEA company

6.1.21

FCA

R

The FCA will not *admit shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors. [Note: article 51 CARD]

Warrants or options to subscribe

6.1.22

FCA

R

- (1) The total of all issued warrants to subscribe for *equity shares* or options to subscribe for *equity shares* must not exceed 20% of the issued *equity share capital* (excluding *treasury shares*) of the *applicant* as at the time of issue of the warrants or options.

- (2) Rights under *employees' share schemes* are not included for the purpose of the 20% limit in paragraph (1).

Settlement

6.1.23

FCA

R

To be *listed*, the constitution of the *company* and the terms of its *equity shares* must be compatible with electronic settlement.

6.1.24

FCA

G

In ■ LR 6.1.23 R, electronic settlement includes settlement by a "relevant system" (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755))

6.1.24A

FCA

G

■ LR 6.1.23 R is intended to ensure that that there is nothing inherent within the constitution of a *company* which prevents electronic settlement of its *equity shares*. The FCA recognises that for some companies there may be external factors which affect the eligibility of an *equity share* for electronic settlement.

Pre-emption rights

6.1.25

FCA

R

If the law of the country of its incorporation does not confer on *shareholders* rights which are at least equivalent to ■ LR 9.3.11 R, an *overseas company* applying for a *premium listing* must:

- (1) ensure its constitution provides for rights which are at least equivalent to the rights provided for in ■ LR 9.3.11 R (as qualified by ■ LR 9.3.12 R); and
- (2) be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.

Externally managed companies

6.1.26

FCA

R

A *company* applying for the *admission of equity shares to premium listing* must satisfy the FCA that the discretion of its board to make strategic decisions on behalf of the *company* has not been limited or transferred to a *person* outside the *issuer's group*, and that the board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *issuer's group*.

6.1.27

FCA

G

In considering whether a *company* applying for the *admission of equity shares to premium listing* has satisfied ■ LR 6.1.26 R, the FCA will consider, among other things, whether the board of the *issuer* consists solely of *non-executive directors* and whether significant elements of the strategic decision-making of or planning for the *company* take place outside the *issuer's group*, for example with an *external management company*.

Chapter 7

Listing Principles: Premium listing



7.1 Application and purpose

Application

7.1.1
FCA

R

The Listing Principles apply to every *listed company* with a *premium listing of equity shares* in respect of all its obligations arising from the *listing rules* and the *disclosure rules* and *transparency rules*.

Purpose

7.1.2
FCA

G

The purpose of the Listing Principles is to ensure that *listed companies* pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets.

7.1.3
FCA

G

The Listing Principles are designed to assist *listed companies* in identifying their obligations and responsibilities under the *listing rules* and the *disclosure rules* and *transparency rules*. The Listing Principles should be interpreted together with relevant *rules* and *guidance* which underpin the Listing Principles.

7.1.4
FCA

G

■ DEPP 6 (Penalties) and ■ EG 7 set out *guidance* on the consequences of breaching the Listing Principles.

7.2 The Listing Principles

7.2.1

FCA

R

The Listing Principles are as follows:

- Principle 1** *A listed company must take reasonable steps to enable its directors to understand their responsibilities and obligations as directors.*
- Principle 2** *A listed company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.*
- Principle 3** *A listed company must act with integrity towards holders and potential holders of its listed equity shares.*
- Principle 4** *A listed company must communicate information to holders and potential holders of its listed equity shares in such a way as to avoid the creation or continuation of a false market in such listed equity shares.*
- Principle 5** *A listed company must ensure that it treats all holders of the same class of its listed equity shares that are in the same position equally in respect of the rights attaching to such listed equity shares.*
- Principle 6** *A listed company must deal with the FCA in an open and co-operative manner.*

7.2.2

FCA

G

Guidance on Principle 2

Principle 2 is intended to ensure that *listed companies* have adequate procedures, systems and controls to enable them to comply with their obligations under the *listing rules* and *disclosure rules* and *transparency rules*. In particular, the *FCA* considers that *listed companies* should place particular emphasis on ensuring that they have adequate procedures, systems and controls in relation to:

- (1) identifying whether any obligations arise under ■ LR 10 (Significant transactions) and LR 11 (Related party transactions); and
- (2) the timely and accurate disclosure of information to the market.

7.2.3
FCA

G

Timely and accurate disclosure of information to the market is a key obligation of *listed companies*. For the purposes of Principle 2, a *listed company* with a *premium listing* should have adequate systems and controls to be able to:

- (1) ensure that it can properly identify information which requires disclosure under the *listing rules* or *disclosure rules* and *transparency rules* in a timely manner; and
- (2) ensure that any information identified under (1) is properly considered by the *directors* and that such a consideration encompasses whether the information should be disclosed.

Chapter 8

Sponsors: Premium listing



8.1 Application

Sponsors and applicants

8.1.1

FCA

R

A *sponsor* and a *person* which is applying for approval as a *sponsor* must comply with:

- (1) ■ LR 8.3 to ■ LR 8.4; and
- (2) ■ LR 8.6 to ■ LR 8.7.

Listed companies and applicants

8.1.2

FCA

R

A *company* with, or applying for, a *premium listing* must comply with ■ LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■ LR 8.5 (Responsibilities of listed companies).

8.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

8.2.1

FCA

R

A company with, or applying for, a *premium listing* of its *equity shares* must appoint a *sponsor* on each occasion that it:

- (1) is required to submit any of the following documents to the *FCA* in connection with an application for *admission of equity shares to premium listing*:
 - (a) a *prospectus* or *equivalent document* ; or
 - (b) a certificate of approval from another competent authority; or
 - (c) a summary document as required by ■ PR 1.2.3 R (8); or
 - (d) *listing particulars* referred to in ■ LR 15.3.3 R or ■ LR 16.3.4 R;
or
- (2) is required to submit to the *FCA* a *class 1 circular* for approval;
or
- (3) is required to submit to the *FCA* a *circular* that proposes a reconstruction or a refinancing which is required by ■ LR 9.5.12 R to include a working capital statement ; or
- (4) is required to submit to the *FCA* a *circular* for the proposed purchase of own *shares*: which is required by ■ LR 13.7.1 R (2) to include a working capital statement; or

[Note: This does not include a *circular* issued by a *closed-ended investment company*.]
- (5) is required to do so by the *FCA* because it appears to the *FCA* that there is, or there may be, a breach of the *listing rules* , the *disclosure rules* or the *transparency rules* by the *listed company* ; or

- (6) is required by ■ LR 11.1.10 R (2)(b) to provide the *FCA* with a confirmation that the terms of the proposed *related party transaction* are fair and reasonable; or
- (7) is required to submit to the *FCA* a *related party circular* which is required by ■ LR 13.6.1 R (5) to include a statement by the board that the transaction or arrangement is fair and reasonable; or
- (8) is required by ■ LR 8.4.3R (4) to submit to the *FCA* a letter from a *sponsor* in relation to the *applicant's* eligibility; or
- (9) is required to make an announcement or request a suspension in connection with a *reverse takeover* under ■ LR 5.6.6 R; or
- (10) provides to the *FCA* a disclosure regime confirmation in connection with a *reverse takeover* under ■ LR 5.6.12 G (1); or
- (11) makes a disclosure announcement in connection with a *reverse takeover* under ■ LR 5.6.15 G that contains a declaration described in ■ LR 5.6.15 G (3) or ■ LR 5.6.15 G (4); or
- (12) submits to the *FCA* a letter in relation to the *issuer's* eligibility in connection with a *reverse takeover* under ■ LR 5.6.23 G (2); or
- (13) provides confirmation to the *FCA* of its severe financial difficulty for the purposes of ■ LR 10.8.3 G (2); or
- (14) is required to provide an assessment of the appropriateness of an investment exchange or *multilateral trading facility* under ■ LR 13.5.27B R.

8.2.1A

FCA

R

A company must appoint a *sponsor* where it applies to transfer its category of *equity shares' listing* from:

- (1) a *standard listing (shares)* to a *premium listing (commercial company)*; or
- (2) a *standard listing (shares)* to a *premium listing (investment company)*; or
- (3) a *premium listing (investment company)* to a *premium listing (commercial company)*; or
- (4) a *premium listing (commercial company)* to a *premium listing (investment company)*.

Other transactions where a company with a premium listing must obtain a sponsor's guidance

8.2.2

FCA

R

If a *company* with a *premium listing* is proposing to enter into a transaction which due to its size or nature could amount to a *class 1 transaction* or a *reverse takeover* it must obtain the guidance of a *sponsor* to assess the application of the *listing rules*, the *disclosure rules* and the *transparency rules*.

8.2.3

FCA

R

If a *company* with a *premium listing* is proposing to enter into a transaction which is, or may be, a *related party transaction* it must obtain the guidance of a *sponsor* in order to assess the application of the *listing rules* , the *disclosure rules* and the *transparency rules* .

8.3 Role of a sponsor: general

Responsibilities of a sponsor

8.3.1

FCA

R

A *sponsor* must in relation to a *sponsor service*:

- (1) referred to in ■ LR 8.2.1R (1) to ■ (4), ■ LR 8.2.1R (11), ■ LR 8.2.1A R and, where relevant ■ LR 8.2.1R (5) , provide assurance to the *FCA* when required that the responsibilities of the *company* with or applying for a *premium listing* of its *equity shares* under the *listing rules* have been met;
- (1A) provide to the *FCA* any explanation or confirmation in such form and within such time limit as the *FCA* reasonably requires for the purposes of ensuring that the *listing rules* are being complied with by a *company* with or applying for a *premium listing* of its *equity shares*; and
- (2) guide the *company* with or applying for a *premium listing* of its *equity shares* in understanding and meeting its responsibilities under the *listing rules*, the *disclosure rules* and the *transparency rules*.

8.3.1A

FCA

R

A *sponsor* must, for so long as it provides a *sponsor service*:

- (1) take such reasonable steps as are sufficient to ensure that any communication or information it provides to the *FCA* in carrying out the *sponsor service* is, to the best of its knowledge and belief, accurate and complete in all material respects; and
- (2) as soon as possible provide to the *FCA* any information of which it becomes aware that materially affects the accuracy or completeness of information it has previously provided.

8.3.1B

FCA

G

Where a *sponsor* provides information to the *FCA* which is or is based on information it has received from a third party, in assessing whether a *sponsor* has complied with its obligations in ■ LR 8.3.1AR (1) the *FCA* will have regard, amongst other things, to whether a *sponsor* has appropriately used its own knowledge, judgment and expertise to review and challenge the information provided by the third party.

8.3.2 **FCA** **G** The *sponsor* will be the main point of contact with the *FCA* for any matter referred to in **■** LR 8.2. The *FCA* expects to discuss all issues relating to a transaction and any draft or final document directly with the *sponsor*. However, in appropriate circumstances, the *FCA* will communicate directly with the *company* with or applying for a *premium listing* of its *equity shares*, or its advisers.

8.3.2A **FCA** **G** A *sponsor* remains responsible for complying with **■** LR 8.3 even where a *sponsor* relies on the *company* with or applying for a *premium listing* of its *equity shares* or a third party when providing an assurance or confirmation to the *FCA* .

Principles for sponsors: due care and skill

8.3.3 **FCA** **R** A *sponsor* must in relation to a *sponsor service* act with due care and skill.

Principles for sponsors: duty regarding directors of listed companies

8.3.4 **FCA** **R** Where, in relation to a *sponsor service*, a *sponsor* gives any guidance or advice to a *listed company* or *applicant* on the application or interpretation of the *listing rules* or *disclosure rules* and *transparency rules* , the *sponsor* must take reasonable steps to satisfy itself that the *director* or *directors* of the *listed company* understand their responsibilities and obligations under the *listing rules* and *disclosure rules* and *transparency rules*.

Principles for sponsors: relations with the FCA

8.3.5 **FCA** **R** A *sponsor* must at all times (whether in relation to a *sponsor service* or otherwise):

- (1) deal with the *FCA* in an open and co-operative way; and
- (2) deal with all enquiries raised by the *FCA* promptly.
- (3) [deleted]

8.3.5A **FCA** **R** If, in connection with the provision of a *sponsor service*, a *sponsor* becomes aware that it, or a *company* with or applying for a *premium listing* of its *equity shares* is failing or has failed to comply with its obligations under the *listing rules* , the *disclosure rules* or the *transparency rules*, the *sponsor* must promptly notify the *FCA* .

8.3.5B **FCA** **R** A *sponsor* must, in relation to a *sponsor service*, act with honesty and integrity.

8.3.6 **R** (1) [deleted]

(2) [deleted]

(3) [deleted]

8.3.7 **G** (1) [deleted]

(2) [deleted]

Principles for sponsors: identifying and managing conflicts

8.3.7A

FCA

G

The purpose of ■ LR 8.3.7B R to ■ LR 8.3.13 G is to ensure that conflicts of interest do not adversely affect:

- (1) the ability of a *sponsor* to perform its functions properly under this chapter; or
- (2) market confidence in *sponsors*.

8.3.7B

FCA

R

A *sponsor* must take all reasonable steps to identify conflicts of interest that could adversely affect its ability to perform its functions properly under this chapter.

8.3.8

FCA

G

In identifying conflicts of interest, *sponsors* should also take into account circumstances that could :

- (1) create a perception in the market that a sponsor may not be able to perform its functions properly; or
- (2) compromise the ability of a *sponsor* to fulfil its obligations to the *FCA* in relation to the provision of a *sponsor service*.

8.3.9

FCA

R

A *sponsor* must take all reasonable steps to put in place and maintain effective organisational and administrative arrangements that ensure conflicts of interest do not adversely affect its ability to perform its functions properly under this chapter.

8.3.10

FCA

G

Disclosure of a conflict of interest will not usually be considered to be an effective organisational or administrative arrangement for the purpose of ■ LR 8.3.9 R.

8.3.11

FCA

R

If, in relation to a *sponsor service* , a *sponsor* is not reasonably satisfied that its organisational and administrative arrangements will ensure that a conflict of interest will not adversely affect its ability to perform its functions properly under this chapter, it must decline or cease to provide the *sponsor services*.

8.3.12

FCA

G

■ LR 8.3.11 R recognises that there will be some conflicts of interest that cannot be effectively managed. Providing *sponsor services* in those cases could adversely affect both a *sponsor's* ability to perform its functions and market confidence in the *sponsor* regime. If in doubt about whether a conflict can be effectively managed a *sponsor* should discuss the issue with the *FCA* before it decides if it can provide a *sponsor service*.

8.3.12A

FCA

G

■ LR 8.3.7B R, ■ LR 8.3.9 R and ■ LR 8.3.11 R apply for so long as the *sponsor* provides a *sponsor service*.

8.3.13

FCA

G

Principles for sponsors: acting for another sponsor

The requirements in this section apply to a *sponsor* that acts for another *sponsor*. The delegating *sponsor* is not relieved of its obligations under this section or elsewhere in ■ LR 8.

[Note: See ■ LR 8.7.16 R to ■ LR 8.7.18 R which deal with delegation of functions.]

8.3.14

FCA

R

Principles for sponsors: joint sponsors

If a *listed company* or *applicant* appoints more than one *sponsor* to provide *sponsor services* in relation to a transaction then:

- (1) the appointment does not relieve either of the appointed *sponsors* of their obligations under ■ LR 8; and
- (2) the *sponsors* are each responsible for complying with the obligations under this section and elsewhere in ■ LR 8 in relation to the transaction.

8.4 Role of a sponsor: transactions

Application for admission: new applicants

8.4.1
FCA

R

■ LR 8.4.2 R to ■ LR 8.4.4 G apply in relation to an application for admission of equity shares to premium listing if an applicant does not have equity shares already admitted to premium listing and ■ LR 6.1.1 R does not apply because of the operation of ■ LR 6.1.1A R, and:

- (1) the production of a *prospectus* or *equivalent document* is required; or
- (2) the application is accompanied by a certificate of approval from another competent authority; or
- (3) the application is accompanied by a summary document as required by ■ PR 1.2.3 R (8) ; or
- (4) the production of *listing particulars* is required in the circumstances referred to in ■ LR 15.3.3 R or ■ LR 16.3.4 R.

8.4.2
FCA

R

A sponsor must not submit to the FCA an application on behalf of an applicant, in accordance with ■ LR 3, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the applicant has satisfied all requirements of the *listing rules* relevant to an application for admission to listing;
- (2) the applicant has satisfied all applicable requirements set out in the *prospectus rules* unless the home Member State of the applicant is not, or will not be, the United Kingdom;
- (3) the directors of the applicant have established procedures which enable the applicant to comply with the *listing rules* and the *disclosure rules* and *transparency rules* on an ongoing basis;
- (4) the directors of the applicant have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the applicant and its group; and

- (5) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required by ■ LR 6.1.16 R.

New applicants: procedure

8.4.3

FCA

R

A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FCA* either:
 - (a) on the day the *FCA* is to consider the application for approval of the *prospectus* and prior to the time the *prospectus* is approved; or
 - (b) at a time agreed with the *FCA*, if the *FCA* is not approving the *prospectus* or if it is determining whether a document is an *equivalent document* ;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9 a.m. on the day the *FCA* is to consider the application;
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering:
 - (a) the application for *listing*; and
 - (b) whether the *admission* of the *equity shares* would be detrimental to investors' interests;

have been disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FCA*; and
- (4) submit a letter to the *FCA* setting out how the *applicant* satisfies the criteria in ■ LR 2 (Requirements for listing - all securities), ■ LR 6 (Additional requirements for premium listing (commercial company)) and, if applicable, ■ LR 15 or ■ LR 16, no later than when the first draft of the *prospectus* or *listing particulars* is submitted (or, if the *FCA* is not approving a *prospectus* or if it is determining whether a document is an *equivalent document*, at a time to be agreed with the *FCA*).

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

8.4.4

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11

FCA

G

Depending on the circumstances of the case, a *sponsor* providing services to an *applicant* on an application for *admission to listing* may have to confirm in writing to the *FCA* that the board of the *applicant* has allotted the *equity shares*.

[Note: see ■ LR 3.3.4 R]

8.4.5 **R** (1) [deleted]

(2) [deleted]

(3) [deleted]

8.4.6 **R** (1) [deleted]

(a) [deleted]

(b) [deleted]

(2) [deleted]

Application for admission: further issues

8.4.7

FCA

R

■ LR 8.4.8 R to ■ LR 8.4.10 G apply in relation to an application for admission of equity shares of an applicant that has equity shares already listed or in circumstances in which ■ LR 6.1.1A R applies.

8.4.8

FCA

R

A sponsor must not submit to the FCA an application on behalf of an applicant, in accordance with ■ LR 3 (Listing applications), unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

(1) the applicant has satisfied all requirements of the listing rules relevant to an application for admission to listing;

(2) the applicant has satisfied all applicable requirements set out in the prospectus rules unless the home Member State of the applicant is not, or will not be, the United Kingdom; and

(3) the directors of the applicant have a reasonable basis on which to make the working capital statement required by ■ LR 6.1.16 R or a qualified working capital statement in accordance with ■ LR 6.1.17 G (as the case may be).

Further issues: procedure

8.4.9

FCA

R

A sponsor must:

(1) submit a completed Sponsor's Declaration on an Application for Listing to the FCA either:

(a) on the day the FCA is to consider the application for approval of the prospectus and prior to the time the prospectus is approved; or

(b) at a time agreed with the FCA if the FCA is not approving the prospectus or if it is determining whether a document is an equivalent document ;

- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FCA* by 9 a.m. 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 *listing* have been disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FCA*.

Note: The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the *FCA*'s website.

8.4.10

FCA

G

Depending on the circumstances of the case, a *sponsor* providing services to an *applicant* on an application for *admission to listing* may have to confirm in writing to the *FCA* the number of *equity shares* to be allotted or admitted. [Note: see ■ LR 3.3]

Class 1 circulars, refinancing and purchase of own equity shares

8.4.11

FCA

R

■ LR 8.4.12 R to ■ LR 8.4.13 R apply in relation to transactions involving an *issuer* with a *premium listing* of *equity shares* that:

- (1) is required to produce a *class 1 circular*; or
- (2) is producing a *circular* that proposes a reconstruction or a re-financing which does not constitute a *class 1 transaction*; or
- (3) is producing a *circular* for the proposed purchase of own *shares*;
 - (a) which does not constitute a *class 1 circular*; and
 - (b) is required by ■ LR 13.7.1 R (2) to include a working capital statement.

8.4.12

FCA

R

A *sponsor* must not submit to the *FCA* , on behalf of a *listed company*, an application for approval of a *circular* regarding a transaction set out in ■ LR 8.4.11 R, unless the *sponsor* has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *listed company* has satisfied all requirements of the *listing rules* relevant to the production of a *class 1 circular* or other *circular*;
- (2) the transaction will not have an adverse impact on the *listed company's* ability to comply with the *listing rules* or the *disclosure rules* and *transparency rules*; and
- (3) the *directors* of the *listed company* have a reasonable basis on which to make the working capital statement required by ■ LR 9.5.12 R, ■ LR 13.4.1 R or ■ LR 13.7.1 R.

8.4.13

FCA

R

Circulars: procedure

A *sponsor* acting on a transaction falling within ■ LR 8.4.11 R 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;
- (2) submit a completed Pricing Statement, if applicable, to the *FCA* by 9 a.m 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 transaction have been disclosed with sufficient prominence in the documentation or otherwise in writing to the *FCA* .

Note: The Sponsor's Declaration for the Production of a Circular and the Pricing Statement forms can be found on the UKLA section of the *FCA*'s website.

Applying for transfer between listing categories

8.4.14

FCA

R

In relation to a proposed transfer under ■ LR 5.4A, if a *sponsor* is appointed in accordance with ■ LR 8.2.1A R , it must:

- (1) submit a letter to the *FCA* setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer, by no later than when the first draft of the *circular* or announcement required under ■ LR 5.4A is submitted;
- (2) submit a completed Sponsor's Declaration for a Transfer of Listing to the *FCA* for the proposed transfer on the day the *circular* or announcement is to be approved by the *FCA* and before it is approved; 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 transfer between *listing* categories have been disclosed with sufficient prominence in the *circular* or announcement referred to in ■ LR 5.4A or otherwise in writing to the *FCA* .

[Note: The Sponsor's Declaration for a Transfer of Listing can be found on the UKLA section of the *FCA* website.]

8.4.15

FCA

R

A *sponsor* must not submit to the *FCA* on behalf of an *issuer* a final *circular* or announcement for approval or a Sponsor's Declaration for a Transfer of Listing, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

PAGE
14

- (1) the *issuer* satisfies all eligibility requirements of the *listing rules* that are relevant to the new category to which it is seeking to transfer;
- (2) the *issuer* has satisfied all requirements relevant to the production of the *circular* required under ■ LR 5.4A.4 R or the announcement required under ■ LR 5.4A.5 R (whichever is relevant);
- (3) the *directors* of the *issuer* have established procedures which enable the *issuer* to comply with the *listing rules*, the *disclosure rules* and the *transparency rules* on an ongoing basis;
- (4) the *directors* of the *issuer* have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the *issuer* and its *group*; and
- (5) the *directors* of the *issuer* have a reasonable basis on which to make the working capital statement (if any) required in connection with the transfer.

8.4.16

FCA

R

■ LR 8.4.15 R (3), ■ LR 8.4.15 R (4) and ■ LR 8.4.15 R (5) do not apply in relation to an *issuer* that was required to meet these requirements under its existing *listing* category.

Reverse takeovers

8.4.17

FCA

R

A *sponsor* acting on a *reverse takeover* where the *issuer* decides to make a disclosure announcement under ■ LR 5.6.15 G must:

- (1) submit to the *FCA* under ■ LR 5.6.17 R a completed Sponsor's Declaration for a Reverse Takeover Announcement;
- (2) not submit to the *FCA* the Sponsor's Declaration for a Reverse Takeover Announcement unless it has come to a reasonable opinion, after having made due and careful enquiry, that it is reasonable for the *issuer* to provide the declarations described in ■ LR 5.6.15 G (3) and ■ LR 5.6.15 G (4); and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FCA* in considering a proposed disclosure announcement under ■ LR 5.6.15 G have been disclosed with sufficient prominence in the announcement or otherwise in writing to the *FCA* .

[Note: The Sponsor's Declaration for a Reverse Takeover Announcement can be found on the UKLA section of the *FCA* website.]

8.5 Responsibilities of listed companies

Notifications to FCA

8.5.1
FCA

R

A *listed company* or *applicant* must ensure that the *FCA* is informed promptly of the name and contact details of any *sponsor* appointed in accordance with the *listing rules* (either by the *listed company* or *applicant* or by the *sponsor* itself).

8.5.2
FCA

R

- (1) A *listed company* or *applicant* must notify the *FCA* in writing immediately of the resignation or dismissal of any *sponsor* that it had appointed.
- (2) In the case of a dismissal, the reasons for the dismissal must be included in the notification.
- (3) The notification must be copied to the *sponsor*.

Listed company appoints more than one sponsor

8.5.3
FCA

R

Where a *listed company* or *applicant* appoints more than one *sponsor*, the *company* must:

- (1) ensure that one of the *sponsors* that is appointed takes primary responsibility for contact with the *FCA* in respect of the entire application or transaction; and
- (2) inform the *FCA* , in writing, of the name and contact details of the *sponsor* taking responsibility under ■ LR 8.5.3R (1) .

8.5.4

R

[deleted]

8.5.5

G

[deleted]

8.5.6
FCA

R

Cooperation with sponsors

In relation to the provision of a *sponsor service*, a *company* with or applying for a *premium listing* of its *equity shares* must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with ■ LR 8.



8.6 Criteria for approval as a sponsor

List of sponsors

8.6.1
FCA

G The *FCA* will maintain a *list of sponsors* on its website.

Application for approval as a sponsor

8.6.2
FCA

R A *person* wanting to provide *sponsor services* , and to be included on the *list of sponsors*, must apply to the *FCA* for approval as a *sponsor* by submitting the following to the Sponsor Supervision Team at the *FCA*'s address:

- (1) a completed Sponsor Firm Application Form; and
- (2) [deleted]
- (3) the application fee set out in ■ FEES 3 .

[Note: The Sponsor's Firm Application Form can be found on the UKLA section of the *FCA*'s website.]

8.6.3
FCA

R A *person* wanting to provide *sponsor services* and be included on the *list of sponsors* must also submit:

- (1) all additional documents, explanations and information as required by the *FCA* ; and
- (2) verification of any information in such a manner as the *FCA* may specify.

8.6.4
FCA

G When considering an application for approval as a *sponsor* the *FCA* may:

- (1) carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators;
- (2) request that the applicant or its specified representative answer questions and explain any matter the *FCA* considers relevant to the application; and
- (3) take into account any information which it considers appropriate in relation to the application .

(4) [deleted]

[Note: The decision-making procedures that the *FCA* will follow when it considers whether to refuse an application for approval as a *sponsor* are set out in *DEPP*.]

Criteria for approval as a sponsor

8.6.5
FCA

R The *FCA* will approve a *person* as a *sponsor* only if it is satisfied that the *person* :

- (1) is an *authorised person* or a *member* of a *designated professional body*;
- (2) is competent to perform *sponsor services* ; and
- (3) has appropriate systems and controls in place to ensure that it can carry out its role as a *sponsor* in accordance with this chapter.

8.6.5A
FCA

R The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide at the time of granting a *sponsor's* approval.

8.6.5B
FCA

R Situations when the *FCA* may impose restrictions or limitations on the services a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:

- (1) the employees of the *person* applying to be a *sponsor* whom it is proposed will perform *sponsor services* have no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or
- (2) the *person* applying to be a *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *person* applying to be a *sponsor* proposes to undertake.

[Note: A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

8.6.6
FCA

R A *sponsor* must comply, at all times, with the criteria set out in ■ LR 8.6.5 R.

Competence of a sponsor

8.6.7
FCA

R A *person* will be competent to provide *sponsor services* if it has a broad range of relevant experience and expertise in providing advice to *listed companies* and on the *listing rules*.

8.6.8

- G** (1) [deleted]
- (2) [deleted]

		(3) [deleted]
8.6.9	G	(1) [deleted] (2) [deleted] (a) [deleted] (b) [deleted] (3) [deleted]
8.6.9A FCA	G	In assessing whether a <i>person</i> is competent to provide, or to continue to provide, <i>sponsor services</i> , the <i>FCA</i> will generally have regard amongst other things to the <i>person's</i> : (1) prior relevant experience of providing <i>sponsor services</i> ; (2) skills, knowledge and expertise necessary for the proper performance of <i>sponsor services</i> ; and (3) prior corporate finance experience.
8.6.9B FCA	G	In assessing whether a <i>person</i> is competent to provide, or to continue to provide, <i>sponsor services</i> , the <i>FCA</i> may also take into account, where relevant, the quality of any guidance or advice on the <i>listing rules</i> or <i>disclosure rules</i> and <i>transparency rules</i> the <i>person</i> has given in circumstances other than in providing <i>sponsor services</i> .
8.6.10	R	[deleted]
8.6.11	G	[deleted]
		Systems and controls: general
8.6.12 FCA	G	A <i>sponsor</i> will generally be regarded as having appropriate systems and controls if there are: (1) clear and effective reporting lines in place (including clear and effective management responsibilities) ; (2) effective systems and controls for the appropriate supervision of <i>employees</i> engaged in the provision of <i>sponsor services</i> by the <i>sponsor</i> ; (3) effective systems and controls to ensure its compliance with all applicable <i>listing rules</i> at all times, including when performing <i>sponsor services</i> ; (4) [deleted] (5) [deleted] (6) effective systems and controls to ensure that it has appropriate staffing arrangements for the performance of <i>sponsor services</i> with due care and skill;

- (7) effective systems and controls to ensure that employees engaged in the provision of *sponsor services* by the *sponsor* receive appropriate guidance and training for the performance of those services with due care and skill ; and
- (8) effective systems and controls to identify and manage conflicts of interest.

8.6.13
FCA

G

The nature and extent of the systems and controls which a *sponsor* will need to maintain will depend upon a variety of factors including:

- (1) the nature, scale and complexity of its business;
- (2) the diversity of its operations;
- (3) the volume and size of the transactions it undertakes;
- (4) the volume and size of the transactions it anticipates undertaking in the following year ; and
- (5) the degree of risk associated with the transactions it undertakes.

Systems and controls: conflicts of interest

8.6.13A
FCA

G

A *sponsor* will generally be regarded as having appropriate systems and controls for identifying and managing conflicts if it has in place effective policies and procedures:

- (1) to ensure that decisions taken on managing conflicts of interest are taken by appropriately senior staff and on a timely basis;
- (2) to monitor whether arrangements put in place to manage conflicts are effective; and
- (3) to ensure that individuals within the *sponsor* are appropriately trained to enable them to identify, escalate and manage conflicts of interest .
- (4) [deleted]

8.6.13B
FCA

G

The policies and procedures referred to in ■ LR 8.6.13A G are distinct from the actual organisational and administrative arrangements that a *sponsor* is required to put in place and maintain under ■ LR 8.3.9 R to manage specific conflicts.

8.6.14

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[deleted]

8.6.15

R

[deleted]

8.6.16

G

[deleted]

- (1) [deleted]
- (2) [deleted]

- (3) [deleted]
 - (a) [deleted]
 - (b) [deleted]
 - (c) [deleted]
- (4) [deleted]

Systems and controls: record management

8.6.16A

FCA

R

A *sponsor* must have in place effective arrangements to create and retain for six years accessible records which are sufficient to be capable of demonstrating that it has provided *sponsor services* and otherwise complied with its obligations under ■ LR 8 in accordance with the *listing rules*, including:

- (1) where a declaration is to be submitted under ■ LR 8.4.3R (1), ■ LR 8.4.9R (1), ■ LR 8.4.13R (1), ■ LR 8.4.14R (2) or ■ LR 8.4.17 R or where relevant pursuant to an appointment under ■ LR 8.2.1R (5), the basis of each declaration given;
- (2) where any opinion, assurance or confirmation is provided by a *sponsor* to the *FCA* or a *company* with or applying for a *premium listing* in relation to a *sponsor service*, the basis of that opinion, assurance or confirmation;
- (3) where a *sponsor* provides guidance to a *company* with or applying for a *premium listing* pursuant to ■ LR 8.2.2 R, ■ LR 8.2.3 R or ■ LR 8.3.1R (2), the basis upon which the guidance is given and upon which any judgments or opinions underlying the guidance have been made or given; and
- (4) the steps taken to comply with its conflicts obligations under ■ LR 8.3.7B R, ■ LR 8.3.9 R and ■ LR 8.3.11 R and its ongoing eligibility obligations under ■ LR 8.6.6 R.

8.6.16B

FCA

G

Records should:

- (1) be capable of timely retrieval; and
- (2) include material communications which relate to the provision of *sponsor services*, including any advice or guidance given to a *company* with or applying for a *premium listing* in relation to their responsibilities under the *listing rules*, the *disclosure rules* and the *transparency rules*.

PAGE
21

8.6.16C

FCA

G

In considering whether a *sponsor* has satisfied the requirements regarding sufficiency of records in ■ LR 8.6.16A R, the *FCA* will consider whether the records would enable a person with general knowledge of the sponsor regime but no specific knowledge of the actual

sponsor service undertaken to understand and verify the basis upon which material judgments have been made throughout the provision of the *sponsor service*.

8.6.17 **R** [deleted]

8.6.18 **R** [deleted]

Contact persons

8.6.19

FCA

R For each transaction for which it provides *sponsor services*, a *sponsor* must:

- (1) notify the *FCA* as soon as practicable of the name and contact details of the main contact *person* or *persons* in the *sponsor* for that transaction; and
- (2) ensure that the contact *person* or *persons*:
 - (a) have sufficient knowledge about the *listed company* or *applicant* and the proposed transaction to be able to answer queries from the *FCA* about it; and
 - (b) are available to answer queries from the *FCA* on any business day between 7 am and 6pm.

8.7 Supervision of sponsors

8.7.1

FCA

G

The *FCA* expects to have an open, co-operative and constructive relationship with a *sponsor* to enable it to have a broad picture of the *sponsor's* activities and its ability to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R.

Requirement to provide information

8.7.1A

FCA

R

- (1) The *FCA* may by notice in writing given to a *sponsor*, or a *person* applying for approval as a *sponsor*, require it to provide specified documents or specified information to the *FCA*.
- (2) The *sponsor*, or the *person* applying for approval as a *sponsor*, must as soon as practicable provide to the *FCA* any documents or information that it has been required to provide under (1).
- (3) This rule applies only to documents or information reasonably required by the *FCA* in connection with the performance of its functions in relation to a *sponsor*, a *person* applying for approval as a *sponsor* or a *company* that has appointed a *sponsor*.

Supervisory tools

8.7.2

FCA

G

The *FCA* uses a variety of tools to monitor whether a *sponsor*:

- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R; and
- (2) remains in compliance with all applicable *listing rules*.

8.7.2A

FCA

R

The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide at any time following the grant of a *sponsor's* approval.

8.7.2B

FCA

G

Situations when the *FCA* may impose restrictions or limitations on the services a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:

- (1) the *sponsor* has no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or

- (2) the *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *sponsor* is undertaking or proposing to undertake.

[Note: A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

8.7.3
FCA

G FCA staff, after notifying the *sponsor*, may make supervisory visits to a *sponsor* on a periodic and an ad hoc basis.

8.7.4
FCA

G The FCA will give reasonable notice to a *sponsor* of requests for meetings or requests for access to a *sponsor's* documents and records.

Requests from other regulators

8.7.5
FCA

G The FCA , on behalf of other regulators, may request information from a *sponsor* or pass information on to other regulators to enable such regulators to discharge their functions.

Fees

8.7.6
FCA

R A *sponsor* must pay the annual fee set out in ■ FEES 4 in order to remain on the *list of sponsors*.

Annual notifications

8.7.7
FCA

R A *sponsor* must provide to the FCA on or after the first *business day* of January in each year but no later than the last *business day* of January in each year:

- (1) written confirmation that it continues to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R; and
- (1A) for each of the criteria in that rule, evidence of the basis upon which it considers that it meets that criterion .
- (2) [deleted]
- (3) [deleted]
- (4) [deleted]

8.7.7A
FCA

R Written confirmation must be provided by submitting a completed Sponsor Annual Notification Form to the FCA at the FCA's address.

[Note: The Sponsor Annual Notification Form can be found on the UKLA section of the FCA's website.]

8.7.8

FCA

R

General notifications

A *sponsor* must notify the *FCA* in writing as soon as possible if:

- (1) (a) the *sponsor* ceases to satisfy the criteria for approval as a *sponsor* set out in ■ LR 8.6.5 R or becomes aware of any matter which, in its reasonable opinion, would be relevant to the *FCA* in considering whether the *sponsor* continues to comply with ■ LR 8.6.6 R; or
 - (b) the *sponsor* becomes aware of any fact or circumstance relating to the *sponsor* or any of its employees engaged in the provision of *sponsor services* by the *sponsor* which, in its reasonable opinion, would be likely to adversely affect market confidence in the *sponsor* regime; or
- (2) the *sponsor*, or any of its *employees* engaged in the provision of *sponsor services* by the *sponsor*, are:
 - (a) convicted of any offence involving fraud, theft or other dishonesty; or
 - (b) the subject of a bankruptcy proceeding, a receiving order or an administration order; or
- (3) any of its *employees* engaged in the provision of *sponsor services* by the *sponsor* are disqualified by a court from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*; or
- (4) the *sponsor*, or any of its *employees* engaged in the provision of *sponsor services* by the *sponsor*, are subject to any public criticism, regulatory intervention or disciplinary action:
 - (a) by the *FCA* ; or
 - (b) by any *designated professional body*; or
 - (c) by any body that is comparable to the *FCA* or a *designated professional body*; or
 - (d) under any comparable legislation in any jurisdiction outside the *United Kingdom*; or
- (5) the *sponsor* resigns or is dismissed by a *listed company* or *applicant*, giving details of any relevant facts or circumstances;
- (6) the *sponsor* changes its name; or
- (7) [deleted]

- (8) a *listed company* or *applicant* denies the *sponsor* access to documents or information that have been the subject of a reasonable request by the *sponsor*; or
- (9) it identifies or otherwise becomes aware of any material deficiency in the *sponsor's* systems and controls ; or
- (10) there is intended to be a change of control of the *sponsor*, any restructuring of the *sponsor's group*, or a re-organisation of or a substantial change to the *directors*, partners or *employees* engaged in the provision of *sponsor services* by the *sponsor*, or
- (11) there is expected to be a change in the financial position of the *sponsor* or any of its *group companies* that would be likely to adversely affect the *sponsor's* ability to perform *sponsor services* or otherwise comply with ■ LR 8.

8.7.8A
FCA

R Where a *sponsor* is of the opinion that notwithstanding the circumstances giving rise to a notification obligation under ■ LR 8.7.8 R, it continues to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ LR 8.6.6 R, it must include in its notification to the *FCA* a statement to that effect and the basis for its opinion.

8.7.9
FCA

G General notifications may be made in the first instance by telephone, but must be confirmed promptly in writing.

8.7.10
FCA

G Written notifications should be sent to the Sponsor Supervision Team at the *FCA's* address.

8.7.11

R [deleted]

8.7.12

R [deleted]

8.7.13

R [deleted]

8.7.14

R [deleted]

8.7.15

G [deleted]

Performance of functions on behalf of a sponsor

8.7.16
FCA

R A *sponsor* must not delegate any of its functions as such, or permit another *person* to perform those functions, unless that *person* is on the *list of sponsors*.

8.7.17
FCA

(1) A *sponsor* that delegates any of its functions or permits another *sponsor* to perform its functions is not relieved of its obligations under the *listing rules*.

- (2) A *sponsor* that performs any function on behalf of another *sponsor* must comply with the requirements set out in ■ LR 8.3.

8.7.18

FCA

R

A *sponsor* must notify the *FCA* in writing as soon as practicable before another *sponsor* performs functions on its behalf of:

- (1) the identity of that *sponsor*; and
- (2) a detailed description of the functions that the *sponsor* is to perform on its behalf.

Discipline of sponsors

8.7.19

R

[deleted]

8.7.20

FCA

G

EG sets out the *FCA*'s policy on when and how it will use its disciplinary powers, including in relation to a *sponsor*. A *statutory notice* may be required under section 88B of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.

Cancellation of a sponsor's approval at the sponsor's request

8.7.21

FCA

G

A *sponsor* that intends to request the *FCA* to cancel its approval as a *sponsor* should comply with ■ LR 8.7.22 R.

8.7.21A

FCA

G

Examples of when a *sponsor* should submit a cancellation request pursuant to ■ LR 8.7.22 R include, but are not limited to:

- (1) situations where the *sponsor* ceases to satisfy the ongoing criteria for approval as a *sponsor* in accordance with ■ LR 8.6.6 R and, following a notification made under ■ LR 8.7.8 R, there are no ongoing discussions with the *FCA* which could lead to the conclusion that the *sponsor* remains eligible; or
- (2) where there is a change of control of the *sponsor* or any restructuring of the *sponsor's group* that will result in *sponsor services* being provided by a different *person*, in which case the *person* that is intended to provide the *sponsor services* should apply for approval as a *sponsor* under ■ LR 8.6 before it provides any *sponsor services*.

8.7.22

FCA

R

A request by a *sponsor* for its approval as a *sponsor* to be cancelled must be in writing and must include:

- (1) the *sponsor's* name;
- (2) a clear explanation of the background and reasons for the request;
- (3) the date on which the *sponsor* requests the cancellation to take effect ;
- (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and

- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

8.7.23

FCA

G

A *sponsor* may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

8.7.24

G

(1) [deleted]

(2) [deleted]

Suspension of a sponsor's approval at the sponsor's request

8.7.25

FCA

R

A request by a *sponsor* for its approval as a *sponsor* to be suspended must be in writing and must include:

- (1) the *sponsor's* name;
- (2) a clear explanation of the background and reasons for the request;
- (3) the date on which the *sponsor* requests the suspension to take effect;
- (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and
- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

8.7.26

FCA

G

A *sponsor* may withdraw its request at any time before the suspension takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

Sponsors: advancing the FCA's operational objectives

8.7.27

FCA

G

The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide or suspend a *sponsor's* approval under section 88E of the *Act* if the *FCA* considers it desirable to do so in order to advance one or more of its *operational objectives*.

[Note: A *statutory notice* may be required under section 88F of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

Chapter 9

Continuing obligations



9.1 Preliminary

Application

9.1.1

FCA

R

This chapter applies to a *company* that has a *premium listing* of *equity shares*.

9.1.2

R

[deleted]

9.1.2A

G

[deleted]

9.1.3

R

[deleted]

9.1.4

R

[deleted]

9.2 Requirements with continuing application

Admission to trading

9.2.1

FCA

R A *listed company* must comply with ■ LR 2.2.3 R at all times.

9.2.2

FCA

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; or
- (2) requested a *RIE* to cancel or suspend trading of any of its *listed equity shares*; or
- (3) been informed by a *RIE* that trading of any of its *listed equity shares* will be cancelled or suspended.

Control of assets and independent business

9.2.2A

FCA

R A *listed company* that has *equity shares listed* must comply with ■ LR 6.1.4 R (2) and ■ (3) at all times. This rule does not apply to a *mineral company*, a *scientific research based company*, a *closed-ended investment fund* or an *open-ended investment company*.

Settlement arrangements

9.2.3

FCA

R A *listed company* must comply with ■ LR 6.1.23 R at all times.

9.2.4

R [deleted]

Compliance with the disclosure rules and transparency rules

9.2.5

FCA

G A *listed company*, whose *equity shares* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under ■ DTR 2 (Disclosure and control of inside information by issuers).

9.2.6

FCA

R A *listed company* that is not already required to comply with ■ DTR 2 (Disclosure and control of inside information by issuers) must comply with ■ DTR 2 as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.

9.2.6A
FCA

G

A *listed company*, whose *equity shares* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).

9.2.6B
FCA

R

A *listed company* that is not already required to comply with the *transparency rules* (or with corresponding requirements imposed by another *EEA Member State*) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.

Compliance with the Model Code

9.2.7
FCA

R

No dealings in any *securities* may be effected by or on behalf of a *listed company* or any other member in its *group* at a time when, under the provisions of the *Model Code*, a *director* of the *company* would be prohibited from dealing in its *securities*, unless such dealings are entered into:

- (1) in the ordinary course of business by a securities dealing business; or
- (2) on behalf of third parties by the *company* or any other member of its *group*.

9.2.8
FCA

R

A *listed company* must require every *person discharging managerial responsibilities*, including *directors* to comply with the *Model Code* and to take all proper and reasonable steps to secure their compliance.

9.2.8A
FCA

G

- (1) The *Act* provides that an individual who is not a *director* can still be a *person discharging managerial responsibilities* in relation to an issuer if they are a "senior executive of such an issuer" and they meet the criteria set out in the *Act*.
- (2) An individual may be a "senior executive of such an issuer" irrespective of the nature of any contractual arrangements between the individual and the *issuer* and notwithstanding the absence of a contractual arrangement between the individual and the *issuer*, provided the individual has regular access to inside information relating, directly or indirectly, to the *issuer* and has power to make managerial decisions affecting the future development and business prospects of the *issuer*.

9.2.9
FCA

G

A *listed company* may impose more rigorous dealing obligations than those required by the *Model Code*.

9.2.10
FCA

R

Where clearance is given to a *person* to deal in exceptional circumstances (pursuant to paragraph 9 of the *Model Code*) in a *close period*, the notification to a *RIS* required by ■ DTR 3.1.4 R must also include a statement of the exceptional circumstances.

Contact details

9.2.11 **R** **FCA** A *listed company* must ensure that the *FCA* is provided with up to date contact details of at least one appropriate person nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules* and the *disclosure rules* and *transparency rules*.

9.2.12 **G** **FCA** The contact person referred to in **■ LR 9.2.11 R** will be expected to be:

- (1) knowledgeable about the *listed company* and the *listing rules* applicable to it;
- (2) capable of ensuring that appropriate action is taken on a timely basis; and
- (3) contactable on *business days* between the hours of 7 a.m. to 7 p.m.

Sponsors

9.2.13 **G** **FCA** A *listed company* should consider its notification obligations under **■ LR 8.5**.

9.2.13A **R** **FCA** In relation to the provision of a *sponsor service*, a *company* with a *premium listing* of its *equity shares* must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with **■ LR 8**.

9.2.14 **R** [deleted]

Shares in public hands

9.2.15 **R** **FCA** A *listed company* must comply with **■ LR 6.1.19 Rat** all times.

9.2.16 **R** **FCA** A *listed company* that no longer complies with **■ LR 6.1.19 R** must notify the *FCA* as soon as possible of its non-compliance.

9.2.17 **G** **FCA** A *listed company* should consider **■ LR 5.2.2 G (2)** in relation to its compliance with **■ LR 6.1.19 R**.

Publication of unaudited financial information

9.2.18 **R** **FCA**

- (1) This *rule* applies to a *listed company* that has published:
 - (a) any unaudited financial information in a *class 1 circular* or a *prospectus*; or
 - (b) any *profit forecast* or *profit estimate*.

- (2) The first time a *listed company* publishes financial information as required by **■ DTR 4.1** after the publication of the unaudited financial information, *profit forecast* or *profit estimate*, it must:

- (a) reproduce that financial information, *profit forecast* or *profit estimate* in its next annual report and accounts;
- (b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (2)(a); and
- (c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (2)(b) and those reproduced under paragraph (2)(a).

9.2.19

FCA

G

■ LR 9.2.18 R does not apply to:

- (1) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*; or
- (2) any preliminary statements of annual results or half-yearly or quarterly reports that are reproduced with the unaudited financial information.

Externally managed companies

9.2.20

FCA

R

An *issuer* must at all times ensure that the discretion of its board to make strategic decisions on behalf of the *company* has not been limited or transferred to a *person* outside the *issuer's group*, and that the board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *issuer's group*.



9.3 Continuing obligations : holders

9.3.1 **R** [deleted]

9.3.2 **G** [deleted]

9.3.3 **R** [deleted]

9.3.4 **R** [deleted]

9.3.5 **R** [deleted]

Proxy forms

9.3.6 **R**
FCA A *listed company* must ensure that, in addition to its obligations under the Companies Act 2006, a proxy form:

- (1) [deleted]
- (2) provides for at least three -way voting on all resolutions intended to be proposed (except that it is not necessary to provide proxy forms with three -way voting on procedural resolutions); and
- (3) [deleted]
- (4) states that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

Proxy forms for re-election of retiring directors

9.3.7 **R**
FCA If the resolutions to be proposed include the re-election of retiring *directors* and the number of retiring *directors* standing for re-election exceeds five, the proxy form may give shareholders the opportunity to vote for or against (or abstain from voting on) the re-election of the retiring *directors* as a whole but must also allow votes to be cast for or against (or for shareholders to abstain from voting on) the re-election of the retiring *directors* individually.

9.3.8 **R** [deleted]

9.3.9

FCA

R

Sanctions

Where a *listed company* has taken a power in its *constitution* to impose sanctions on a shareholder who is in default in complying with a notice served under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares) :

- (1) sanctions may not take effect earlier than 14 days after service of the notice;
- (2) for a shareholding of less than 0.25% of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the only sanction the *constitution* may provide for is a prohibition against attending meetings and voting;
- (3) for a shareholding of 0.25% or more of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the *constitution* may provide:
 - (a) for a prohibition against attending meetings and voting;
 - (b) for the withholding of the payment of dividends (including *shares* issued in lieu of dividend) on the *shares* concerned; and
 - (c) for the placing of restrictions on the transfer of *shares*, provided that restrictions on transfer do not apply to a sale to a genuine unconnected third party (such as through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer); and
- (4) any sanctions imposed in accordance with paragraph (2) or (3) above must cease to apply after a specified period of not more than seven days after the earlier of:
 - (a) receipt by the *issuer* of notice that the shareholding has been sold to an unconnected third party through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer; and
 - (b) due compliance, to the satisfaction of the *issuer*, with the notice under section 793 .

9.3.10

FCA

G

An *overseas company* with a *premium listing* is not required to comply with ■ LR 9.3.9 R.

Pre-emption rights

9.3.11

FCA

R

A *listed company* proposing to issue *equity securities* for cash or to sell *treasury shares* that are *equity shares* for cash must first offer those *equity securities* in proportion to their existing holdings to:

- (1) existing holders of that class of *equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and
- (2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.

9.3.12

FCA

R

■ LR 9.3.11 R does not apply to:

- (1) a *listed company* incorporated in the *United Kingdom* if a disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section 570 (Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority; or
- (2) a *listed company* undertaking a *rights issue* or *open offer* provided the disapplication of pre-emption rights is with respect to:
 - (a) *equity securities* representing fractional entitlements; or
 - (b) *equity securities* which the *company* considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of a territory other than its country of incorporation unless that territory is the *United Kingdom*; or
- (3) a *listed company* selling *treasury shares* for cash to an *employee share scheme*; or
- (4) an *overseas company* with a *premium listing* if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC and the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority; or
- (5) an *open-ended investment company*.

9.4 Documents requiring prior approval

Employees share schemes and long-term incentive plans

9.4.1
FCA

R

- (1) This *rule* applies to the following schemes of a *listed company* incorporated in the *United Kingdom* and of any of its *major subsidiary undertaking* (even if that *major subsidiary undertaking* is incorporated or operates overseas):
 - (a) an *employees' share scheme* if the scheme involves or may involve the issue of new *shares* or the transfer of *treasury shares*; and
 - (b) a *long-term incentive scheme* in which one or more *directors* of the *listed company* is eligible to participate.
- (2) The *listed company* must ensure that the *employees' share scheme* or *long-term incentive scheme* is approved by an ordinary resolution of the shareholders of the *listed company* in general meeting before it is adopted.

9.4.2
FCA

R

■ LR 9.4.1 R does not apply to the following *long-term incentive schemes*:

- (1) an arrangement where participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are eligible to participate in the arrangement (provided that all or substantially all *employees* are not *directors* of the *listed company*); and
- (2) an arrangement where the only participant is a *director* of the *listed company* (or an individual whose appointment as a *director* of the *listed company* is being contemplated) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual.

9.4.3
FCA

R

For a scheme referred to in ■ LR 9.4.2 R (2), the following information must be disclosed in the first annual report published by the *listed*

company after the date on which the relevant individual becomes eligible to participate in the arrangement:

- (1) all of the information prescribed in ■ LR 13.8.11 R;
- (2) the name of the sole participant;
- (3) the date on which the participant first became eligible to participate in the arrangement;
- (4) an explanation of why the circumstances in which the arrangement was established were unusual;
- (5) the conditions to be satisfied under the terms of the arrangement; and
- (6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

Discounted option arrangements

9.4.4

FCA

R

- (1) This *rule* applies to the grant to a *director* or *employee* of a *listed company* or of any *subsidiary undertaking* of a *listed company* of an option to subscribe, warrant to subscribe or other similar right to subscribe for *shares* in the capital of the *listed company* or any of its *subsidiary undertakings*.
- (2) A *listed company* must not, without the prior approval by an ordinary resolution of the shareholders of the *listed company* in a general meeting, grant the option, warrant or other right if the price per *share* payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
 - (a) the market value of the *share* on the date when the exercise price is determined; or
 - (b) the market value of the *share* on the *business day* before that date; or
 - (c) the average of the market values for a number of dealing days within a period not exceeding 30 *days* immediately before that date.

9

PAGE
11

9.4.5

FCA

R

■ LR 9.4.4 R does not apply to the grant of an option to subscribe, warrant to subscribe or other similar right to subscribe for *shares* in the capital of a *listed company* or any of its *subsidiary undertakings*:

- (1) under an *employees' share scheme* if participation is offered on similar terms to all or substantially all *employees* of the *listed*

company or any of its *subsidiary undertakings* whose *employees* are entitled to participate in the scheme; or

- (2) following a take-over or reconstruction, in replacement for and on comparable terms with options to subscribe, warrants to subscribe or other similar rights to subscribe held immediately before the take-over or reconstruction for *shares* in either a *company* of which the *listed company* thereby obtains control or in any of that *company's subsidiary undertakings*.

9.5 Transactions

Rights issue

9.5.1

FCA

R

For a placing of rights arising from a *rights issue* before the official start of dealings, a *listed company* must ensure that:

- (1) the placing relates to at least 25% of the maximum number of *equity securities* offered;
- (2) the places are committed to take up whatever is placed with them;
- (3) the price paid by the places does not exceed the price at which the *equity securities* which are the subject of the *rights issue* are offered by more than one half of the calculated premium over that offer price (that premium being the difference between the offer price and the theoretical ex-rights price); and
- (4) the *equity securities* which are the subject of the *rights issue* are of the same *class* as the *equity securities* already *listed*.

9.5.2

FCA

G

The FCA may modify ■ LR 9.5.1 R (1) to allow the placing to relate to less than 25% if it is satisfied that requiring at least 25% would be detrimental to the success of the issue.

9.5.3

FCA

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*.

9.5.4

FCA

R

If existing *shareholders* do not take up their rights to subscribe in a *rights issue*:

- (1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed 5.00, the proceeds may be retained for the *company's* benefit; and

- (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

9.5.5

FCA

R A *listed company* must ensure that for a *rights issue* the following are notified to a *RIS* as soon as possible:

- (1) the issue price and principal terms of the issue; and
- (2) the results of the issue and, if any rights not taken up are sold, details of the sale, including the date and price per *share*.

9.5.6

FCA

R A *listed company* must ensure that the offer relating to a *rights issue* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

Open offers

9.5.7

FCA

R A *listed company* must ensure that the timetable for an *open offer* is approved by the *RIE* on which its *equity securities* are traded.

9.5.7A

FCA

R A *listed company* must ensure that the *open offer* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.

9.5.8

FCA

R A *listed company* must ensure that in relation to communicating information on an *open offer*:

- (1) if the offer is subject to shareholder approval in general meeting the announcement must state that this is the case; and
- (2) the *circular* dealing with the offer must not contain any statement that might be taken to imply that the offer gives the same entitlements as a *rights issue* unless it is an offer with a compensatory element.

9.5.8A

FCA

R If existing *shareholders* do not take up their rights to subscribe in an *open offer* with a compensatory element:

- (1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed £5, the proceeds may be retained for the *company's* benefit; and

- (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

9.5.8B

FCA

R

A *listed company* must ensure that for a subscription in an *open offer* with a compensatory element the following are notified to a *RIS* as soon as possible:

- (1) the offer price and principal terms of the offer; and
- (2) the results of the offer and, if any *securities* not taken up are sold, details of the sale, including the date and price per *share*.

Vendor consideration placing

9.5.9

FCA

R

A *listed company* must ensure that in a *vendor consideration placing* all vendors have an equal opportunity to participate in the placing.

Discounts not to exceed 10%

9.5.10

FCA

R

- (1) If a *listed company* makes an *open offer, placing, vendor consideration placing, offer for subscription of equity shares* or an issue out of treasury (other than in respect of an employees' share scheme) of a *class already listed*, the price must not be at a discount of more than 10% to the middle market price of those *shares* at the time of announcing the terms of the offer for an *open offer* or *offer for subscription of equity shares* or at the time of agreeing the placing for a *placing* or *vendor consideration placing*.
- (2) In paragraph (1), 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 an *RIE* showing quotations for *listed securities* for the relevant date.
- (2A) If a *listed company* makes an *open offer, placing, vendor consideration placing* or *offer for subscription of equity shares* during the trading day it may use an appropriate on-screen intra-day price derived from another market.
- (3) Paragraph (1) does not apply to an offer or placing at a discount of more than 10% if:
 - (a) the terms of the offer or placing at that discount have been specifically approved by the issuer's shareholders; or
 - (b) it is an issue of *shares* for cash or the sale of *treasury shares* for cash under a pre-existing general authority to disapply section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption).

- (4) The *listed company* must notify a *RIS* as soon as possible after it has agreed the terms of the offer or placing.

9.5.10A

FCA

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On each occasion that the *listed company* plans to use an on-screen intra-day price it should discuss the source of the price in advance with the *FCA*. The *FCA* may be satisfied that there is sufficient justification for its use if the alternative market has an appropriate level of liquidity and the source is one that is widely accepted by the market.

Offer for sale or subscription

9.5.11

FCA

R

A *listed company* must ensure that for an *offer for sale* or an *offer for subscription of equity securities*:

- (1) letters of allotment or acceptance are all issued simultaneously and numbered serially (and, where appropriate, split and certified by the *listed company's* registrars);
- (2) if the *equity securities* may be held in uncertificated form, there is equal treatment of those who elect to hold the *equity securities* in certificated form and those who elect to hold them in uncertificated form;
- (3) letters of regret are posted at the same time or not later than three *business days* after the letters of allotment or acceptance; and
- (4) if a letter of regret is not posted at the same time as letters of allotment or acceptance, a notice to that effect is inserted in a national newspaper, to appear on the morning after the letters of allotment or acceptance are posted.

Reconstruction or refinancing

9.5.12

FCA

R

- (1) If a *listed company* produces a *circular* containing proposals to be put to shareholders in a general meeting relating to a reconstruction or a re-financing, the *circular* must be produced in accordance with ■ LR 13.3 and must include a working capital statement.
- (2) The requirement for a working capital statement set out in paragraph (1) does not apply to a *closed-ended investment fund*.
- (3) The working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 3 of the *PD Regulation* and on the basis that the reconstruction or the re-financing has taken place.

Fractional entitlements

9.5.13

FCA

R

If, for an issue of *equity securities* (other than an issue in lieu of dividend), a shareholders 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

9.5.14

FCA

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. [Note: Article 64 CARD]

Temporary documents of title (including renounceable documents)

9.5.15

FCA

R

A *listed company* must ensure that any temporary document of title (other than one issued in global form) for an *equity security*:

- (1) is serially numbered;
- (2) states where applicable:
 - (a) the name and address of the first holder and names of joint holders (if any);
 - (b) for a fixed income *security*, the amount of the next payment of interest or dividend;
 - (c) the pro rata entitlement;
 - (d) the last date on which transfers were or will be accepted for registration for participation in the issue;
 - (e) how the *securities* rank for dividend or interest;
 - (f) the nature of the document of title and proposed date of issue;
 - (g) how fractions (if any) are to be treated; and
 - (h) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ LR 9.5.6 R, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and
- (3) if renounceable:
 - (a) states in a heading that the document is of value and negotiable;
 - (b) advises holders of *equity securities* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;

- (c) states that where all of the *securities* have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;
- (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
- (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
- (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
- (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

9.5.16

FCA

R

A *listed company* must ensure that any definitive document of title for an *equity share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraphs (5) and (7)):

- (1) the authority under which the *listed company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable;
- (5) the date of the certificate;
- (6) [deleted]
- (7) for *equity shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

9.6 Notifications

Copies of documents

- 9.6.1** **FCA** **R** A *listed company* must forward to the *FCA* for publication through the *document viewing facility*, two copies of all circulars, notices, reports or other documents to which the *listing rules* apply at the same time as they are issued.
- 9.6.2** **FCA** **R** A *listed company* must forward to the *FCA* , for publication through the *document viewing facility*, two copies of all resolutions passed by the *listed company* other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting.
- 9.6.3** **FCA** **R**
- (1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under **■ LR 9.6.1 R** or **■ LR 9.6.2 R** unless the full text of the document is provided to the *RIS*.
 - (2) A notification made under paragraph (1) must set out where copies of the relevant document can be obtained.

Notifications relating to capital

- 9.6.4** **FCA** **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:
- (1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
 - (2) [deleted]
 - (3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that class outstanding following the redemption;
 - (4) any extension of time granted for the currency of temporary documents of title; and

(5) [deleted]

(6) (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*.

9.6.5 **R** [deleted]

9.6.6 **R** Where the *securities* are subject to an underwriting agreement a *listed company* may, at its discretion and subject to ■ DTR 2 (Disclosure and control of inside information by issuers), delay notifying a *RIS* as required by ■ LR 9.6.4R (6) for up to two *business days* until the obligation by the underwriter to take or procure others to take *securities* is finally determined or lapses. In the case of an issue or offer of *securities* which is not underwritten, notification of the result must be made as soon as it is known.

9.6.7 **R** [deleted]

9.6.8 **R** [deleted]

9.6.9 **G** [deleted]

9.6.10 **G** [deleted]

Notification of board changes and directors' details

9.6.11 **R** A *listed company* must notify a *RIS* of any change to the board including:

FCA

- (1) the appointment of a new *director* stating the appointees name and whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility of the position;
- (2) the resignation, removal or retirement of a *director* (unless the *director* retires by rotation and is re-appointed at a general meeting of the *listed company's* shareholders);
- (3) important changes to the role, functions or responsibilities of a *director*; and
- (4) the effective date of the change if it is not with immediate effect;

as soon as possible and in any event by the end of the *business day* following the decision or receipt of notice about the change by the *company*.

9.6.12 **R** If the effective date of the board change is not yet known, the notification required by ■ LR 9.6.11 R should state this fact and the *listed company* should notify a *RIS* as soon as the effective date has been decided.

FCA

9.6.13 **R** A *listed company* must notify a *RIS* of the following information in respect of any new *director* appointed to the board as soon as possible following the decision to appoint the *director* and in any event within five *business days* of the decision:

FCA

- (1) details of all directorships held by the *director* in any other publicly quoted *company* at any time in the previous five years, indicating whether or not he is still a *director*;
- (2) any unspent convictions in relation to indictable offences;
- (3) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where the *director* was an executive *director* at the time of, or within the 12 months preceding, such events;
- (4) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the *director* was a partner at the time of, or within the 12 months preceding, such events;
- (5) details of receiverships of any asset of such *person* or of a partnership of which the *director* was a partner at the time of, or within the 12 months preceding, such event; and
- (6) details of any public criticisms of the *director* by statutory or regulatory authorities (including *designated professional bodies*) and whether the *director* has ever been disqualified by a court from acting as a *director* of a *company* or from acting in the management or conduct of the affairs of any *company*.

9.6.14 **R** A *listed company* must, in respect of any current *director*, notify a *RIS* as soon as possible of:

FCA

- (1) any changes in the information set out in ■ LR 9.6.13 R (2) to ■ LR 9.6.13 R (6); and
- (2) any new directorships held by the *director* in any other publicly quoted *company*.

9.6.15 **G** If no information is required to be disclosed pursuant to ■ LR 9.6.13 R, the notification required by ■ LR 9.6.13 R should state this fact.

FCA

9.6.16

FCA

R

Notification of lock-up arrangements

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 *PD Regulation*.

9.6.17

FCA

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 *PD Regulation* or any subsequent announcement.

Notification of shareholder resolutions

9.6.18

FCA

R

A *listed company* must notify a *RIS* as soon as possible after a general meeting of all resolutions passed by the *company* other than resolutions concerning ordinary business passed at an annual general meeting.

Change of name

9.6.19

FCA

R

A *listed company* which changes its name must, as soon as possible:

- (1) notify a *RIS* of the change, stating the date on which it has taken effect;
- (2) inform the *FCA* in writing of the change; and
- (3) where the *listed company* is incorporated in the *United Kingdom*, send the *FCA* a copy of the revised certificate of incorporation issued by the Registrar of Companies.

Change of accounting date

9.6.20

FCA

R

A *listed company* must notify a *RIS* as soon as possible of:

- (1) any change in its accounting reference date; and
- (2) the new accounting reference date.

9.6.21

FCA

R

A *listed company* must prepare and publish a second interim report in accordance with ■ DTR 4.2 if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.

9.6.22

FCA

G

The second interim report must be prepared and published in respect of either:

- (1) the period up to the old accounting reference date; or
- (2) the period up to a date not more than six months prior to the new accounting reference date.



9.7

[Deleted]

9.7A Preliminary statement of annual results, statement of dividends and half-yearly reports

Preliminary statement of annual results

9.7A.1

FCA

R

If a *listed company* prepares a preliminary statement of annual results:

- (1) the statement must be published as soon as possible after it has been approved by the board;
- (2) the statement must be agreed with the *company's* auditors prior to publication;
- (3) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;
- (4) the statement must give details of the nature of any likely modification or emphasis-of-matter paragraph that may be contained in the auditors' report required to be included with the annual financial report; and
- (5) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

Statement of dividends

9.7A.2

FCA

R

A *listed company* must notify a *RIS* as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on *listed equity* or to withhold any dividend or interest payment on *listed securities* giving details of:

- (1) the exact net amount payable per *share*;
- (2) the payment date;
- (3) the record date (where applicable); and

- (4) any foreign income dividend election, together with any income tax treated as paid at the lower rate and not repayable.

Omission of information

9.7A.3

FCA

G

The FCA may authorise the omission of information required by ■ LR 9.7A.1 R or ■ LR 9.7A.2 R if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the *listed company*, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the *shares*.

9

9.8 Annual financial report

9.8.1 R [deleted]

9.8.2 R [deleted]

9.8.3 R [deleted]

Information to be included in annual report and accounts

9.8.4 R In addition to the requirements set out in ■ DTR 4.1 a *listed company* must include in its annual financial report , where applicable, the following:

FCA

- (1) a statement of the amount of interest capitalised by the *group* during the period under review with an indication of the amount and treatment of any related tax relief;
- (2) any information required by ■ LR 9.2.18 R (Publication of unaudited financial information);
- (3) details of any small related party transaction as required by ■ LR 11.1.10 R (2)(c);
- (4) details of any long-term incentive schemes as required by ■ LR 9.4.3 R;
- (5) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;
- (6) where a *director* has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review;
- (7) in the case of any allotment for cash of *equity securities* made during the period under review otherwise than to the holders of the *company's equity shares* in proportion to their holdings of such *equity shares* and which has not been specifically authorised by the *company's* shareholders:

- (a) the classes of shares allotted and for each class of shares, the number allotted, their aggregate nominal value and the consideration received by the company for the allotment;
 - (b) the names of the allottees, if less than six in number, and in the case of six or more allottees a brief generic description of each new class of equity holder (e.g. holder of loan stock);
 - (c) the market price of the allotted *securities* on the date on which the terms of the issue were fixed; and
 - (d) the date on which the terms of the issue were fixed;
- (8) the information required by paragraph (7) must be given for any unlisted *major subsidiary undertaking* of the *company*;
- (9) where a *listed company* has listed shares in issue and is a *subsidiary undertaking* of another *company*, details of the participation by the *parent undertaking* in any placing made during the period under review;
- (10) details of any *contract of significance* subsisting during the period under review:
- (a) to which the *listed company*, or one of its *subsidiary undertakings*, is a party and in which a *director* of the *listed company* is or was materially interested; and
 - (b) between the *listed company*, or one of its *subsidiary undertakings*, and a controlling shareholder;
- (11) details of any contract for the provision of services to the *listed company* or any of its *subsidiary undertakings* by a controlling shareholder, subsisting during the period under review, unless:
- (a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and
 - (b) it is not a *contract of significance*;
- (12) details of any arrangement under which a shareholder has waived or agreed to waive any dividends; and
- (13) where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.

A *listed company* need not include with the annual report and accounts details of waivers of dividends of less than 1% of the total value of any dividend provided that some payment has been made on each *share* of the relevant *class* during the relevant calendar year.

9.8.6

FCA

R

Additional information

In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report :

- (1) a statement setting out all the interests (in respect of which transactions are notifiable to the company under ■ DTR 3.1.2 R) of each *person* who is a *director* of the *listed company* as at the end of the period under review including:
 - (a) all changes in the interests of each *director* that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
 - (b) if there have been no changes in the period described in paragraph (a), a statement that there have been no changes in the interests of each *director* .

Interests of each *director* includes the interests of *connected persons* of which the *listed company* is, or ought upon reasonable enquiry to become, aware.
- (2) a statement showing the interests disclosed to the *listed company* in accordance with ■ DTR 5 as at the end of the period under review and:
 - (a) all interests disclosed to the *listed company* in accordance with ■ DTR 5 that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
 - (b) if no interests have been disclosed to the *listed company* in accordance with ■ DTR 5 in the period described in (a), a statement that no changes have been disclosed to the *listed company*.
- (3) a statement made by the *directors* that the business is a going concern, together with supporting assumptions or qualifications as necessary, that has been prepared in accordance with *Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009*, published by the Financial Reporting Council in October 2009;
- (4) a statement setting out:
 - (a) details of any shareholders authority for the purchase, by the *listed company* of its own *shares* that is still valid at the end of the period under review;

- (b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such *shares* purchased, or proposed to be purchased, by the *listed company* during the period under review;
 - (c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc) ; and
 - (d) in the case of sales of *treasury shares* for cash made otherwise than through the market, or in connection with an *employees' share scheme*, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the *listed company's securities* (or to all holders of a relevant class of its *securities*) on the same terms, particulars of the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;
- (5) a statement of how the *listed company* has applied the Main Principles set out in the *UK Corporate Governance Code* , in a manner that would enable shareholders to evaluate how the principles have been applied;
- (6) a statement as to whether the *listed company* has:
- (a) complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code*; or
 - (b) not complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code* and if so, setting out:
 - (i) those provisions, if any it has not complied with;
 - (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and
 - (iii) the *company's* reasons for non-compliance; and
- (7) a report to the shareholders by the Board which contains all the matters set out in ■ LR 9.8.8 R.
- (1) The effect of ■ LR 9.8.6 R (1) is that a *listed company* is required to set out a 'snapshot' of the total interests of a *director* and his or her *connected persons*, as at the end of the period under review (including certain information to update it as at a date not more than a month before the date of the notice of the annual

general meeting). The interests that need to be set out are limited to those in respect of which transactions fall to be notified under the notification requirement for PDMRs in ■ DTR 3.1.2 R. *Persons* who are *directors* during, but not at the end of, the period under review need not be included.

- (2) A *listed company* unable to compile the statement in ■ LR 9.8.6 R (1) from information already available to it may need to seek the relevant information, or confirmation, from the *director* himself, including that in relation to *connected persons*, but would not be expected to obtain information directly from *connected persons*.

9.8.7

FCA

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An *overseas company* with a *premium listing* must include in its annual report and accounts the information in ■ LR 9.8.6R (5), ■ LR 9.8.6R (6) and ■ LR 9.8.8R (9).

9.8.7A

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- (1) An *overseas company* with a *premium listing* that is not required to comply with requirements imposed by another *EEA State* that correspond to ■ DTR 7.2 (Corporate governance statements) must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.

- (2) An *overseas company* with a *premium listing* which complies with ■ LR 9.8.7 R will be taken to satisfy the requirements of ■ DTR 7.2.2 R and ■ DTR 7.2.3 R, but (unless it is required to comply with requirements imposed by another *EEA State* that correspond to ■ DTR 7.2) must comply with all of the other requirements of ■ DTR 7.2 as if it were an *issuer* to which that section applies.

Report to shareholders

9.8.8

FCA

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The report to the shareholders by the Board required by ■ LR 9.8.6 R (7) must contain the following:

- (1) a statement of the *listed company's* policy on executive *directors'* remuneration;
- (2) information presented in tabular form, unless inappropriate, together with explanatory notes as necessary on:
 - (a) the amount of each element in the remuneration package for the period under review of each *director*, by name, including but not restricted to, basic salary and fees, the estimated money value of benefits in kind, annual bonuses, deferred bonuses, compensation for loss of office and payments for breach of contract other termination payments;
 - (b) the total remuneration for each *director* for the period under review and for the corresponding prior period;

- (c) any significant payments made to former *directors* during the period under review; and
 - (d) any share options, including Save-as-you-earn options, for each *director*, by name, in accordance with the requirements of the Directors' Remuneration Report Regulations;
- (3) details of any *long-term incentive schemes*, other than share options as required by paragraph (2)(d), including the interests of each *director*, by name, in the *long-term incentive schemes* at the start of the period under review;
 - (4) details of any entitlements or awards granted and commitments made to each *director* under any *long-term incentive schemes* during the period, showing which crystallize either in the same year or in subsequent years;
 - (5) details of the monetary value and number of *shares*, cash payments or other benefits received by each *director* under any *long-term incentive schemes* during the period;
 - (6) details of the interests of each *director* in the *long-term incentive schemes* at the end of the period;
 - (7) an explanation and justification of any element of a *director's* remuneration, other than basic salary, which is pensionable;
 - (8) details of any *directors'* service contract with a notice period in excess of one year or with provisions for pre-determined compensation on termination which exceeds one years salary and benefits in kind, giving the reasons for such notice period;
 - (9) details of the unexpired term of any *directors'* service contract of a *director* proposed for election or re-election at the forthcoming annual general meeting, and, if any *director* proposed for election or re-election does not have a *directors'* service contract, a statement to that effect;
 - (10) a statement of the *listed company's* policy on the granting of options or awards under its *employees' share schemes* and other *long-term incentive schemes*, explaining and justifying any departure from that policy in the period under review and any change in the policy from the preceding year;
 - (11) for *money purchase schemes* details of the contribution or allowance payable or made by the *listed company* in respect of each *director* during the period under review; and
 - (12) for *defined benefit schemes* :

- (a) details of the amount of the increase during the period under review (excluding inflation) and of the accumulated total amount at the end of the period in respect of the accrued benefit to which each *director* would be entitled on leaving service or is entitled having left service during the period under review;
- (b) either:
- (i) the transfer value (less *director's* contributions) of the relevant increase in accrued benefit (to be calculated in accordance with regulations 7 to 7E of the Occupational Pension Schemes (Transfer Values) Regulations 1996 but making no deduction for any under-funding) as at the end of the period; or
 - (ii) so much of the following information as is necessary to make a reasonable assessment of the transfer value in respect of each *director*:
 - (A) age;
 - (B) normal retirement age;
 - (C) the amount of any contributions paid or payable by the director under the terms of the scheme during the period under review;
 - (D) details of spouses and dependants benefits;
 - (E) early retirement rights and options;
 - (F) expectations of pension increases after retirement (whether guaranteed or discretionary); and
 - (G) discretionary benefits for which allowance is made in transfer values on leaving and any other relevant information which will significantly affect the value of the benefits; and
- (c) no disclosure of voluntary contributions and benefits.

Information required by law

G

The requirements of ■ LR 9.8.6R (6) and ■ LR 9.8.8 R relating to corporate governance are additional to the information required by law to be included in the *listed company's* annual report and accounts.

9.8.9

FCA

Auditors report

9.8.10

FCA

R

A *listed company* must ensure that the auditors review each of the following before the annual report is published:

- (1) ■ LR 9.8.6 R (3) (statement by the directors that the business is a going concern); and
- (2) the parts of the statement required by ■ LR 9.8.6R (6) (corporate governance) that relate to the following provisions of the *UK Corporate Governance Code*:
 - (a) C.1.1;
 - (b) C.2.1; and
 - (c) C.3.1 to C.3.7.

9.8.11

FCA

R

A *listed company* must ensure that the auditors review the following disclosures:

- (1) ■ LR 9.8.8 R (2) (amount of each element in the remuneration package and information on share options);
- (2) ■ LR 9.8.8 R (3), ■ LR 9.8.8 R (4) and ■ (5) (details of long term incentive schemes for directors);
- (3) ■ LR 9.8.8 R (11) (money purchase schemes); and
- (4) ■ LR 9.8.8 R (12) (defined benefit schemes).

9.8.12

FCA

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If, in the opinion of the auditors the *listed company* has not complied with any of the requirements set out in ■ LR 9.8.11 R the *listed company* must ensure that the auditors report includes, to the extent possible, a statement giving details of the non-compliance.

Summary financial statements

9.8.13

FCA

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Any summary financial statement issued by a *listed company* as permitted under the Companies Act 2006 , must disclose:

- (1) earnings per share; and
- (2) the information required for summary financial statements set out in or under the Companies Act 2006 .



9.9

[Deleted]

THE MODEL CODE (R)

This annex is referred to in LR 9.2 (Requirements with continuing application) and LR 15 (Investment entities).

FCA

Table: The Model Code

Introduction

This code imposes restrictions on dealing in the *securities* of a *listed company* beyond those imposed by law. Its purpose is to ensure that *persons discharging managerial responsibilities* do not abuse, and do not place themselves under suspicion of abusing, *inside information* that they may be thought to have, especially in periods leading up to an announcement of the *company's* results.

Nothing in this code sanctions a breach of section 118 of the *Act* (Market abuse), the insider dealing provisions of the Criminal Justice Act or any other relevant legal or regulatory requirements.

Definitions

1 In this code the following definitions, in addition to those contained in the *listing rules*, apply unless the context requires otherwise:

- (a) *close period* means:
 - (i) the period of 60 days immediately preceding a preliminary announcement of the *listed company's* annual results or, if shorter, the period from the end of the relevant financial year up to and including the time of announcement; or
 - (ii) the period of 60 days immediately preceding the publication of its annual financial report or if shorter the period from the end of the relevant financial year up to and including the time of such publication; and
 - (iii) if the *listed company* reports on a half yearly basis the period from the end of the relevant financial period up to and including the time of such publication; and
 - (iv) if the *listed company* reports on a quarterly basis the period of 30 days immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period up to and including the time of the announcement;
- (b) *connected person* has the meaning given in section 96B (2) of the *Act* (Persons discharging managerial responsibilities and connected persons);
- (c) *dealing* includes:

- (i) any acquisition or disposal of, or agreement to acquire or dispose of any of the *securities* of the *company*;
 - (ii) entering into a contract (including a contract for difference) the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the price of any of the *securities* of the *company*;
 - (iii) the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put or both) to acquire or dispose of any of the *securities* of the *company*;
 - (iv) entering into, or terminating, assigning or novating any stock lending agreement in respect of the *securities* of the *company*;
 - (v) using as security, or otherwise granting a charge, lien or other encumbrance over the *securities* of the *company*;
 - (vi) any transaction, including a transfer for nil consideration, or the exercise of any power or discretion effecting a change of ownership of a beneficial interest in the *securities* of the *company*; or
 - (vii) any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any *securities* of the *company*;
- (d) [deleted]
- (e) *prohibited period* means:
- (i) any *close period*; or
 - (ii) any period when there exists any matter which constitutes *inside information* in relation to the *company*;
- (f) *restricted person* means a *person discharging managerial responsibilities* ; and
- (g) *securities of the company* means any publicly traded or quoted *securities* of the *company* or any member of its *group* or any *securities* that are convertible into such *securities*.

Dealings not subject to the provisions of this code

2 The following dealings are not subject to the provisions of this code:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of *securities* of the *company* in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of *securities* of the *company* in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of *securities* of the *company* in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) dealing where the beneficial interest in the relevant *security* of the *company* does not change;

- (g) transactions conducted between a *person discharging managerial responsibilities* and their spouse, civil partner, child or step-child (within the meaning of section 96B(2) of the *Act*);
- (h) transfers of *shares* arising out of the operation of an *employees' share scheme* into a savings scheme investing in *securities* of the *company* following:
 - (i) exercise of an option under an approved SAYE option scheme; or
 - (ii) release of *shares* from a HM Revenue and Customs approved share incentive plan ;
- (i) with the exception of a disposal of *securities* of the *company* received by a restricted person as a participant, dealings in connection with the following *employees' share schemes* ;
 - (i) an HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating *companies* in that scheme; or
 - (ii) a scheme on similar terms to a HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating *companies* in that scheme; or
- (j) the cancellation or surrender of an option under an *employees' share scheme*;
- (k) transfers of the *securities* of the *company* by an independent trustee of an *employees' share scheme* to a beneficiary who is not a restricted person;
- (l) transfers of *securities* of the *company* already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which the restricted person is a participant or beneficiary;
- (m) an investment by a restricted person in a scheme or arrangement where the assets of the scheme (other than a scheme investing only in the *securities* of the *company*) or arrangement are invested at the discretion of a third party;
- (n) a dealing by a restricted person in the units of an authorised unit trust or in *shares* in an *open-ended investment company*; and
- (o) bona fide gifts to a restricted person by a third party.

Dealing by restricted persons

- 3 A restricted person must not deal in any *securities* of the *company* without obtaining clearance to deal in advance in accordance with paragraph 4 of this code.

Clearance to deal

- 4 (a) A *director* (other than the chairman or chief executive) or company secretary must not deal in any *securities* of the *company* without first notifying the chairman (or a *director* designated by the board for this purpose) and receiving clearance to deal from him.
- (b) The chairman must not deal in any *securities* of the *company* without first notifying the chief executive and receiving clearance to deal from him or, if the chief executive is not present, without first notifying the senior independent

director, or a committee of the board or other officer of the *company* nominated for that purpose by the chief executive, and receiving clearance to deal from that director, committee or officer .

- (c) The chief executive must not deal in any *securities* of the *company* without first notifying the chairman and receiving clearance to deal from him or, if the chairman is not present, without first notifying the senior independent director, or a committee of the board or other officer of the *company* nominated for that purpose by the chairman, and receiving clearance to deal from that director, committee or officer .
- (d) If the role of chairman and chief executive are combined, that *person* must not deal in any *securities* of the *company* without first notifying the board and receiving clearance to deal from the board.
- (e) *Persons discharging managerial responsibilities* (who are not *directors*) must not deal in any *securities* of the *company* without first notifying the company secretary or a designated *director* and receiving clearance to deal from him.

5 A response to a request for clearance to deal must be given to the relevant restricted person within five *business days* of the request being made.

6 The *company* must maintain a record of the response to any dealing request made by a restricted person and of any clearance given. A copy of the response and clearance (if any) must be given to the restricted person concerned.

7 A restricted person who is given clearance to deal in accordance with paragraph 4 must deal as soon as possible and in any event within two *business days* of clearance being received.

Circumstances for refusal

8 A restricted person must not be given clearance to deal in any *securities* of the *company*:

- (a) during a prohibited period; or
- (b) on considerations of a short term nature. An investment with a maturity of one year or less will always be considered to be of a short term nature.

Dealings permitted during a prohibited period

Dealing in exceptional circumstances

9 A restricted person, who is not in possession of *inside information* in relation to the *company*, may be given clearance to deal if he is in severe financial difficulty or there are other exceptional circumstances. Clearance may be given for such a *person* to sell (but not purchase) *securities* of the *company* when he would otherwise be prohibited by this code from doing so. The determination of whether the *person* in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the *director* designated for this purpose.

10 A *person* may be in severe financial difficulty if he has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant *securities* of the *company*. A liability of such a *person* to pay tax would not normally constitute severe financial difficulty unless the *person* has no other means of satisfying the liability. A circumstance will be considered exceptional if the *person* in question is required by a court order to

transfer or sell the *securities* of the *company* or there is some other overriding legal requirement for him to do so.

- 11 The *FCA* should be consulted at an early stage regarding any application by a restricted person to deal in exceptional circumstances.

Awards of securities and options

- 12 The grant of options by the board of *directors* under an *employees' share scheme* to individuals who are not restricted persons may be permitted during a prohibited period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the *company* was in a prohibited period.

- 13 The award by the *company* of *securities*, the grant of options and the grant of rights (or other interests) to acquire *securities* of the *company* to restricted persons is permitted in a prohibited period if:

- (a) the award or grant is made under the terms of an *employees' share scheme* and the scheme was not introduced or amended during the relevant prohibited period; and
- (b) either:
 - (i) the terms of such *employees' share scheme* set out the timing of the award or grant and such terms have either previously been approved by shareholders or summarised or described in a document sent to shareholders, or
 - (ii) the timing of the award or grant is in accordance with the timing of previous awards or grants under the scheme; and
- (c) the terms of the *employees' share scheme* set out the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated and do not allow the exercise of discretion; and
- (d) the failure to make the award or grant would be likely to indicate that the *company* is in a prohibited period.

Exercise of options

- 14 Where a *company* has been in an exceptionally long prohibited period or the *company* has had a number of consecutive prohibited periods, clearance may be given to allow the exercise of an option or right under an *employees' share scheme*, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during a prohibited period and the restricted person could not reasonably have been expected to exercise it at a time when he was free to deal.

- 15 Where the exercise or conversion is permitted pursuant to paragraph 14, clearance may not be given for the sale of the *securities* of the *company* acquired pursuant to such exercise or conversion including the sale of sufficient *securities* of the *company* to fund the costs of the exercise or conversion and/or any tax liability arising from the exercise or conversion unless a binding undertaking to do so was entered into when the *company* was not in a prohibited period.

Qualification shares

16 Clearance may be given to allow a *director* to acquire qualification *shares* where, under the *company's constitution*, the final date for acquiring such *shares* falls during a prohibited period and the *director* could not reasonably have been expected to acquire those shares at another time.

Saving schemes

17 A restricted person may enter into a scheme under which only the *securities* of the *company* are purchased pursuant to a regular standing order or direct debit or by regular deduction from the *person's* salary, or where such *securities* are acquired by way of a standing election to re-invest dividends or other distributions received, or are acquired as part payment of the *person's* remuneration without regard to the provisions of this code, if the following provisions are complied with:

- (a) the restricted person does not enter into the scheme during a prohibited period, unless the scheme involves the part payment of remuneration in the form of *securities* of the *company* and is entered into upon the commencement of the *person's* employment or in the case of a non-executive *director* his appointment to the board;
- (b) the restricted person does not carry out the purchase of the *securities* of the *company* under the scheme during a prohibited period, unless the restricted person entered into the scheme at a time when the *company* was not in a prohibited period and that person is irrevocably bound under the terms of the scheme to carry out a purchase of *securities* of the *company* (which may include the first purchase under the scheme) at a fixed point in time which falls in a prohibited period;
- (c) the restricted person does not cancel or vary the terms of his participation, or carry out sales of *securities* of the *company* within the scheme during a prohibited period; and
- (d) before entering into the scheme, cancelling the scheme or varying the terms of his participation or carrying out sales of the *securities* of the *company* within the scheme, the restricted person obtains clearance in accordance with paragraph 4.

Acting as a trustee

18 Where a restricted person is acting as a trustee, dealing in the *securities* of the *company* by that trust is permitted during a prohibited period where:

- (a) the restricted person is not a beneficiary of the trust; and
- (b) the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the restricted person.

19 The other trustees or investment managers acting on behalf of the trustees can be assumed to have acted independently where the decision to deal:

- (a) was taken without consultation with, or other involvement of, the restricted person; or
- (b) was delegated to a committee of which the restricted person is not a member.

Dealing by connected persons and investment managers

- 20 **A person discharging managerial responsibilities** must take reasonable steps to prevent any dealings by or on behalf of any *connected person* of his in any *securities* of the *company* on considerations of a short term nature.
- 21 **A person discharging managerial responsibilities** must seek to prohibit any dealings in the *securities* of the *company* during a close period:
- (a) by or on behalf of any *connected person* of his; or
 - (b) by an investment manager on his behalf or on behalf of any *person* connected with him where either he or any *person* connected has funds under management with that investment fund manager, whether or not discretionary (save as provided by paragraphs 17 and 18).
- 22 **A person discharging managerial responsibilities** must advise all of his *connected persons* and investment managers acting on his behalf:
- (a) of the name of the *listed company* within which he is a *person discharging managerial responsibilities*;
 - (b) of the *close periods* during which they cannot deal in the *securities* of the *company*; and
 - (c) that they must advise the *listed company* immediately after they have dealt in *securities* of the *company*.

Dealing under a trading plan

- 23 A restricted person may deal in *securities* of a *company* pursuant to a *trading plan* if clearance has first been given in accordance with paragraph 4 of this Code to the person entering into the plan and to any amendment to the plan. A restricted person must not cancel a *trading plan* unless clearance has first been given in accordance with paragraph 4 of this Code for its cancellation.
- 24 A restricted person must not enter into a *trading plan* or amend a *trading plan* during a *prohibited period* and clearance under paragraph 4 of this Code must not be given during a *prohibited period* to the entering into, or amendment of, a *trading plan*. Clearance under paragraph 4 of this Code may be given during a *prohibited period* to the cancellation of a *trading plan* but only in the exceptional circumstances referred to in paragraphs 9 and 10 of this Code.
- 25 A restricted person may deal in *securities* of a *company* during a *prohibited period* pursuant to a *trading plan* if:
- (a) the *trading plan* was entered into before the *prohibited period*;
 - (b) clearance under paragraph 4 of this Code has been given to the person entering into the *trading plan* and to any amendment to the *trading plan* before the *prohibited period*; and
 - (c) the *trading plan* does not permit the restricted person to exercise any influence or discretion over how, when, or whether to effect dealings.
- 26 Where a transaction occurs in accordance with a *trading plan*, the restricted person must notify the *issuer* at the same time as he makes the notification required by **DTR 3.1.2 R** of:
- (a) the fact that the transaction occurred in accordance with a *trading plan*; and

(b) the date on which the relevant *trading plan* was entered into.

Chapter 10

Significant transactions: Premium listing

10.1 Preliminary

Application

10.1.1

FCA

R This chapter applies to a *company* that has a *premium listing* .

10.1.2

FCA

G

Purpose

The purpose of this chapter is to ensure that shareholders of *companies* with *equity shares listed*:

- (1) are notified of certain transactions entered into by the *listed company*; and
- (2) have the opportunity to vote on larger proposed transactions.

Meaning of "transaction"

10.1.3

FCA

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In this chapter (except where specifically provided to the contrary) a reference to a transaction by a *listed company*:

- (1) (subject to paragraphs (3),(4) and (5)) includes all agreements (including amendments to agreements) entered into by the *listed company* or its *subsidiary undertakings*;
- (2) includes the grant or acquisition of an option as if the option had been exercised except that, if exercise is solely at the *listed company's* or *subsidiary undertaking's* discretion, the transaction will be classified on exercise and only the consideration (if any) for the option will be classified on the grant or acquisition;
- (3) excludes a transaction in the ordinary course of business;
- (4) excludes an issue of *securities*, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the *listed company* or of its *subsidiary undertakings*; and
- (5) excludes any transaction between the *listed company* and its wholly-owned *subsidiary* undertaking or between its wholly-owned *subsidiary undertakings*.

10.1.4

FCA

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This chapter is intended to cover transactions that are outside the ordinary course of the *listed company's* business and may change a *security* holder's economic interest in the *company's* assets or liabilities (whether or not the change in the assets or liabilities is recognised on the *company's* balance sheet).

10.1.5

FCA

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In assessing whether a transaction is in the ordinary course of a *company's* business under this chapter, the *FCA* will have regard to the size and incidence of similar transactions which the *company* has entered into. The *FCA* may determine that a transaction is not in the ordinary course of business because of its size or incidence.

10.2 Classifying transactions

Classifying transactions

10.2.1
FCA

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A transaction is classified by assessing its size relative to that of the *listed company* proposing to make it. The comparison of size is made by using the *percentage ratios* resulting from applying the *class test* calculations to a transaction. The *class tests* are set out in ■ LR 10 Annex 1 G (and modified or added to for specialist companies under ■ LR 10.7).

10.2.2
FCA

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Except as otherwise provided in this chapter, transactions are classified as follows:

- (1) [deleted]
- (2) *Class 2 transaction*: a transaction where any *percentage ratio* is 5% or more but each is less than 25%; and
- (3) *Class 1 transaction*: a transaction where any *percentage ratio* is 25% or more.
- (4) [deleted]

10.2.2A
FCA

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If an *issuer* is proposing to enter into a transaction classified as a *reverse takeover* it should consider ■ LR 5.6.

10.2.3

R

[deleted]

Indemnities and similar arrangements

10.2.4
FCA

R

- (1) Any agreement or arrangement with a party (other than a wholly owned *subsidiary undertaking* of the *listed company*):
 - (a) under which a *listed company* agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by or on behalf of that party, whether or not on a contingent basis;
 - (b) which is exceptional; and

- (c) under which the maximum liability is either unlimited, or is equal to or exceeds an amount equal to 25% of the average of the *listed company's* profits (as calculated for classification purposes) for the last three financial years (losses should be taken as nil profit and included in this average);

is to be treated as a *class 1 transaction*.

- (2) Paragraph (1) does not apply to a *break fee arrangement* (see ■ LR 10.2.6A R, ■ LR 10.2.6B G and ■ LR 10.2.7 R which deal with *break fee arrangements*).

10.2.5

FCA

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For the purposes of ■ LR 10.2.4 R (1), the FCA considers the following indemnities not to be exceptional:

- (1) those customarily given in connection with sale and purchase agreements;
- (2) those customarily given to underwriters or placing agents in an underwriting or placing agreement;
- (3) those given to advisers against liabilities to third parties arising out of providing advisory services; and
- (4) any other indemnity that is specifically permitted to be given to a *director* or auditor under the Companies Act 2006 .

10.2.6

FCA

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If the calculation under ■ LR 10.2.4 R (1) produces an anomalous result, the FCA may disregard the calculation and modify that *rule* to substitute other relevant indicators of the size of the indemnity or other arrangement given, for example 1% of market capitalisation.

Break fee arrangements

10.2.6A

FCA

R

An arrangement is a *break fee arrangement* if the purpose of the arrangement is that a compensatory sum will become payable by a *listed company* to another party (or parties) to a proposed transaction if the proposed transaction fails or is materially impeded and there is no independent substantive commercial rationale for the arrangement.

10.2.6B

FCA

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- (1) The following arrangements will meet the definition of *break fee arrangements* in ■ LR 10.2.6A R (although this list is not intended to be exhaustive): 'no shop' and 'go shop' type provisions, which require payment of a sum to a party in the event the seller finds an alternative purchaser; a requirement to pay another party's wasted costs in the event a transaction fails; non refundable deposits.
- (2) In contrast, payments in the nature of damages (whether liquidated or unliquidated) for a breach of an obligation with an independent substantive commercial rationale, for example the typical business protection covenants that will apply between exchange and completion of a share or asset acquisition agreement or co-operation and information access obligations relating to obtaining merger or other clearances, are not *break fee arrangements*.

10.2.7

FCA

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(1) Sums payable pursuant to *break fee arrangements* in respect of a transaction are to be treated as a *class 1 transaction* if the total value of those sums exceeds:

- (a) if the *listed company* is being acquired, 1% of the value of the *listed company* calculated by reference to the offer price; and
- (b) in any other case, 1% of the market capitalisation of the *listed company*.

(1A) The total value of sums payable pursuant to *break fee arrangements* for the purpose of paragraph (1) is the sum of:

- (a) any amounts paid or payable pursuant to *break fee arrangements* in relation to the same transaction or in relation to the same target assets or business in the 12 months prior to the date the most recent arrangements were agreed unless those arrangements were approved by shareholders; and
- (b) the aggregate of the maximum amounts payable pursuant to *break fee arrangements* in relation to the transaction;

save that if the arrangements are such that a particular sum will only become payable in circumstances in which another sum does not, the lower sum may be left out of the calculation of the total value.

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

- (a) the 1% limit is to be calculated on the basis of the fully diluted *equity share capital* of the *listed company*;
- (b) any VAT payable is to be taken into account in determining whether the 1% limit would be exceeded (except to the extent that the VAT is recoverable by the *listed company*); and
- (c) for a securities exchange offer, the value of the *listed company* is to be fixed by reference to the value of the offer at the time the transaction is announced (and is not to be taken as fluctuating as a result of subsequent movements in the price of the consideration securities after the announcement).

Issues by major subsidiary undertakings.....

If:

- (1) a *major subsidiary undertaking* of a *listed company* issues *equity shares* for cash or in exchange for other *securities* or to reduce indebtedness;

10.2.8

FCA

R

- (2) the issue would dilute the *listed company's* percentage interest in the *major subsidiary undertaking*; and
- (3) the economic effect of the dilution is equivalent to a disposal of 25% or more of the aggregate of the gross assets or profits (after the deduction of all charges except taxation) of the *group*;

the issue is to be treated as a *class 1 transaction*.

10.2.9

FCA

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■ LR 10.2.8 R does not apply if the *major subsidiary undertaking* is itself a *listed company*.

Aggregating transactions

10.2.10

FCA

R

- (1) Transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification if:
 - (a) they are entered into by the *company* with the same *person* or with *persons* connected with one another;
 - (b) they involve the acquisition or disposal of *securities* or an interest in one particular *company*; or
 - (c) together they lead to substantial involvement in a business activity which did not previously form a significant part of the *company's* principal activities.
- (2) Paragraph (1) does not apply in relation to a *break fee arrangement* (see ■ LR 10.2.6A R, ■ LR 10.2.6B G and ■ LR 10.2.7 R which deal with *break fee arrangements*).
- (3) If under this *rule* aggregation of transactions results in a requirement for shareholder approval, then that approval is required only for the latest transaction.

10.2.11

FCA

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The *FCA* may modify these *rules* to require the aggregation of transactions in circumstances other than those specified in ■ LR 10.2.10 R.

Note: If an *issuer* is proposing to enter into a transaction that could be a *Class 1 transaction* or *reverse takeover* it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of ■ LR 10.

 10.3

10.3.1 **R** [deleted]

10.3.2 **R** [deleted]

10.4 Class 2 requirements

Notification of class 2 transactions

10.4.1

FCA

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- (1) A *listed company* must notify a *RIS* as soon as possible after the terms of a *class 2 transaction* are agreed.
- (2) The notification must include:
 - (a) details of the transaction, including the name of the other party to the transaction;
 - (b) a description of the business carried on by, or using, the net assets the subject of the transaction;
 - (c) the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration);
 - (d) the value of the gross assets the subject of the transaction;
 - (e) the profits attributable to the assets the subject of the transaction;
 - (f) the effect of the transaction on the *listed company* including any benefits which are expected to accrue to the *company* as a result of the transaction;
 - (g) details of any service contracts of proposed *directors* of the *listed company*;
 - (h) for a disposal, the application of the sale proceeds;
 - (i) for a disposal, if *securities* are to form part of the consideration received, a statement whether the *securities* are to be sold or retained; and
 - (j) details of key individuals important to the business or *company* the subject of the transaction.

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PAGE
9

10.4.2

FCA

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Supplementary notification

- (1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under ■ LR 10.4.1 R, it becomes aware that:

- (a) there has been a significant change affecting any matter contained in that earlier notification; or
 - (b) a significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (2) The supplementary notification must give details of the change or new matter and also contain a statement that, except as disclosed, there has been no significant change affecting any matter contained in the earlier notification and no other significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (3) In paragraphs (1) and (2), significant means significant for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the *listed company* and the rights attaching to any *securities* forming part of the consideration. It includes a change in the terms of the transaction that affects the *percentage ratios* and requires the transaction to be reclassified into a higher category.

10.5 Class 1 requirements

Notification and shareholder approval

10.5.1
FCA

R

A *listed company* must, in relation to a *class 1 transaction*:

- (1) comply with the requirements of ■ LR 10.4 (Class 2 requirements) for the transaction;
- (2) send an explanatory *circular* to its shareholders and obtain their prior approval in a general meeting for the transaction; and
- (3) ensure that any agreement effecting the transaction is conditional on that approval being obtained.

Note: LR 13 sets out requirements for the content and approval of *class 1 circulars*.

Material change to terms of transaction

10.5.2
FCA

R

If, after obtaining shareholder approval but before the completion of a *class 1 transaction* or a *reverse takeover*, there is a material change to the terms of the transaction, the *listed company* must comply again separately with ■ LR 10.5.1 R in relation to the transaction.

10.5.3
FCA

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The FCA would (amongst other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

Supplementary circulars

10.5.4
FCA

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- (1) If a *listed company* becomes aware of a matter described in (2) after the publication of a *circular* that seeks shareholder approval for a transaction expressly requiring a vote by the *listing rules*, but before the date of a general meeting, it must, as soon as practicable:
 - (a) advise the FCA of the matters of which it has become aware; and
 - (b) send a supplementary *circular* to holders of its *listed equity shares* providing an explanation of the matters referred to in (2).

- (2) The matters referred to in (1) are
- (a) a material change affecting any matter the *listed company* is required to have disclosed in a *circular*; or
 - (b) a material new matter which the *listed company* would have been required to disclose in the *circular* if it had arisen at the time of its publication.
- (3) The *listed company* must have regard to ■ LR 13.3.1 R (3) when considering the materiality of any change or new matter under ■ LR 10.5.4R (2).

10.5.5

FCA

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■ LR 13 applies in relation to a supplementary *circular*. It may be necessary to adjourn a convened shareholder meeting if a supplementary *circular* cannot be sent to holders of *listed equity shares* at least 7 days prior to the convened shareholder meeting as required by ■ LR 13.1.9 R.



10.6 [deleted]

10.6.1 **R** [deleted]

10.6.1A **G** [deleted]

10.6.2 **G** [deleted]

10.6.3 **G** [deleted]

10.7 Transactions by specialist companies

Classification of transactions by listed property companies

10.7.1

FCA

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■ LR 10 Annex 1 G is modified as follows in relation to acquisitions or disposals of *property* by a *listed property company*:

- (1) for the purposes of paragraph 2R(1) (the gross assets test), the assets test is calculated by dividing the transaction consideration by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;
- (2) for the purposes of paragraph 2R(1) (the gross assets test), if the transaction is an acquisition of land to be developed, the assets test is calculated by dividing the transaction consideration and any financial commitments relating to the development by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;
- (3) for the purposes of paragraph 2R(2), the gross assets of a *listed property company* are, at the option of the *company*:
 - (a) the aggregate of the *company's* share capital and reserves (excluding minority interests);
 - (b) the book value of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts); or
 - (c) the published valuation of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts);
- (4) for the purposes of paragraph 4R(1) (the profits test), profits means the *net annual rent*;
- (5) paragraph 5R (the consideration test) does not apply but instead the test in ■ LR 10.7.2 R applies; and
- (6) paragraph 7R (the gross capital test) applies to disposals as well as acquisitions of *property*.

- 10.7.2**
FCA **R**
- (1) In addition to the tests in ■ LR 10 Annex 1 G, if the transaction is an acquisition of *property* by a *listed property company* and any of the consideration is in the *equity shares* of that *company*, the *listed company* must determine the *percentage ratios* that result from the calculations under the test in (2).
 - (2) The share capital test is calculated by dividing the number of consideration *shares* to be issued by the number of *equity shares* in issue (excluding *treasury shares*).

- 10.7.3**
FCA **R**
- LR 10 does not apply to the acquisition or disposal by a *listed property company* of a *property* in the ordinary course of business which:
- (1) for an acquisition, will be classified as a current asset in the *company's* published accounts; or
 - (2) for a disposal, was so classified in the *company's* published accounts.

- 10.7.4**
FCA **G**
- LR 10 may apply to subsequent transfers of *property* assets from current to fixed assets or from fixed to current assets in the accounts of a *property company*.

Classification of transactions by listed mineral companies

- 10.7.5**
FCA **R**
- (1) In addition to the tests in ■ LR 10 Annex 1 G, a *listed mineral company* undertaking a transaction involving significant *mineral resources* must determine the *percentage ratios* that result from the calculations under the test in paragraph (2).
 - (2) The reserves test is calculated by dividing the volume or amount of the *proven reserves* and *probable reserves* to be acquired or disposed of by the volume or amount of the aggregate *proven reserves* and *probable reserves* of the *mineral company* making the acquisition or disposal.

- 10.7.6**
FCA **G**
- If the *mineral resources* are not directly comparable, the *FCA* may modify ■ LR 10.7.5 R (2) to permit valuations to be used instead of amounts or volumes.

- 10.7.7**
FCA **R**
- When calculating the size of a transaction under ■ LR 10 Annex 1 G and ■ LR 10.7.5 R, account must be taken of any associated transactions or loans effected or intended to be effected, and any contingent liabilities or commitments.

Classification of transactions by listed scientific research based companies

- 10.7.8**
FCA **G**
- A *listed scientific research based company* undertaking a transaction should consult the *FCA* at an early stage to determine whether industry specific tests are required instead of or in addition to the *class tests* in ■ LR 10 Annex 1 G.

10.8 Miscellaneous

Class 1 disposals by companies in severe financial difficulty

10.8.1
FCA

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- (1) A *listed company* in severe financial difficulty may find itself with no alternative but to dispose of a substantial part of its business within a short time frame to meet its ongoing working capital requirements or to reduce its liabilities. Due to time constraints it may not be able to prepare a *circular* and convene an extraordinary general meeting to obtain prior shareholder approval.
- (2) The *FCA* may modify the requirements in ■ LR 10.5 to prepare a *circular* and to obtain shareholder approval for such a disposal, if the *company*:
 - (a) can demonstrate that it is in severe financial difficulty; and
 - (b) satisfies the conditions in ■ LR 10.8.2 G to ■ LR 10.8.6 G.
- (3) An application to modify ■ LR 10.5 should be brought to the *FCA*'s attention at the earliest available opportunity and at least five clear *business days* before the terms of the disposal are agreed.

10.8.2
FCA

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The *listed company* should demonstrate to the *FCA* that it could not reasonably have entered into negotiations earlier to enable shareholder approval to be sought.

10.8.3
FCA

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The following documents should be provided in writing to the *FCA* :

- (1) confirmation from the *listed company* that:
 - (a) negotiation does not allow time for shareholder approval;
 - (b) all alternative methods of financing have been exhausted and the only option remaining is to dispose of a substantial part of their business;
 - (c) by taking the decision to dispose of part of the business to raise cash, the directors are acting in the best interests of the *company* and shareholders as a whole and that unless the disposal is completed receivers, administrators or liquidators are likely to be appointed; and
 - (d) if the disposal is to a *related party*, that the disposal by the company to the *related party* is the only available option in the current circumstances.
- (2) confirmation from the *company's sponsor* that, in its opinion and on the basis of information available to it, the *company* is in severe financial

10.8.4

FCA

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An announcement should be notified to a *RIS* no later than the date the terms of the disposal are agreed and should contain:

- difficulty and that it will not be in a position to meet its obligations as they fall due unless the disposal takes place according to the proposed timetable;
- (3) confirmation from the *persons* providing finance stating that further finance or facilities will not be made available and that unless the disposal is effected immediately, current facilities will be withdrawn; and
- (4) an announcement that complies with ■ LR 10.8.4 G and ■ LR 10.8.5 G.

- (1) all relevant information required to be notified under ■ LR 10.4.1 R;
- (2) the name of the acquirer and the expected date of completion of the disposal;
- (3) full disclosure about the continuing groups prospects for at least the current financial year;
- (4) a statement that the *directors* believe that the disposal is in the best interests of the *company* and shareholders as a whole. The *directors* should also state that if the disposal is not completed the *company* will be unable to meet its financial commitments as they fall due and consequently will be unable to continue to trade resulting in the appointment of receivers, liquidators or administrators;
- (5) a statement incorporating the details of all the confirmations provided to the *FCA* in ■ LR 10.8.3 G;
- (6) details of any financing arrangements (either current or future) if they are contingent upon the disposal being effected;
- (7) if the disposal is to a *related party*, then a statement as set out in LR 13.6.1R(5) must be given;
- (8) a statement by the *listed company* that in its opinion the working capital available to the continuing group is sufficient for the groups present requirements, that is, for at least 12 months from the date of the announcement, or, if not, how it is proposed to provide the additional working capital thought by the *company* to be necessary.

10.8.5

FCA

G

The announcement should contain any further information that the *company* and its *sponsors* consider necessary. This should incorporate historical price sensitive information, which has already been published in relation to the disposal along with any further information required to be disclosed under ■ DTR 2 (disclosure of inside information).

10.8.6

FCA

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- (1) The *FCA* will wish to examine the documents referred to in ■ LR 10.8.3 G (including the *RIS* announcement) before it grants the modification and before the announcement is released.
- (2) The documents should ordinarily be lodged with the *FCA*:

- (a) in draft form at least five clear *business days* before the terms of the transaction are agreed; and
- (b) in final form on the day on which approval is sought.

10.8.7
FCA

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In relation to the *listed company's* financial position, ■ DTR 2 (disclosure of inside information) continues to apply while the *company* is seeking a modification.

10.8.8
FCA

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The *directors* should also consider whether the *listed company's* financial situation is such that they should request the suspension of its *listing* pending publication of an announcement and clarification of its financial position.

Joint ventures

10.8.9
FCA

G

- (1) When a *listed company* enters into a joint venture it should consider how this chapter applies.
- (2) It is common, when entering into a joint venture, for the partners to include exit provisions in the terms of the agreement. These typically give each partner a combination of rights and obligations to either sell their own holding or to acquire their partner's holding should certain triggering events occur.
- (3) If the *listed company* does not retain sole discretion over the event which requires them to either purchase the joint venture partner's stake or to sell their own, ■ LR 10.1.3 R (2) requires this obligation to be classified at the time it is agreed as though it had been exercised at that time. Further, if the consideration to be paid is to be determined by reference to the future profitability of the joint venture or an independent valuation at the time of exercise, this consideration will be treated as being uncapped. If this is the case, the initial agreement will be classified in accordance with ■ LR 10 Annex 1 G 5R (3) and (3A) at the time it is entered into.
- (4) If the *listed company* does retain sole discretion over the triggering event, or if the *listed company* is making a choice to purchase or sell following an event which has been triggered by the joint venture partner, the purchase or sale must be classified when this discretion is exercised or when the choice to purchase or sell is made.
- (5) Where an *issuer* enters into a joint venture exit arrangement which takes the form of a put or call option and exercise of the option is solely at the discretion of the other party to the arrangement, the transaction should be classified at the time it is agreed as though the option had been exercised at that time.

The Class Tests

FCA

Class tests

1G This Annex sets out the following *class tests*:

- (1) the gross assets test;
- (2) the profits test;
- (3) the consideration test; and
- (4) the gross capital test.

The Gross Assets test

2R (1) The assets test is calculated by dividing the gross assets the subject of the transaction by the gross assets of the *listed company*.

(2) The gross assets of the *listed company* means the total non-current assets, plus the total current assets, of the *listed company*.

(3) For:

- (a) an acquisition of an interest in an undertaking which will result in consolidation of the assets of that undertaking in the accounts of the listed company; or
- (b) a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the *listed company*;

the gross assets the subject of the transaction means the value of 100% of that undertakings assets irrespective of what interest is acquired or disposed of.

(4) For an acquisition or disposal of an interest in an undertaking which does not fall within paragraph (3), the gross assets the subject of the transaction means:

- (a) for an acquisition, the consideration together with liabilities assumed (if any); and
- (b) for a disposal, the assets attributed to that interest in the listed companies accounts.

(5) If there is an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the consideration or, if greater, the book value of those assets as they will be included in the *listed company's* balance sheet.

(6) If there is a disposal of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets in the *listed company's* balance sheet.

3G The *FCA* may modify paragraph 2R to require, when calculating the assets the subject of the transaction, the inclusion of further amounts if contingent assets or arrangements referred to in LR 10.2.4 R (indemnities and similar arrangements) are involved.

The Profits test

4R (1) The profits test is calculated by dividing the profits attributable to the assets the subject of the transaction by the profits of the *listed company*.

(2) For the purposes of paragraph (1), profits means:

- (a) profits after deducting all charges except taxation; and

- (b) for an acquisition or disposal of an interest in an undertaking referred to in paragraph 2R (3)(a) or (b) of this Annex, 100% of the profits of the undertaking (irrespective of what interest is acquired or disposed of).
- (3) If the acquisition or disposal of the interest will not result in consolidation or deconsolidation of the *target* then the profits test is not applicable.

4AG The amount of loss is relevant in calculating the impact of a proposed transaction under the profits test. A *listed company* should include the amount of the losses of the *listed company* or *target* i.e. disregard the negative when calculating the test.

The Consideration test

- 5R
- (1) The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the ordinary shares (excluding *treasury shares*) of the *listed company*.
 - (2) For the purposes of paragraph (1):
 - (a) the consideration is the amount paid to the contracting party;
 - (b) if all or part of the consideration is in the form of *securities* to be traded on a market, the consideration attributable to those *securities* is the aggregate market value of those *securities*; and
 - (c) if deferred consideration is or may be payable or receivable by the *listed company* in the future, the consideration is the maximum total consideration payable or receivable under the agreement.
 - (3) If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a *class 2 transaction*) the transaction is to be treated as a *class 1 transaction*.
 - (3A) If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a transaction where all *percentage ratios* are less than 5%) the transaction is to be treated as a *class 2 transaction*.
 - (4) For the purposes of sub-paragraph (2)(b), the figures used to determine consideration consisting of:
 - (a) *securities* of a *class* already *listed*, must be the aggregate market value of all those *securities* on the last *business day* before the announcement; and
 - (b) a new *class* of *securities* for which an application for *listing* will be made, must be the expected aggregate market value of all those *securities*.
 - (5) For the purposes of paragraph (1), the figure used to determine market capitalisation is the aggregate market value of all the ordinary *shares* (excluding *treasury shares*) of the *listed company* at the close of business on the last *business day* before the announcement.
- 6G The *FCA* may modify paragraph 5R to require the inclusion of further amounts in the calculation of the consideration. For example, if the purchaser agrees to discharge any liabilities, including the repayment of inter-company or third party debt, whether actual or contingent, as part of the terms of the transaction.

The Gross Capital test

- 7R
- (1) The gross capital test is calculated by dividing the gross capital of the company or business being acquired by the gross capital of the *listed company*.
 - (2) The test in paragraph (1) is only to be applied for an acquisition of a *company* or business.
 - (3) For the purposes of paragraph (1), the gross capital of the *company* or business being acquired means the aggregate of:
 - (a) the consideration (as calculated under paragraph 5R of this Annex);
 - (b) if a *company*, any of its *shares* and *debt securities* which are not being acquired;
 - (c) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and

- (d) any excess of current liabilities over current assets.
- (4) For the purposes of paragraph (1), the gross capital of the *listed company* means the aggregate of:
 - (a) the market value of its *shares* (excluding *treasury shares*) and the issue amount of the *debt security*;
 - (b) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and
 - (c) any excess of current liabilities over current assets.
- (5) For the purposes of paragraph (1):
 - (a) figures used must be, for *shares* and *debt security* aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those *shares* (or if not available before the announcement, their nominal value) and the issue amount of the *debt security*; and
 - (b) for *shares* and *debt security* aggregated for the purposes of paragraph (3)(b), any *treasury shares* held by the *company* are not to be taken into account.

Figures used to classify assets and profits

- 8R
- (1) For the purposes of calculating the tests in this Annex, except as otherwise stated in paragraphs (2) to (6), figures used to classify assets and profits, must be the figures shown in the latest published audited consolidated accounts or, if a *listed company* has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.
 - (2) If a balance sheet has been published in a subsequently published interim statement then gross assets and gross capital should be taken from the balance sheet published in the interim statement.
 - (3)
 - (a) The figures of the *listed company* must be adjusted to take account of subsequent completed transactions which have been notified to a *RIS* under LR 10.4 or LR 10.5.
 - (b) The figures of the target company or business must be adjusted to take account of subsequent completed transactions which would have been a *class 2 transaction* or greater when classified against the target as a whole.
 - (4) Figures on which the auditors are unable to report without modification must be disregarded.
 - (5) When applying the *percentage ratios* to an acquisition by a *company* whose assets consist wholly or predominantly of cash or short-dated *securities*, the cash and short-dated *securities* must be excluded in calculating its assets and market capitalisation.
 - (6) The principles in this paragraph also apply (to the extent relevant) to calculating the assets and profits of the target company or business.

9G The *FCA* may modify paragraph 8R(4) in appropriate cases to permit figures to be taken into account.

Anomalous results

10G If a calculation under any of the *class tests* produces an anomalous result or if a calculation is inappropriate to the activities of the *listed company*, the *FCA* may modify the relevant *rule* to substitute other relevant indicators of size, including industry specific tests.

Adjustments to figures

11G Where a *listed company* wishes to make adjustments to the figures used in calculating the class tests pursuant to 10G they should discuss this with the *FCA* before the class tests crystallise.

Chapter 11

Related party transactions: Premium listing

11.1 Related party transactions

Application

11.1.1
FCA

R This chapter applies to a *company* that has a *premium listing* .

Purpose

11.1.2
FCA

- G**
- (1) This chapter sets out safeguards that apply to:
 - (a) transactions and arrangements between a *listed company* and a *related party*; and
 - (b) transactions and arrangements between a *listed company* and any other *person* that may benefit a *related party*.
 - (2) The safeguards are intended to prevent a *related party* from taking advantage of its position and also to prevent any perception that it may have done so.

Transaction

11.1.3
FCA

- R** A reference in this chapter:
- (1) to a transaction or arrangement by a *listed company* includes a transaction or arrangement by its *subsidiary undertaking*; and
 - (2) to a transaction or arrangement is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction or the entering into of the arrangement.

Definition of "related party"

11.1.4
FCA

- R** In *LR*, a "*related party*" means:
- (1) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder*; or
 - (2) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* of the *listed company* or of any other *company* which is (and, if he has ceased to be such, was while he was a *director* or

shadow director of such other *company*) its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking* of its *parent undertaking*; or

- (3) [deleted]
- (4) a *person exercising significant influence*; or
- (5) an *associate* of a *related party* referred to in paragraph (1), (2) or (4).

Definition of "substantial shareholder"

11.1.4A

FCA

R

In LR, a "*substantial shareholder*" means any *person* who is entitled to exercise, or to control the exercise of, 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the *company* (or of any *company* which is its *subsidiary undertaking* or *parent undertaking* or of a fellow *subsidiary undertaking* of its *parent undertaking*). For the purposes of calculating voting rights, the following voting rights are to be disregarded:

- (1) any voting rights which such a *person* exercises (or controls the exercise of) independently in its capacity as bare trustee, investment manager, collective investment undertaking or a *long-term insurer* in respect of its linked long-term business if no *associate* of that *person* interferes by giving direct or indirect instructions, or in any other way, in the exercise of such voting rights (except to the extent any such *person* confers or collaborates with such an *associate* which also acts in its capacity as investment manager, collective investment undertaking or *long-term insurer*); or
- (2) any voting rights which a *person* may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:
 - (a) underwriting the issue or sale of *securities*; or
 - (b) placing *securities*, where the *person* provides a firm commitment to acquire any *securities* which it does not place; or
 - (c) acquiring *securities* from existing shareholders or the *issuer* pursuant to an agreement to procure third-party purchases of *securities*;

and where the conditions in (i) to (iv) are satisfied:

- (i) the activities set out in (2)(a) to (c) are performed in the ordinary course of business;
- (ii) the *securities* to which the voting rights attach are held for a consecutive period of 5 *trading days* or less, beginning with the first *trading day* on which the *securities* are held;

- (iii) the voting rights are not exercised within the period the *securities* are held; and
- (iv) no attempt is made directly or indirectly by the *firm* to intervene in (or attempt to intervene in) or exert (or attempt to exert) influence on the management of the *issuer* within the period the *securities* are held.

Definition of "related party transaction"

11.1.5
FCA

R

In LR, a "*related party transaction*" means:

- (1) a transaction (other than a transaction in the ordinary course of business) between a *listed company* and a *related party*; or
- (2) an arrangement (other than an arrangement in the ordinary course of business) pursuant to which a *listed company* and a *related party* each invests in, or provides finance to, another undertaking or asset; or
- (3) any other similar transaction or arrangement (other than a transaction in the ordinary course of business) between a *listed company* and any other *person* the purpose and effect of which is to benefit a *related party*.

11.1.5A
FCA

G

In assessing whether a transaction is in the ordinary course of business under this chapter, the *FCA* will have regard to the size and incidence of the transaction and also whether the terms and conditions of the transaction are unusual.

Transactions to which this chapter does not apply

11.1.6
FCA

R

■ LR 11.1.7 R to ■ LR 11.1.10 R do not apply to a *related party transaction* if it is a transaction or arrangement:

- (1) of a kind referred to in paragraph 1 or 1A of ■ LR 11 Annex 1 R (a small transaction or a transaction the terms of which were agreed before a person became a related party); or
- (2) of a kind referred to in paragraphs 2 to 9 of ■ LR 11 Annex 1 R and does not have any unusual features.

Note: If an *issuer* is proposing to enter into a transaction that could be a *related party transaction* it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of ■ LR 11.

Requirements for related party transactions

11.1.7

FCA

R

If a *listed company* enters into a *related party transaction*, the *listed company* must:

- (1) make a notification in accordance with ■ LR 10.4.1 R (Notification of class 2 transactions) that contains the details required by that *rule* and also:
 - (a) the name of the *related party*; and
 - (b) details of the nature and extent of the *related party's* interest in the transaction or arrangement;
- (2) send a *circular* to its shareholders containing the information required by ■ LR 13.3 and ■ LR 13.6;
- (3) obtain the approval of its shareholders for the transaction or arrangement either:
 - (a) before it is entered into; or
 - (b) if the transaction or arrangement is expressed to be conditional on that approval, before it is completed; and
- (4) ensure that the *related party*:
 - (a) does not vote on the relevant resolution; and
 - (b) takes all reasonable steps to ensure that the *related party's associates* do not vote on the relevant resolution.

11.1.7A

FCA

R

If, after obtaining shareholder approval but before the completion of a *related party transaction*, there is a material change to the terms of the transaction, the *listed company* must comply again separately with ■ LR 11.1.7 R in relation to the transaction.

11.1.7B

FCA

G

The *FCA* would (amongst other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

11.1.7C

FCA

R

A *listed company* must comply with ■ LR 10.5.4 R in relation to a *related party transaction*.

11.1.8

FCA

G

If a meeting of the *listed company* has been called to approve a transaction or arrangement and, after the date of the notice of meeting but before the meeting itself, a party to that transaction or arrangement has become a *related party*, then to comply with ■ LR 11.1.7 R the *listed company* should:

- (1) ensure that the *related party* concerned does not vote on the relevant resolution and that the *related party* takes all reasonable steps to ensure that its *associates* do not vote on the relevant resolution; and

- (2) send a further *circular*, for receipt by shareholders at least one clear *business day* before the last time for lodging proxies for the meeting, containing any information required by ■ LR 13.3 (Contents of all circulars) and ■ LR 13.6 (Related party circulars) that was not contained in the original *circular* with the notice of meeting.

11.1.9
FCA

G

■ LR 11.1.7 R and ■ LR 11.1.8 G will apply to the variation or novation of an existing agreement between the *listed company* and a *related party* whether or not, at the time the original agreement was entered into, that party was a *related party*.

Modified requirements for smaller related party transactions

11.1.10
FCA

R

- (1) This *rule* applies to a *related party transaction* if each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%.
- (2) Where this rule applies, ■ LR 11.1.7 R does not apply but instead the *listed company* must before entering into the transaction or arrangement (as the case may be):
- (a) inform the *FCA* in writing of the details of the proposed transaction or arrangement;
 - (b) provide the *FCA* with written confirmation from a *sponsor* that the terms of the proposed transaction or arrangement with the *related party* are fair and reasonable as far as the shareholders of the *listed company* are concerned; and
 - (c) undertake in writing to the *FCA* to include details of the transaction or arrangement in the *listed company's* next published annual accounts, including, if relevant, the identity of the *related party*, the value of the consideration for the transaction or arrangement and all other relevant circumstances.

Aggregation of transactions in any 12 month period

11.1.11
FCA

R

- (1) If a *listed company* enters into transactions or arrangements with the same *related party* (and any of its *associates*) in any 12 month period and the transactions or arrangements have not been approved by shareholders the transactions or arrangements, including transactions or arrangements falling under ■ LR 11.1.10 R, or small *related party transactions* under ■ LR 11 Annex 1.1R (1), must be aggregated.
- (2) If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with ■ LR 11.1.7 R in respect of the latest transaction or arrangement.

Note: ■ LR 13.6.1 R (8) requires details of each of the transactions or arrangements being aggregated to be included in the circular.

- (3) If transactions or arrangements that are small transactions under ■ LR 11 Annex 1 R paragraph 1 are aggregated under paragraph (1) of this *rule* and for the aggregated small transactions each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%, the *listed company* must comply with:
- (a) ■ LR 11.1.10 R (2)(b) in respect of the latest small transaction;
and
 - (b) ■ LR 11.1.10 R (2)(a) and ■ LR 11.1.10R (2)(c) in respect of the aggregated small transactions.

11.1.12

[Deleted]

Transactions to which related party transaction rules do not apply

FCA

Small transaction

1 A transaction or arrangement where each of the applicable *percentage ratios* is equal to or less than 0.25%.

Transaction agreed before person became a related party

1A A transaction the terms of which:

- (1) were agreed at a time when no party to the transaction or person who was to receive the benefit of the transaction was a *related party*; and
- (2) have not been amended, or required the exercise of discretion by the *listed company* under those terms, since the party or person become a *related party*.

Issue of new securities and sale of treasury shares

2 A transaction that consists of:

- (1) the take up by a *related party* of new *securities* or *treasury shares* under its entitlement in a pre-emptive offering;
- (2) an issue of new *securities* made under the exercise of conversion or subscription rights attaching to a *listed class* of *securities*.

Employees' share schemes and long-term incentive schemes

3 The:

- (1) receipt of any asset (including cash or *securities* of the *listed company* or any of its *subsidiary undertakings*) by a *director* of the *listed company*, its *parent undertaking* or any of its *subsidiary undertakings*; or
- (2) grant of an option or other right to a *director* of the *listed company*, its *parent undertaking*, or any of its *subsidiary undertakings* to acquire (whether or not for consideration) any asset (including cash or new or existing *securities* of the *listed company* or any of its *subsidiary undertakings*); or
- (3) provision of a gift or loan to the trustees of an employee benefit trust to finance the provision of assets as referred to in (1) or (2);

in accordance with the terms of an *employees' share scheme* or a *long-term incentive scheme*.

Credit

4 A grant of credit (including the lending of money or the guaranteeing of a loan):

- (1) to the *related party* on normal commercial terms;

- (2) to a *director* for an amount and on terms no more favourable than those offered to employees of the group generally; or
- (3) by the *related party* on normal commercial terms and on an unsecured basis.

Directors' indemnities and loans

- 5
- (1) A transaction that consists of:
 - (a) granting an indemnity to a *director* of the *listed company* (or any of its *subsidiary undertakings*) if the terms of the indemnity are in accordance with those specifically permitted to be given to a *director* under the Companies Act 2006;
 - (b) maintaining a contract of insurance if the insurance is in accordance with that specifically permitted to be maintained for a *director* under that the Companies Act 2006 (whether for a *director* of the *listed company* or for a *director* of any of its *subsidiary undertakings*) ; or
 - (c) a loan or assistance to a *director* by a *listed company* or any of its *subsidiary undertakings* if the terms of the loan or assistance are in accordance with those specifically permitted to be given to a *director* under section 204, 205 or 206 of the Companies Act 2006.
 - (2) Paragraph (1) applies to a *listed company* that is not subject to the Companies Act 2006 if the terms of the indemnity or contract of insurance are in accordance with those that would be specifically permitted under that Act (if it applied).

Underwriting

- 6
- (1) The underwriting by a *related party* of all or part of an issue of *securities* by the *listed company* (or any of its *subsidiary undertakings*) if the consideration to be paid by the *listed company* (or any of its *subsidiary undertakings*) for the underwriting:
 - (a) is no more than the usual commercial underwriting consideration; and
 - (b) is the same as that to be paid to the other underwriters (if any).
 - (2) Paragraph (1) does not apply to the extent that a *related party* is underwriting *securities* which it is entitled to take up under an issue of *securities*.

7 [deleted]

Joint investment arrangements

- 8
- (1) An arrangement where a *listed company*, or any of its *subsidiary undertakings*, and a *related party* each invests in, or provides finance to, another undertaking or asset if the following conditions are satisfied:
 - (a) the amount invested, or provided, by the *related party* is not more than 25% of the amount invested, or provided, by the *listed company* or its *subsidiary undertaking* (as the case may be) and the *listed company* has advised the *FCA* in writing that this condition has been met; and
 - (b) an independent adviser acceptable to the *FCA* has provided a written opinion to the *FCA* stating that the terms and circumstances of the

investment or provision of finance by the *listed company* or its *subsidiary undertakings* (as the case may be) are no less favourable than those applying to the investment or provision of finance by the *related party*.

- (2) The advice in paragraph (1)(a) and the opinion in paragraph (1)(b) must be provided before the investment is made or the finance is provided.

Insignificant subsidiary undertaking

- 9 (1) A transaction or arrangement where each of the conditions in paragraphs (2) to (6) (as far as applicable) is satisfied.

- (2) The party to the transaction or arrangement is only a *related party* because:

- (a) it is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder* or its *associate*; or
- (b) it is a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* or his *associate*;

of a *subsidiary undertaking* or *subsidiary undertakings* of the *listed company* that has, or if there is more than one *subsidiary undertaking* that have in aggregate, contributed less than 10% of the profits of, and represented less than 10% of the assets of, the *listed company* for the relevant period.

- (3) The *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) have been in the *listed company's* group for 1 year or more.

- (4) In paragraph (2), "relevant period" means:

- (a) if the *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) have been part of the *listed company's* group for more than 1 year but less than 3 years, each of the financial years before the date of the transaction or arrangement for which accounts have been published; and
- (b) if the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) have been part of the *listed company's* group for 3 years or more, each of the 3 financial years before the date of the transaction or arrangement for which accounts have been published.

- (5) If the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) are themselves party to the transaction or arrangement or if *securities* in the *subsidiary undertaking* or any of the *subsidiary undertakings* or their assets are the subject of the transaction or arrangement, then the ratio of consideration to market capitalisation of the *listed company* is less than 10%.

- (6) In this *rule*, the figures to be used to calculate profits, assets and consideration to market capitalisation are the same as those used to classify profits, assets and consideration to market capitalisation in LR 10 Annex 1 G (as modified or added to by LR 10.7 where applicable).

Chapter 12

Dealing in own securities and treasury shares: Premium listing

12.1 Application

Application

12.1.1

FCA

R

This chapter applies to a *company* that has a *premium listing* of *equity shares*.

12.1.2

FCA

R

This chapter contains *rules* applicable to a *listed company* that:

- (1) purchases its own *equity shares*; or
- (2) purchases its own *securities* other than *equity shares*; or
- (3) sells or transfers *treasury shares*; or
- (4) purchases or redeems its own *securities* during a *prohibited period*; or
- (5) purchases its own *securities* from a *related party*.

Exceptions

12.1.3

FCA

R

■ LR 12.2 to ■ LR 12.5 do not apply to a transaction entered into:

- (1) in the ordinary course of business by a securities dealing business; or
- (2) on behalf of third parties either by the *company* or any member of its *group*;

if the *listed company* has established and maintains effective *Chinese walls* between those responsible for any decision relating to the transaction and those in possession of *inside information* relating to the *listed company*.

12.2 Prohibition on purchase of own securities

12.2.1

FCA

R

A *listed company* must not purchase or redeem (or make any early redemptions of) its own *securities* and must ensure that no purchases in its *securities* are effected on its behalf or by any member of its *group* during a *prohibited period* unless:

- (1) prior to the commencement of the *prohibited period* the *company* has put in place a buy-back programme in which the dates and quantities of *securities* to be traded during the relevant period are fixed and have been disclosed in a notification made in accordance with ■ LR 12.4.4 R ; or
- (2) prior to the commencement of the *prohibited period* the *company* has put in place a buy-back programme managed by an independent third party which makes its trading decisions in relation to the *company's securities* independently of, and uninfluenced by, the *company*; or
- (3) the *company* is purchasing or redeeming *securities* other than *shares* or *securities* whose price or value would be likely to be significantly affected by the publication of the information giving rise to the *prohibited period*; or
- (4) the *company* is redeeming *securities* (other than *equity shares*) which, at the time of issue, set out:
 - (a) the date of redemption;
 - (b) the number of *securities* to be redeemed or the formula used to determine that number; and
 - (c) the redemption price or the formula used to determine the price.

12.3 Purchase from a related party

12.3.1

FCA

R

Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party*, whether directly or through intermediaries, ■ LR 11 (Related party transactions) must be complied with unless:

- (1) a *tender offer* is made to all holders of the *class of securities*;
or
- (2) in the case of a market purchase pursuant to a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the *listed company* and any *related party*.

12.4 Purchase of own equity shares

Purchases of less than 15%

12.4.1
FCA

R

Unless a *tender offer* is made to all holders of the *class*, purchases by a *listed company* of less than 15% of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority granted by shareholders, may only be made if the price to be paid is not more than the higher of:

- (1) 5% above the average market value of the *company's equity shares* for the 5 *business days* prior to the day the purchase is made; and
- (2) that stipulated by Article 5(1) of the *Buy-back and Stabilisation Regulation*. [Note: This Article is reproduced at MAR 1 Ann 1]

Purchases of 15% or more

12.4.2
FCA

R

Purchases by a *listed company* of 15% or more of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority by the shareholders must be by way of a *tender offer* to all shareholders of that *class*.

12.4.2A
FCA

R

Purchases of 15% or more of any class of its own *equity shares* may be made by a *listed company*, other than by way of a *tender offer*, provided that the full terms of the *share* buyback have been specifically approved by shareholders.

12.4.3
FCA

G

Where a series of purchases are made pursuant to a general authority granted by shareholders, which in aggregate amount to 15% or more of the number of *equity shares* of the relevant *class* in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a *tender offer* need only be made in respect of any purchase that takes the aggregate to or above that level. Purchases that have been specifically approved by shareholders are not to be taken into account in determining whether the 15% level has been reached.

Notification prior to purchase

12.4.4
FCA

R

- (1) Any decision by the board to submit to shareholders a proposal for the *listed company* to be authorised to purchase its own *equity shares* must be notified to a *RIS* as soon as possible.

- (2) A notification required by paragraph (1) must set out whether the proposal relates to:
 - (a) specific purchases and if so, the names of the *persons* from whom the purchases are to be made; or
 - (b) a general authorisation to make purchases.
- (3) The requirement set out in paragraph (1) does not apply to a decision by the board to submit to shareholders a proposal to renew an existing authority to purchase own *equity shares*.

12.4.5

FCA

R

A *listed company* must notify a *RIS* as soon as possible of the outcome of the shareholders' meeting to decide the proposal described in

■ LR 12.4.4 R.

Notification of purchases

12.4.6

FCA

R

Any purchase of a *listed company's* own *equity shares* by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* as soon as possible, and in any event by no later than 7:30 a.m. on the *business day* following the *calendar day* on which the purchase occurred. The notification must include:

- (1) the date of purchase;
- (2) the number of *equity shares* purchased;
- (3) the purchase price for each of the highest and lowest price paid, where relevant;
- (4) the number of *equity shares* purchased for cancellation and the number of *equity shares* purchased to be held as *treasury shares*; and
- (5) where *equity shares* were purchased to be held as *treasury shares*, a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*; and
 - (b) the number of *equity shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*.

Consent of other classes

12.4.7

FCA

R

Unless ■ LR 12.4.8 R applies, a *company* with *listed securities* convertible into, or exchangeable for, or carrying a right to subscribe for *equity*

shares of the class proposed to be purchased must (prior to entering into any agreement to purchase such *shares*):

- (1) convene a separate meeting of the holders of those *securities*; and
- (2) obtain their approval for the proposed purchase of *equity shares* by a special resolution.

12.4.8

FCA

R

■ LR 12.4.7 R does not apply if the trust deed or terms of issue of the relevant *securities* authorise the *listed company* to purchase its own *equity shares*.

12.4.9

FCA

R

A *circular* convening a meeting required by ■ LR 12.4.7 R must include (in addition to the information in ■ LR 13 (Contents of circulars)):

- (1) a statement of the effect on the conversion expectations of holders in terms of attributable assets and earnings, on the basis that the *company* exercises the authority to purchase its *equity shares* in full at the maximum price allowed (where the price is to be determined by reference to a future market price the calculation must be made on the basis of market prices prevailing immediately prior to the publication of the *circular* and that basis must be disclosed); and
- (2) any adjustments to the rights of the holders which the *company* may propose (in such a case, the information required under paragraph (1) must be restated on the revised basis).

Other similar transactions

12.4.10

FCA

G

A *listed company* intending to enter into a transaction that would have an effect on the *company* similar to that of a purchase of own *equity shares* should consult with the FCA to discuss the application of ■ LR 12.4 .



12.5 Purchase of own securities other than equity shares

12.5.1
FCA

R Except where the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant *securities*, where a *listed company* intends to purchase any of its *securities* convertible into its *equity shares* with a *premium listing* it must:

- (1) ensure that no dealings in the relevant *securities* are carried out by or on behalf of the *company* or any member of its *group* until the proposal has either been notified to a *RIS* or abandoned; and
- (2) notify a *RIS* of its decision to purchase.

Notification of purchases, early redemptions and cancellations

12.5.2
FCA

R Any purchases, early redemptions or cancellations of a *company's* own *securities* convertible into *equity shares* with a *premium listing*, by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* when an aggregate of 10% of the initial amount of the relevant *class* of *securities* has been purchased, redeemed or cancelled, and for each 5% in aggregate of the initial amount of that *class* acquired thereafter.

12.5.3
FCA

R The notification required by ■ LR 12.5.2 R must be made as soon as possible and in any event no later than 7:30 a.m. on the *business day* following the calendar day on which the relevant threshold is reached or exceeded. The notification must state:

- (1) the amount of *securities* acquired, redeemed or cancelled since the last notification; and
- (2) whether or not the *securities* are to be cancelled and the number of that *class* of *securities* that remain outstanding.

12.5.4

R [deleted]

Period between purchase and notification

12.5.5

FCA

R

In circumstances where the purchase is not being made pursuant to a *tender offer* and the purchase causes a relevant threshold in ■ LR 12.5.2 R to be reached or exceeded, no further purchases may be undertaken until after a notification has been made in accordance with ■ LR 12.5.2 R to ■ LR 12.5.4 R.

Convertible securities

12.5.6

R

[deleted]

Warrants and options

12.5.7

FCA

R

Where, within a period of 12 months, a *listed company* purchases warrants or options over its own *equity shares* which, on exercise, convey the entitlement to *equity shares* representing 15% or more of the *company's* existing issued *shares* (excluding *treasury shares*), the *company* must send to its shareholders a *circular* containing the following information:

- (1) a statement of the *directors'* intentions regarding future purchases of the *company's* warrants and options;
- (2) the number and terms of the warrants or options acquired and to be acquired and the method of acquisition;
- (3) where warrants or options have been, or are to be, acquired from specific parties, a statement of the names of those parties and all material terms of the acquisition; and
- (4) details of the prices to be paid.

12.6 Treasury shares

12.6.1
FCA

R

Prohibition on sales or transfers of treasury shares

Subject to ■ LR 12.6.2 R, sales for cash, or transfers for the purposes of, or pursuant to, an *employees' share scheme*, of *treasury shares* must not be made during a *prohibited period*.

12.6.2
FCA

R

Exemptions

■ LR 12.6.1 R does not apply to the following sales or transfers by a *listed company* of *treasury shares*:

- (1) transfers of *treasury shares* in connection with the operation of an *employees' share scheme* where the transfer facilitates dealings that do not fall within the provisions of the *Model Code*; or
- (2) sales or transfers by the *company* of *treasury shares* (other than *equity shares*) of a class whose price or value would not be likely to be significantly affected by the publication of the information giving rise to the *prohibited period*.

12.6.3
FCA

R

Notification of capitalisation issues and of sales, transfers and cancellations of treasury shares

If by virtue of its holding *treasury shares*, a *listed company* is allotted *shares* as part of a capitalisation issue, the *company* must notify a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the *business day* following the calendar *day* on which allotment occurred of the following information:

- (1) the date of the allotment;
- (2) the number of *shares* allotted;
- (3) a statement as to what number of *shares* allotted have been cancelled and what number is being held as *treasury shares*; and

- (4) where *shares* allotted are being held as *treasury shares*, a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the allotment; and
 - (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the allotment.

12.6.4

FCA

R

Any sale for cash, transfer for the purposes of or pursuant to an *employees' share scheme* or cancellation of *treasury shares* that represents over 0.5% of the *listed company's share capital* must be notified to a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the *business day* following the calendar day on which the sale, transfer or cancellation occurred. The notification must include:

- (1) the date of the sale, transfer or cancellation;
- (2) the number of *shares* sold, transferred or cancelled;
- (3) the sale or transfer price for each of the highest and lowest prices paid, where relevant; and
- (4) a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation; and
 - (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation.

Chapter 13

Contents of circulars: Premium listing



13.1 Preliminary

Application

13.1.1 **R** This chapter applies to a *company* that has a *premium listing* .

FCA

Listed company to ensure circulars comply with chapter

13.1.2 **R** A *listed company* must ensure that *circulars* it issues to holders of its *listed equity shares* comply with the requirements of this chapter.

FCA

Incorporation by reference

13.1.3 **R** Information may be incorporated in a *circular* issued by a *listed company* by reference to relevant information contained in:

FCA

- (1) an approved *prospectus* or *listing particulars* of that *listed company*; or
- (2) any other published *document* of that *listed company* that has been filed with the *FCA*.

13.1.4 **R** Information incorporated by reference must be the latest available to the *listed company*.

FCA

13.1.5 **R** Information required by ■ LR 13.3.1 R (1) ■ (2) must not be incorporated in the *circular* by reference to information contained in another document.

FCA

13.1.6 **R** When information is incorporated by reference, a cross reference list must be provided in the *circular* to enable *security* holders to identify easily specific items of information. The cross reference list must specify where the information can be accessed by *security* holders.

FCA

Omission of information

13.1.7 **G** The *FCA* may authorise the omission of information required by ■ LR 13.3 to ■ LR 13.6, ■ LR 13.8 and ■ LR 13 Annex 1 R, if it considers that disclosure of that information would be contrary to the public interest or seriously detrimental to the *listed company*, provided that that omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the matter covered by the *circular*.

FCA

13.1.8

FCA

R

A request to the *FCA* to authorise the omission of specific information in a particular case must:

- (1) be made in writing by the *listed company*;
- (2) identify the specific information concerned and the specific reasons for the omission; and
- (3) state why in the *listed company's* opinion one or more grounds in ■ LR 13.1.7 G apply.

Sending information to holders of listed equity shares.....

13.1.9

FCA

R

A supplementary *circular* must be sent to holders of *listed equity shares* no later than 7 days prior to the date of a meeting at which a vote which is expressly required under the *listing rules* will be taken.

13.1.10

FCA

G

It may be necessary for a convened shareholder meeting to be adjourned to comply with ■ LR 13.1.9 R.



13.2 Approval of circulars

Circulars to be approved

13.2.1
FCA

R A *listed company* must not circulate or publish a *circular* unless it has been approved by the *FCA* .

Circulars not requiring approval

13.2.2
FCA

R A *circular* does not need to be approved under **■ LR 13.2.1 R** if:

- (1) it is of a type referred to in **■ LR 13.8**, or only relates to a proposed change of name , or is an information-only *circular* which does not relate to a shareholder vote, other than of a type referred to in **■ LR 13.4.3R (3)**;
- (2) it complies with **■ LR 13.3** and also, if it is a circular referred to in **■ LR 13.8**, any relevant requirements in that section; and
- (3) neither it, nor the transaction or matter to which it relates, has unusual features.

13.2.2A
FCA

G The *FCA* may agree to waive the requirement for approval of a *circular* in circumstances other than those set out in **■ LR 13.2.2 R**.

When circulars about purchase of own equity shares need approval

13.2.3
FCA

R (1) A *circular* relating to a resolution to give a *listed company* authority to purchase its own *equity shares* must be approved by the *FCA* under **■ LR 13.2.1 R** if:

- (a) the purchase by the *company* of its own *equity shares* is to be made from a *related party* (whether directly or through intermediaries); or
- (b) 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*).

(2) A *circular* referred to in paragraph (1)(a) does not need to be approved if:

- (a) a tender is made to all holders of the *class of securities* on the same terms; or
- (b) for a market purchase under a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the *company* and any *related party*.

Approval procedures

13.2.4
FCA

R The following documents (to the extent applicable) must be lodged with the *FCA* in final form before it will approve a *circular*:

- (1) a Sponsors Declaration for the Production of a Circular completed by the *sponsor*;
- (2) for a *class 1 circular* or *related party circular*, a letter setting out any items of information required by this chapter that are not applicable in that particular case; and
- (3) [deleted]
- (4) any other document that the *FCA* has sought in advance from the *listed company* or its *sponsor*.

13.2.5
FCA

R Two copies of the following documents in draft form must be submitted at least 10 clear *business days* before the date on which it is intended to publish the *circular*:

- (1) the *circular*; and
- (2) the letters and documents referred to in ■ LR 13.2.4 R (1) and ■ (2).

13.2.6

R [deleted]

13.2.7
FCA

R If a *circular* submitted for approval is amended, two copies of amended drafts must be resubmitted, marked to show changes made to conform with *FCA* comments and to indicate other changes.

Approval of circulars

13.2.8
FCA

G The *FCA* will approve a *circular* if it is satisfied that the requirements of this chapter are satisfied.

PAGE 5
13.2.9
FCA

G The *FCA* will only approve a *circular* between 9a.m. and 5.30p.m. on a *business day* (unless alternative arrangements are made in advance).

Note: LR 9.6.1 R requires a *company* to forward to the *FCA* two copies of all *circulars* issued (whether or not they require approval) for publication on the *document viewing facility*.

Sending approved circulars

13.2.10

FCA

R

A listed company must send a circular to holders of its listed equity shares as soon as practicable after it has been approved.



13.3 Contents of all circulars

Contents of all circulars

13.3.1

FCA

R

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

- (1) provide a clear and adequate explanation of its subject matter giving due prominence to its essential characteristics, benefits and risks;
- (2) state why the *security* holder is being asked to vote or, if no vote is required, why the *circular* is being sent;
- (3) if voting or other action is required, contain all information necessary to allow the *security* holders to make a properly informed decision;
- (4) if voting or other action is required, contain a heading drawing attention to the document's importance and advising *security* holders who are in any doubt as to what action to take to consult appropriate independent advisers;
- (5) if voting is required, contain a recommendation from the Board as to the voting action *security* holders should take for all resolutions proposed, indicating whether or not the proposal described in the *circular* is, in the Board's opinion, in the best interests of *security* holders as a whole;
- (6) state that if all the *securities* have been sold or transferred by the addressee the *circular* and any other relevant documents should be passed to the *person* through whom the sale or transfer was effected for transmission to the purchaser or transferee;
- (7) if new *securities* are being issued in substitution for existing *securities*, explain what will happen to existing documents of title;
- (8) not include any reference to a specific date on which listed *securities* will be marked "ex" any benefit or entitlement which has not been

agreed in advance with the *RIE* on which the *company's securities* are or are to be traded;

- (9) if it relates to a transaction in connection with which *securities* are proposed to be *listed*, include a statement that application has been or will be made for the *securities* to be *admitted* and, if known, a statement of the following matters:
 - (a) the dates on which the *securities* are expected to be *admitted* and on which dealings are expected to commence;
 - (b) how the new *securities* rank for dividend or interest;
 - (c) whether the new *securities* rank equally with any existing *listed securities*;
 - (d) the nature of the document of title;
 - (e) the proposed date of issue;
 - (f) the treatment of any fractions;
 - (g) whether or not the *security* may be held in uncertificated form; and
 - (h) the names of the *RIEs* on which *securities* are to be traded;
- (10) if a *person* is named in the *circular* as having advised the *listed company* or its *directors*, a statement that the adviser has given and has not withdrawn its written consent to the inclusion of the reference to the adviser's name in the form and context in which it is included; and
- (11) if the *circular* relates to cancelling *listing*, state whether it is the *company's* intention to apply to cancel the *securities' listing*.

13.3.2
FCA

R If another *rule* provides that a *circular* of a particular type must include specified information, then that information is (unless the contrary intention appears) in addition to the information required under this section.

13.3.3
FCA

Pro forma financial information in certain circulars.....

R If a *listed company* includes pro forma financial information in a *class 1 circular*, a *related party circular* or a *circular* relating to the purchase by the *company* of 25% or more its issued *equity shares* (excluding *treasury shares*), it must comply with the requirements for pro forma financial information set out in the *PD Regulation*.



13.4 Class 1 circulars

Class 1 circulars

13.4.1

FCA

R

A *class 1 circular* must also include the following information:

- (1) the information given in the notification (see ■ LR 10.4.1R);
- (2) the information required by ■ LR 13 Annex 1 R;
- (3) the information required by ■ LR 13.5 (if applicable); and
- (4) a declaration by the *issuer* and its *directors* in the following form (with appropriate modifications):

"The [issuer] and the directors of [the issuer], whose names appear on page [], accept responsibility for the information contained in this document. To the best of the knowledge and belief of the [issuer] and the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.";

- (5) a statement of the effect of the acquisition or disposal on the *group's* earnings and assets and liabilities; and
- (6) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement to the effect that the statement or report is included, in the form and context in which it is included, with the *person's* consent.

13.4.1A

FCA

G

The information necessary under ■ LR 13.3.1 R (3) includes all the material terms of the *class 1 transaction* including the consideration.

13.4.2

FCA

R

If a *class 1 circular* contains a *modified report*, as described in ■ LR 13.5.25 R, the *class 1 circular* must set out:

- (1) whether the modification or emphasis-of-matter paragraph is significant to shareholders;
- (2) if the modification or emphasis-of-matter paragraph is significant to shareholders, the reason for its significance; and
- (3) a statement from the *directors* explaining why they are able to recommend the proposal set out in the *class 1 circular* notwithstanding the *modified report*

Takeover offers

13.4.3

FCA

R

- (1) If a *class 1 circular* relates to a takeover offer which is recommended by the offeree's board and the *listed company* has had access to due diligence information on the offeree at the time the *class 1 circular* is published, the *listed company* must prepare and publish the working capital statement on the basis that the acquisition has taken place.
- (2) If a *class 1 circular* relates to a takeover offer which has not been recommended by the offeree's board or the *listed company* has not had access to due diligence information on the offeree at the time the *class 1 circular* is published, then the *listed company* must comply with paragraphs (3) to (6).
- (3) The *listed company* must prepare and publish the working capital statement on the *listed company* on the basis that the acquisition has not taken place. The working capital statement prepared on the basis that the acquisition has taken place must be updated and published and sent to shareholders within 28 days of the offer becoming or being declared wholly unconditional. The *circular* must state that the statements on a combined basis will be made available as soon as possible.
- (4) Other information on the offeree required by ■ LR 13 Annex 1 R should be disclosed in the *class 1 circular* on the basis of information published or made available by the offeree and of which the *listed company* is aware and is free to disclose.
- (5) If the takeover offer becomes unconditional, any change or addition to the information disclosed which is material in relation to the *listed company*, should be disclosed in a *circular* published (in the absence of exceptional circumstances) within 28 days after the offer becoming or being declared wholly unconditional.

- (6) If the takeover offer has been recommended but the *listed company* does not have access to due diligence information on the offeree, the *listed company* must disclose in the *class 1 circular* why access has not been given to that information.

Acquisition or disposal of property.....

13.4.4

FCA

R

If a *class 1 transaction* relates to:

- (1) the acquisition or disposal of *property*; or
- (2) the acquisition of a *property company* that is not *listed*;

the *class 1 circular* must include a *property valuation report*.

13.4.5

FCA

R

If a *listed company* makes significant reference to the value of a *property* in a *class 1 circular*, the *class 1 circular* must include a *property valuation report*.

Acquisition or disposal of mineral resources.....

13.4.6

FCA

R

If a *class 1 transaction* relates to an acquisition or disposal of *mineral resources* the *class 1 circular* must include:

- (1) a *mineral expert's report*; and
- (2) a glossary of the technical terms used in the *mineral expert's report*.

13.4.7

FCA

G

The *FCA* may modify the information requirements in ■ LR 13.4.6 R if it considers that the information set out would not provide significant additional information. In those circumstances the *FCA* would generally require only the following information, provided it is presented in accordance with reporting standards acceptable to the *FCA* :

- (1) details of *mineral resources*, and where applicable reserves (presented separately) and exploration results or prospects;
- (2) anticipated mine life and exploration potential or similar duration of commercial activity in extracting reserves;
- (3) an indication of the duration and main terms of any licences or concessions and the legal, economic and environmental conditions for exploring and developing those licences or concessions;
- (4) indications of the current and anticipated progress of mineral exploration and/or extraction and processing including a discussion of the accessibility of the deposit; and
- (5) an explanation of any exceptional factors that have influenced the matters in (1) to (4).

13.4.8

FCA

R

Acquisition of a scientific research based company or related assets

If a *class 1 transaction* relates to the acquisition of a *scientific research based company* or related assets, the *class 1 circular* must contain an explanation of the transaction's impact on the acquirer's business plan and the information set out in Section 1c of Part III (Scientific research based companies) of the *ESMA recommendations*.



13.5 Financial information in Class 1 Circulars

When financial information must be included in a class 1 circular.....

13.5.-1
FCA

G

For the purposes of ■ LR 13.5, references to consolidation include both consolidation and proportionate consolidation.

13.5.1
FCA

R

Financial information, as set out in this section, must be included by a *listed company* in a *class 1 circular* if:

- (1) the *listed company* is seeking to acquire an interest in a *target* which will result in a consolidation of the *target's* assets and liabilities with those of the *listed company*; or
- (2) the *listed company* is seeking to dispose of an interest in a *target* which will result in the assets and liabilities which are the subject of the disposal no longer being consolidated; or
- (3) the *target* ("A") has itself acquired a *target* ("B") and:
 - (a) A acquired B within the three year reporting period set out in ■ LR 13.5.13 R (1) or after the date of the last published accounts; and
 - (b) the acquisition of B, at the date of its acquisition by A, would have been classified as a *class 1 acquisition* in relation to the *listed company* at the date of acquisition of A by the *listed company*.

13.5.2

G

[deleted]

13.5.3

G

[deleted]

PAGE
13

13.5.3A
FCA

R

When a *listed company* is acquiring an interest in a *target* that will be accounted for as an investment, or disposing of an interest in a *target* that has been accounted for as an investment, and the *target's securities* that are the subject of the transaction are admitted to an investment exchange that enables intra-day price formation, the *class 1 circular* should include:

- (1) the amounts of the dividends or other distributions paid in the last three years; and
- (2) the price per *security* and the imputed value of the entire holding being acquired or disposed of at the close of business at the following times:
 - (a) on the last *business day* of each of the six months prior to the issue of the *class 1 circular*;
 - (b) on the day prior to the announcement of the transaction; and
 - (c) at the latest practicable date prior to the submission for approval of the *class 1 circular*.

13.5.3B

FCA

R

When a *listed company* is acquiring or disposing of an interest in a *target* that was or will be accounted for using the equity method in the *listed company's* annual consolidated accounts, the *class 1 circular* should include:

- (1) for an acquisition,
 - (a) a narrative explanation of the proposed accounting treatment of the *target* in the *issuer's* next audited consolidated accounts;
 - (b) a *financial information table* for the *target*;
 - (c) a statement that the *target* financial information has been audited and reported on without modification or a statement addressing ■ LR 13.4.2 R and ■ LR 13.5.25 R with regard to any modifications; and
 - (d) a reconciliation of the financial information and opinion thereon in accordance with ■ LR 13.5.27R (2)(a) or, where applicable, a statement from the *directors* in accordance with ■ LR 13.5.27R (2)(b);
- (2) for a disposal, the line entries relating to the *target* from its last audited consolidated balance sheet and those from its audited consolidated income statement for the last three years together with the equivalent line entries from its interim consolidated balance sheet and interim consolidated income statement, where the *issuer* has published subsequent interim financial information.

13.5.3C

FCA

R

A *listed company* that is entering into a *class 1 transaction* which falls within ■ LR 13.5.1 R, ■ LR 13.5.3A R or ■ LR 13.5.3B R but cannot comply with ■ LR 13.5.12 R (inclusion of financial information table) or, for an investment, ■ LR 13.5.3AR (2) (inclusion of price per *security* and the

imputed value of the entire holding), must include an appropriate independent valuation of the *target* in the *class 1 circular*.

13.5.3D

FCA

G

The FCA may dispense with the requirement for an independent valuation under ■ LR 13.5.3C R if it considers that this would not provide useful information for shareholders, in which case the *class 1 circular* must include such information as the FCA specifies.

Accounting policies

13.5.4

FCA

R

- (1) A *listed company* must present all financial information that is disclosed in a *class 1 circular* in a form that is consistent with the accounting policies adopted in its own latest annual consolidated accounts.
- (2) The requirement set out in (1) does not apply when financial information is presented in accordance with:
 - (a) ■ DTR 4.2.6 R, in relation only to financial information for the *listed company* presented for periods after the end of its last published annual accounts; or
 - (b) ■ LR 13.3.3 R (in relation to pro forma financial information); or
 - (c) ■ LR 13.5.27 R or ■ LR 13.5.30 R (in relation to financial information presented for entities that are *admitted to trading* on a regulated market or admitted to an appropriate *multilateral trading facility* or overseas investment exchange); or
 - (d) ■ LR 13.5.30B R (in relation to financial information on disposal entities extracted from financial records from previous years); or
 - (e) ■ LR 13.5.3A R or ■ LR 13.5.3B R (in relation to *targets* that are or will be treated as investments or accounted for using the equity method in the *listed company's* consolidated accounts); or
 - (f) the accounting policies to be used in the *issuer's* next financial statements, provided the *issuer's* last published annual consolidated accounts have been presented on a restated basis consistent with those to be used in its next accounts on or before the date of the *class 1 circular*.

13.5.5

FCA

G

Accounting policies include accounting standards and accounting disclosures.

Source of information

13.5.6

FCA

R

A *listed company* must cite the source of all financial information that it discloses in a *class 1 circular*.

13.5.7
FCA

G

In complying with ■ LR 13.5.6 R a *listed company* should:

- (1) state whether the financial information was extracted from accounts, internal financial accounting records, internal management accounting records, an external or other source;
- (2) state whether financial information that was extracted from audited accounts was extracted without material adjustment; and
- (3) indicate which aspects of the financial information relate to:
 - (a) historical financial information;
 - (b) forecast or estimated financial information; or
 - (c) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*;

with reference made to where the basis of presentation can be found.

13.5.8
FCA

R

If financial information has not been extracted directly from audited accounts, the *class 1 circular* must:

- (1) set out the basis and assumptions on which the financial information has been prepared; and
- (2) include a statement that the financial information is unaudited or not reported on by an accountant.

13.5.9
FCA

R

A *listed company* must provide investors with all necessary information to understand the context and relevance of non-statutory figures, including a reconciliation to statutory equivalents.

Synergy benefits

13.5.9A
FCA

R

Where a *listed company* includes details of estimated synergies or other quantified estimated financial benefits expected to arise from a transaction in a *class 1 circular*, it must also include in the *class 1 circular*:

- (1) the basis for the belief that those synergies or other quantified estimated financial benefits will arise;
- (2) an analysis and explanation of the constituent elements of the synergies or other quantified estimated financial benefits (including any costs) sufficient to enable the relative importance of those elements to be understood, including an indication of when they will be realised and whether they are expected to be recurring;
- (3) a base figure for any comparison drawn;

- (4) a statement that the synergies or other quantified estimated financial benefits are contingent on the *class 1 transaction* and could not be achieved independently; and
- (5) a statement that the estimated synergies or other quantified estimated financial benefits reflect both the beneficial elements and relevant costs.

Prominence of information

13.5.10 **R** *A listed company must give audited historical financial information greater prominence in a class 1 circular than any forecast, estimated, pro forma or non-statutory financial information.*
FCA

Summary of financial information

13.5.11 **R** *A listed company that provides a summary of financial information in a class 1 circular must include in the circular a statement that investors should read the whole document and not rely solely on the summarised financial information.*
FCA

Financial information table

13.5.12 **R** *A listed company that is required by ■ LR 13.5.1 R or ■ LR 13.5.3BR (1) to produce financial information in a class 1 circular must include in the circular a financial information table.*
FCA

Class 1 acquisitions

13.5.12A **R** ■ LR 13.5.13 R to ■ LR 13.5.30 R apply only in relation to a *class 1 acquisition*.
FCA

Financial information table: reporting period

13.5.13 **R** *A financial information table for a class 1 acquisition must cover one of the following reporting periods:*
FCA

- (1) a period of three years up to the end of the latest financial period for which the *target* or its parent has prepared audited accounts; or
- (2) a lesser period than the period set out in (1) if the *target's* business has been in existence for less than three years.

Financial information table: class 1 acquisitions

13.5.14 **R** *A listed company must include, in a financial information table, financial information that covers:*
FCA

- (1) the *target*; and
- (2) the *target's subsidiary undertakings*, if any.

13.5.15 **R** [deleted]

13.5.16	R	[deleted]
13.5.17	G	[deleted]
13.5.17A FCA	R	<p>If the <i>target</i> has made an acquisition or a series of acquisitions that were made during, or subsequent to, the reporting periods set out in ■ LR 13.5.13 R the <i>listed company</i> must include additional <i>financial information tables</i> so that the financial information presented by the <i>listed company</i> represents at least 75% of the enlarged <i>target</i> for the period from the commencement of the relevant three year reporting period set out in ■ LR 13.5.13R (1) up to the date of the acquisition by the <i>listed company</i> or the last balance sheet date presented by it under LR ■ LR 13.5.13R (1), whichever of the two is earlier.</p>
13.5.17B FCA	G	<p>For the purposes of assessing whether the financial information presented in accordance with ■ LR 13.5.17A R represents at least 75% of the enlarged <i>target</i> the <i>FCA</i> will take into account factors such as the assets, profitability and market capitalisation of the business.</p>
13.5.18 FCA	R	<p><i>A listed company</i> must ensure that a <i>financial information table</i> includes, for each of the periods covered by the table:</p> <ol style="list-style-type: none"> (1) a balance sheet and its explanatory notes; (2) an income statement and its explanatory notes; (3) a cash flow statement and its explanatory notes; (4) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (5) the accounting policies; and (6) any additional explanatory notes.
13.5.19	R	[deleted]
13.5.20	G	[deleted]
13.5.21 FCA	R	<p>Financial information table: accountant's opinion.....</p> <p>Unless ■ LR 13.5.3A R, ■ LR 13.5.3B R or ■ LR 13.5.27 R applies, a <i>financial information table</i> must disclose how the accounting policies used conform with ■ LR 13.5.4 R and be accompanied by an accountant's opinion as set out in ■ LR 13.5.22 R.</p>

13.5.22 **R** An accountant's opinion must set out whether, for the purposes of the *class 1 circular*, the *financial information table* gives a true and fair view of the financial matters set out in it.
FCA

13.5.23 **R** An accountant's opinion must be given by an independent accountant who is qualified to act as an auditor.
FCA

13.5.24 **G** An accountant will be independent if he or she complies with the standards and guidelines on independence issued by its national accountancy and auditing bodies.
FCA

13.5.25 **R** If the accountant's opinion required by **LR 13.5.21 R** is modified or contains an emphasis-of-matter paragraph, details of all material matters must be set out in the *class 1 circular*, including:

- (1) all the reasons for the modification or emphasis-of-matter paragraph; and
- (2) a quantification of the effects, if both relevant and practicable.

13.5.26 **R** If the historical financial information of a *target* that falls within **LR 13.5.14 R** or **LR 13.5.17A R** is subject to a *modified report*, details of the material matters giving rise to the modification or emphasis-of-matter paragraph must be set out in the *class 1 circular*.
FCA

Acquisitions of publicly traded companies

13.5.27 **R** (1) **LR 13.5.27R (2)** applies where the *target* is:
FCA

- (a) *admitted to trading on a regulated market*; or
- (b) a *company* whose *securities* are either listed on an *investment exchange* that is not a *regulated market* or admitted to a *multilateral trading facility*, where appropriate standards as regards the production, publication and auditing of financial information are in place;

and none of the financial information included in the *target's financial information table* is subject to a *modified report*, except where a dispensation has been granted under **LR 13.5.27C R**.

- (2) Where **LR 13.5.27R (1)** or **LR 13.5.3BR (1)** applies the *listed company* must include in the *class 1 circular* either:
 - (a) a reconciliation of financial information on the *target* for all periods covered by the *financial information table* on the basis of the *listed company's* accounting policies, accompanied by an accountant's opinion that sets out:
 - (i) whether the reconciliation of financial information in the *financial information table* has been properly compiled on the basis stated; and

- (ii) whether the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the *listed company's* accounting policies; or
- (b) a statement by the *directors* that no material adjustment needs to be made to the *target's* financial information to achieve consistency with the *listed company's* accounting policies.

13.5.27A

FCA

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The *FCA* will make its assessment of whether the accounting and other standards applicable to an investment exchange or *multilateral trading facility* as a result of *securities* being admitted to trading are appropriate for the purpose of ■ LR 13.5.27R (1)(b) having regard to at least the following matters in relation to the legal and regulatory framework applying to the *target* by virtue of its admission to that market:

- (1) the quality of auditing standards compared with International Standards on Auditing;
- (2) requirements for independence of auditors;
- (3) the nature and extent of regulation of audit firms;
- (4) the quality of accounting standards compared with International Financial Reporting Standards;
- (5) the requirements for the timeliness of publication of financial information;
- (6) the presence and effectiveness of monitoring of the timely production and publication of the accounts; and
- (7) the existence and level of external independent scrutiny of the quality of accounts and the disclosures therein.

13.5.27B

FCA

R

Where a *listed company* proposes to rely on ■ LR 13.5.3BR (1)(b), its *sponsor* must submit to the *FCA* an assessment of the appropriateness of the standards applicable to an investment exchange or *multilateral trading facility* against the factors set out in ■ LR 13.5.27AG (1) to ■ (7) and any other matters that it considers should be noted. The assessment must be submitted before or at the time the *listed company* submits the draft *class 1 circular*.

13.5.27C

FCA

R

The *FCA* may grant a dispensation from ■ LR 13.5.27R (1) to allow the application of ■ LR 13.5.27R (2) where a *modified report* on the *target's* financial information has been produced. In such circumstances the *FCA* will have regard to the factors set out in ■ LR 6.1.3A G.

13.5.28

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[deleted]

13.5.29

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[deleted]

Half-yearly and quarterly financial information

13.5.30

FCA

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If a *class 1 circular* includes half-yearly or quarterly or other interim financial information for the *target*, the financial information should be presented in accordance with ■ LR 13.5.4R (1) and be accompanied by a confirmation from the *directors* of the consistency of the accounting policies with those of the *issuer*, except:

- (1) where ■ LR 13.5.27R (1) applies, the financial information should be presented in accordance with ■ LR 13.5.27R (2) except that no accountant's opinion is required; or
- (2) where ■ LR 13.5.3B R applies, the financial information should be presented in accordance with ■ LR 13.5.3BR (1)(b) and ■ LR 13.5.3BR (1)(d).

Class 1 disposals

13.5.30A

FCA

R

■ LR 13.5.30B R to ■ LR 13.5.30D G apply only in relation to a *class 1 disposal*.

13.5.30B

FCA

R

- (1) In the case of a *class 1 disposal*, a *financial information table* must include for the *target*:
 - (a) the last annual consolidated balance sheet;
 - (b) the consolidated income statements for the last three years drawn up to at least the level of profit or loss for the period; and
 - (c) the consolidated balance sheet and consolidated income statement (drawn up to at least the level of profit or loss for the period) at the *issuer's* interim balance sheet date if the *issuer* has published interim financial statements since the publication of its last annual audited consolidated financial statements.
- (2) The information in (1) must be extracted without material adjustment from the consolidation schedules that underlie the *listed company's* audited consolidated accounts or, in the case of (c), the interim financial information, and must be accompanied by a statement to this effect.
- (3) If the information in (1) is not extracted from the consolidation schedules it must be extracted from the *issuer's* accounting records and where an allocation is made, the information must be accompanied by:
 - (a) an explanation of the basis for any financial information presented; and
 - (b) a statement by the *directors* of the *listed company* that such allocations provide a reasonable basis for the presentation of

the financial information for the *target* to enable shareholders to make a fully informed voting decision.

- (4) If the *target* has not been owned by the *listed company* for the entire reporting period set out in (1)(b), the information required by (1) or (3) may be extracted from the *target's* accounting records.

13.5.30C
FCA

R

Where a change of accounting policies has occurred during the period covered by the *financial information table* required by ■ LR 13.5.30B R the financial information must be presented on the basis of both the original and amended accounting policies for the year prior to that in which the new accounting policy is adopted unless the change did not require a restatement of the comparative. Therefore the *financial information table* should have four columns (or more where changes have occurred in more than one year).

13.5.30D
FCA

G

The FCA may modify ■ LR 13.5.30BR (1)(b) and ■ (c) where it is not possible for the *listed company* to provide a meaningful allocation of its costs in the *target's* audited consolidated income statements. The *class 1 circular* should contain a statement to this effect where this modification has been granted. The FCA would not normally expect to grant such modifications except in respect of non-operating costs such as finance costs and tax.

Pro forma financial information

13.5.31
FCA

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■ LR 13.3.3 R sets out requirements for pro forma information in a *class 1 circular*.

Profit forecasts and profit estimates

13.5.32
FCA

R

If a *listed company* includes a *profit forecast* or a *profit estimate* in a *class 1 circular* it must:

- (1) comply with the requirements for a *profit forecast* or *profit estimate* set out in Annex 1 of the *PD Regulation* except that a *listed company* does not need to include a report on the forecast or estimate from an accountant in the *class 1 circular*; and
- (2) include a statement confirming that the *profit forecast* or *profit estimate* has been properly compiled on the basis of assumptions stated and that the basis of accounting is consistent with the accounting policies of the *listed company*.

13.5.33
FCA

R

If, prior to the *class 1 transaction*, a *profit forecast* or *profit estimate* was published that:

- (1) relates to any of the *listed company*, a significant part of the *listed company group*, the *target* or a significant part of the *target*; and

(2) relates to financial information including the period of the forecast which has yet to be published at the date of the *class 1 circular*;

the *listed company* must either:

(3) include that *profit forecast* or *profit estimate* in the *class 1 circular* and comply with ■ LR 13.5.32 R; or

(4) include the *profit forecast* or *profit estimate* in the *class 1 circular* together with an explanation of why the *profit forecast* or *profit estimate* is no longer valid and why reassessment of the *profit forecast* or *profit estimate* in the *class 1 circular* is not necessary for the *listed company* to comply fully with ■ LR 13.3.1R (3).

13.5.33A
FCA

G

For the purposes of ■ LR 13.5.33 R, the fact that the *profit forecast* or *profit estimate* was prepared for a reason other than the *class 1 circular* does not itself indicate invalidity.

13.5.33B
FCA

G

For the purposes of ■ LR 13.5.33R (1) a significant part of the *listed company* or *target* is any part that represents over 75% of the *listed company's group* or the *target* respectively. For these purposes the *FCA* will take into account factors such as the assets, profitability and market capitalisation of the business.

13.5.34
FCA

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A *listed company* should consider ■ LR 9.2.18 R regarding information that must be published after a *class 1 transaction*.

13.5.35

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[deleted]

13.5.36

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[deleted]



13.6 Related party circulars

Related party circulars

13.6.1

FCA

R

A *related party circular* must also include:

- (1) in all cases the following information referred to in the *PD Regulation* relating to the *company*:

Paragraph of Annex 1 of the *PD Regulation*;

- (a) Annex 1 item 5.1.1 - Issuer name;
- (b) Annex 1 item 5.1.4 - Issuer address;
- (c) Annex 1 item 18.1 - Major shareholders;
- (d) Annex 1 item 20.9 - Significant changes;
- (e) Annex 1 item 22 - Material contracts (if it is information which shareholders of the *company* would reasonably require to make a properly informed assessment of how to vote);
- (f) Annex 1 item 24 - Documents on display;

- (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 *company* (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 *PD Regulation* relating to that *director*:

Paragraph of Annex 1 of the *PD Regulation*;

- (a) Annex 1 item 16.2 - Service contracts;
- (b) Annex 1 item 17.2 - Directors' interests in shares;
- (c) Annex 1 item 19 - Related party transactions;

- (3) full particulars of the transaction or arrangement, including the name of the *related party* concerned and of the nature and extent of the interest of the party in the transaction or arrangement and also a statement that the reason the *security* holder is being asked to vote on the transaction or arrangement is because it is with a *related party*;
- (4) for an acquisition or disposal of an asset where any *percentage ratio* is 25% or more and for which appropriate financial information is not available, an independent valuation;
- (5) a statement by the board that the transaction or arrangement is fair and reasonable as far as the *security* holders of the *company* are concerned and that the *directors* have been so advised by a *sponsor*;
- (6) if applicable, a statement that the *related party* will not vote on the relevant resolution, and that the *related party* has undertaken to take all reasonable steps to ensure that its *associates* will not vote on the relevant resolution, at the meeting;
- (7) [deleted]
- (8) if ■ LR 11.1.11 R (Aggregation of transactions) applies, details of each of the transactions or arrangements being aggregated; and
- (9) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement that it is included, in the form and context in which it is included, with the consent of that *person*.

13.6.2

FCA

R

For the purposes of the statement by the board referred to in

■ LR 13.6.1 R (5):

- (1) any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party* should not have taken part in the board's consideration of the matter; and
- (2) the statement should specify that such persons have not taken part in the board's consideration of the matter.

13.6.3

FCA

G

For the purpose of advising the *directors* under ■ LR 13.6.1 R (5), a *sponsor* may take into account but not rely on commercial assessments of the *directors*.

Pro forma financial information

■ LR 13.3.3 R sets out requirements for pro forma information in *related party circulars*.

13.6.4

FCA

G



13.7 Circulars about purchase of own equity shares

Purchase of own equity shares

13.7.1

FCA

R

- (1) A *circular* relating to a resolution proposing to give the *company* authority to purchase its own *equity securities* must also include:
 - (a) if the authority sought is a general one, a statement of the *directors'* intentions about using the authority;
 - (b) if known, the method by which the *company* intends to acquire its *equity shares* and the number to be acquired in that way;
 - (c) a statement of whether the *company* intends to cancel the *equity shares* or hold them in treasury;
 - (d) if the authority sought related to a proposal to purchase from specific parties, a statement of the names of the persons from whom *equity shares* are to be acquired together with all material terms of the proposal;
 - (e) details about the price, or the maximum and minimum price, to be paid;
 - (f) the total number of warrants and options to subscribe for *equity shares* that are outstanding at the latest practicable date before the *circular* is published and both the proportion of issued share capital (excluding *treasury shares*) that they represent at that time and will represent if the full authority to buyback *shares* (existing and being sought) is used ; and
 - (g) where ■ LR 12.4.2A R applies, an explanation of the potential impact of the proposed *share* buyback, including whether control of the *listed company* may be concentrated following the proposed transaction.

- (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 *PD Regulation* :
 - (a) Annex 1 item 4 - Risk factors;

- (b) Annex 1 item 12 - Trend information;
- (c) Annex 1 item 17.2 - Director's interests in shares;
- (d) Annex 1 item 18.1 - Major interests in shares;
- (e) Annex 1 item 20.9 - Significant changes;
- (f) Annex 3 item 3.1 - Working capital (this must be based on the assumption that the authority sought will be used in full at the maximum price allowed and this assumption must be stated). This information is not required to be included in a *circular* issued by a *closed-ended investment fund*.

13.7.1A

FCA

G

In considering whether an explanation given in a *circular* satisfies the requirement in ■ LR 13.7.1R (1)(g), the *FCA* would expect the following information to be included in the explanation:

- (1) the shareholdings of *substantial shareholders* in the *listed company* before and after the proposed transaction; and
- (2) the shareholdings of a holder of *equity shares* who may become a *substantial shareholder* in the *listed company* as a result of the proposed transaction.

Pro forma financial information

13.7.2

FCA

G

■ LR 13.3.3 R sets out requirements for pro forma information in a *circular* relating to the purchase by the *company* of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*).



13.8 Other circulars

Authority to allot shares

13.8.1

FCA

R

A *circular* relating to a resolution proposing to grant the *directors'* authority to allot shares or other securities pursuant to section 551 (Power of directors to allot shares etc: authorisation by company) of the Companies Act 2006 must include:

- (1) a statement of the maximum amount of shares or other securities which the *directors* will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
- (2) a statement of the number of *treasury shares* held by the *company* as at the date of the *circular* and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
- (3) a statement by the *directors* as to whether they have any present intention of exercising the authority, and if so for what purpose; and
- (4) a statement as to when the authority will lapse.

Disapplying pre-emption rights

13.8.2

FCA

R

A *circular* relating to a resolution proposing to disapply pre-emption rights provided by ■ LR 9.3.11 R must include:

- (1) a statement of the maximum amount of *equity securities* which the disapplication will cover; and
- (2) if there is a general disapplication for *equity securities* for cash made otherwise than to existing shareholders in proportion to their existing holdings, the percentage which the amount generally disappplied represents of the total *equity* share capital in issue as at the latest practicable date before publication of the *circular*.

13.8.3 **R** [deleted]

Reduction of capital

13.8.4 **R** **FCA** A *circular* relating to a resolution proposing to reduce the *company's* capital , other than a reduction of capital pursuant to section 626 of the Companies Act 2006 (Reduction of capital in connection with redenomination), must include a statement of the reasons for, and the effects of, the proposal.

Capitalisation or bonus issue

- 13.8.5 **R** **FCA**
- (1) A *circular* relating to a resolution proposing a capitalisation or bonus issue must include:
 - (a) the reason for the issue;
 - (b) a statement of the last date on which transfers were or will be accepted for registration to participate in the issue;
 - (c) details of the proportional entitlement; and
 - (d) a description of the nature and amount of reserves which are to be capitalised.
 - (2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

Scrip dividend alternative

- 13.8.6 **R** **FCA**
- (1) A *circular* containing an offer to shareholders of the right to elect to receive *shares* instead of all or part of a cash dividend must include:
 - (a) a statement of the total number of *shares* that would be issued if all eligible shareholders were to elect to receive *shares* for their entire shareholdings, and the percentage which that number represents of the *equity shares* (excluding *treasury shares*) in issue at the date of the *circular*;
 - (b) in a prominent position, details of the equivalent cash dividend foregone to obtain each *share* or the basis of the calculation of the number of *shares* to be offered instead of cash;
 - (c) a statement of the total cash dividend payable and applicable tax credit on the basis that no elections for the scrip dividend alternative are received;
 - (d) a statement of the date for ascertaining the *share* price used as a basis for calculating the allocation of *shares*;
 - (e) details of the proportional entitlement;
 - (f) details of what is to happen to fractional entitlements;
 - (g) the record date; and

- (h) a form of election relating to the scrip dividend alternative which:
 - (i) is worded so as to ensure that shareholders must elect positively in order to receive shares instead of cash; and
 - (ii) includes a statement that the right is non-transferable.
- (2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

Scrip dividend mandate schemes/dividend reinvestment plans

13.8.7
FCA

R

- (1) A *circular* relating to any proposal where shareholders are entitled to complete a mandate in order to receive *shares* instead of future cash dividends must include:
 - (a) the information in ■ LR 13.8.6 R (1)(d) and ■ (f);
 - (b) the basis of the calculation of the number of *shares* to be offered instead of cash;
 - (c) a statement of last date for lodging notice of participation or cancellation in order for that instruction to be valid for the next dividend;
 - (d) details of when adjustment to the number of *shares* subject to the mandate will take place;
 - (e) details of when cancellation of a mandate instruction will take place;
 - (f) a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;
 - (g) the procedure for notifying shareholders of the details of each scrip dividend; and
 - (h) a statement of the circumstances, if known, under which the *directors* may decide not to offer a scrip alternative in respect of any dividend.
- (2) The timetable in the *circular* for each scrip alternative covered by a scrip dividend mandate plan must have been approved by the *RIE* on which the *company's equity shares* are traded.

Notices of meetings

13.8.8
FCA

R

- (1) When holders of *listed equity shares* are sent a notice of meeting which includes any business, other than ordinary business at an annual general meeting, an explanatory *circular* must accompany the notice. If the other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the *directors' report*.

- (2) A *circular* or other document convening an annual general meeting at which only ordinary business is to be conducted and, if applicable, any other matter covered by this section is to be considered or proposed, need not be submitted to the *FCA* for prior approval if, for the other matter to be considered or proposed, the *circular* or other document complies with the relevant provisions of this section.
- (3) A *circular* or other document convening an annual general meeting where only ordinary business is proposed does not need to comply with ■ LR 13.3.1 R (4), ■ (5) and ■ (6).

13.8.9

FCA

G

A *circular* or other document convening an annual general meeting where special business is proposed will need to comply with all of ■ LR 13.3.1 R (including paragraphs (4), (5) and (6) in respect of special business).

Amendments to constitution

13.8.10

FCA

R

A *circular* to shareholders about proposed amendments to the *constitution* must include:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:
 - (a) from the date of sending the *circular* until the close of the relevant general meeting at a place in or near the City of London or such other place as the *FCA* may determine; and
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting.

Employees' share scheme etc

13.8.11

FCA

R

A *circular* to shareholders about the approval of an *employee's share scheme* or *long-term incentive scheme* must:

- (1) include either the full text of the scheme or a description of its principal terms;
- (2) include, if *directors* of the *listed company* are trustees of the scheme, or have a direct or indirect interest in the trustees, details of the trusteeship or interest;
- (3) state that the provisions (if any) relating to:
 - (a) the persons to whom, or for whom, *securities*, cash or other benefits are provided under the scheme (the "participants");
 - (b) limitations on the number or amount of the *securities*, cash or other benefits subject to the scheme;

- (c) the maximum entitlement for any one participant; and
- (d) the basis for determining a participant's entitlement to, and the terms of, *securities*, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, *rights issue* or *open offer*, sub-division or consolidation of *shares* or reduction of capital or any other variation of capital;

cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the *company* operating the scheme or for members of its group);

- (4) state whether benefits under the scheme will be pensionable and, if so, the reasons for this; and
- (5) if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:
 - (a) from the date of sending the *circular* until the close of the relevant general meeting at a place in or near the City of London or such other place the *FCA* may determine; and
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting.

13.8.12

FCA

R

The resolution contained in the notice of meeting accompanying the *circular* must refer either to:

- (1) the scheme itself (if circulated to shareholders); or
- (2) the summary of its principal terms included in the *circular*.

13.8.13

FCA

R

The resolution approving the adoption of an *employees' share scheme* or *long-term incentive scheme* may authorise the *directors* to establish further schemes based on any scheme which has previously been approved by shareholders but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any *shares* made available under such further schemes are treated as counting against any limits on individual or overall participation in the main scheme.

Amendments to employees' share scheme etc.....

13.8.14

FCA

R

A *circular* to shareholders about proposed amendments to an *employees' share scheme* or a *long-term incentive scheme* must include:

- (1) an explanation of the effect of the proposed amendments; and

- (2) the full terms of the proposed amendments, or a statement that the full text of the scheme as amended will be available for inspection.

Discounted option arrangements

13.8.15

FCA

R

If shareholders' approval is required by ■ LR 9.4.4 R, the *circular* to shareholders must include the following information:

- (1) details of the persons to whom the *options, warrants* or rights are to be granted; and
- (2) a summary of the principal terms of the *options, warrants* or rights.

Reminders of conversion rights

13.8.16

FCA

R

(1) A *circular* to holders of *listed securities* convertible into *shares* reminding them of the times when conversion rights are exercisable must include:

- (a) the date of the last day for lodging conversion forms and the date of the expected sending of the certificates;
- (b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*;
- (c) the basis of conversion in the form of a table setting out capital and income comparisons;
- (d) a brief explanation of the tax implications of conversion for holders resident for tax purposes in the *United Kingdom*;
- (e) if there is a trustee, or other representative, of the *securities* holders to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;
- (f) reference to future opportunities to convert and whether the terms of conversion will be the same as or will differ from those available at present, or, if there are no such opportunities, disclosure of that fact;
- (g) reference to letters of indemnity, for example, if certificates have been lost;
- (h) if power exists to allot *shares* issued on conversion to another person, reference to forms of nomination; and
- (i) a statement as to whether holders exercising their rights of conversion will retain the next interest payment due on the *securities*.

-
- (2) The *circular* must not contain specific advice as to whether or not to convert the *securities*.

Class 1 circulars

FCA

The following table identifies (by reference to certain paragraphs of Annex 1 and Annex 3 of the *PD Regulation*) the additional information required to be included in a *class 1 circular* relating to the *listed company* and the undertaking the subject of the transaction.

Information	Listed Company	Undertaking the subject of the transaction
Annex 1 item 4 - Risk factors	*	*
Annex 1 item 5.1.1 - Company name	*	
Annex 1 item 5.1.4 - Company address	*	
Annex 1 item 12 - Trend information	*	*
Annex 1 item 16.2 - Service contracts	*	
Annex 1 item 17.2 - Director's interests in shares	*	
Annex 1 item 18.1 - Major interests in shares	*	
Annex 1 item 19 - Related party transactions	*	
Annex 1 item 20.8 - Litigation	*	*
Annex 1 item 20.9 - Significant changes	*	*
Annex 1 item 22 - Material contracts	*	*
Annex 1 item 24 - Documents on display	*	
Annex 3 item 3.1 - Working capital	*	*

LR 13 Annex 1.1

- 1** The information required by this Annex must be presented as follows:
- (1) the information required by Annex 1 item 22 (material contracts), Annex 1 item 20.8 (litigation) and Annex 1 item 20.9 (significant change)
 - (a) for an acquisition, in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired; or
 - (b) for a disposal, in separate statements for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place), and for the undertaking, business or assets to be disposed of;

- (2) the information required by Annex 3 item 3.1 (working capital) and, if relevant Annex 1 item 12 (trend information):
 - (a) in the case of an acquisition, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the acquisition has taken place); or
 - (b) in the case of a disposal, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place).

2 In determining what information is required to be included by virtue of Annex 1 item 22 (material contracts) if a *prospectus* or *listing particulars* are 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*.

3 The information required by this Annex is modified as follows:

- (1) if the *listed company* is issuing *shares* for which *listing* is sought, the information regarding major interests in *shares* (Annex 1 item 18.1) and *directors'* interests in *shares* (Annex 1 item 17.2) must be given for the share capital both as existing and as enlarged by the *shares* for which *listing* is sought;
- (2) information required by Annex 1 item 19 (related party transactions) and Annex 1 item 16.2 (directors' service contracts) does not need to be given if it has already been published before the circular is sent;
- (3) information referred to in Annex 3 item 3.1 (Working capital) is not required to be included in a *class 1 circular* published by a *closed-ended investment fund* ;
- (4) information required by Annex 1 item 4 should be provided only in respect of those risk factors which:
 - (a) are material risk factors to the proposed transaction;
 - (b) will be material new risk factors to the *group* as a result of the proposed transaction; or
 - (c) are existing material risk factors to the *group* which will be impacted by the proposed transaction; and
- (5) information required by Annex 1 item 24 must include a copy of the Sale and Purchase Agreement (or equivalent document) if applicable.

Chapter 14

Standard listing (shares)



14.1 Application

14.1.1

FCA

R

This chapter applies to a *company* with, or applying for, a *standard listing* of *shares* other than:

- (1) *equity shares* issued by a *company* that is an *investment entity* unless it has a *premium listing* of a class of its *equity shares*; and
- (2) *preference shares* that are *specialist securities*.

14.2 Requirements for listing

14.2.1

FCA

R

An *applicant* which is applying for *standard listing (shares)* must comply with all of ■ LR 2 (Requirements for listing: All securities).

Shares in public hands

14.2.2

FCA

R

- (1) If an application is made for the *admission* of a *class* of *shares*, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public in one or more *EEA States*.
- (2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states.
- (3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands.
- (4) For the purposes of paragraphs (1), (2) and (3), *shares* are not held in public hands if they are held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
 - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant class.

- (5) For the purposes of paragraph (3), *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[Note: Article 48 CARD]

14.2.3

FCA

G

The FCA may modify ■ LR 14.2.2 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public. For that purpose, the FCA may take into account *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 CARD]

Shares of a non-EEA company

14.2.4

FCA

R

The FCA will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the FCA is satisfied that the absence of the listing is not due to the need to protect investors. [Note: Article 51 CARD]

Listing applications

14.2.5

FCA

G

A *company* applying for a *standard listing* of *shares* will need to comply with ■ LR 3 (Listing applications: All securities).

14.2.6

R

[deleted]

14.3 Continuing obligations

Admission to trading

- 14.3.1 **R** Other than in regard to *securities* to which ■ LR 4 applies, the *listed equity shares* of a *company* must be admitted to trading on a *regulated market* for *listed securities* operated by a *RIE*.
- FCA**

Shares in public hands

- 14.3.2 **R** (1) A *company* must comply with ■ LR 14.2.2 R at all times.
- (2) A *company* that no longer complies with ■ LR 14.2.2 R must notify the *FCA* as soon as possible of its non-compliance.

- 14.3.3 **G** A *company* should consider ■ LR 5.2.2G (2) in relation to its compliance with ■ LR 14.2.2 R.
- FCA**

Further issues

- 14.3.4 **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. [Note: Article 64 CARD]
- FCA**

- 14.3.5 **R** [deleted]

Copies of documents

- 14.3.6 **R** A *company* must forward to the *FCA* , for publication through the *document viewing facility*, two copies of:
- (1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and
- (2) all resolutions passed by the *company* other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

14.3.7

FCA

R

- (1) A *company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under ■ LR 14.3.6 R unless the full text of the document is provided to the *RIS*.
- (2) A notification made under (1) must set out where copies of the relevant document can be obtained.

Contact details

14.3.8

FCA

R

A *company* must ensure that the *FCA* is provided with up to date contact details of appropriate *persons* nominated by it to act as the first point of contact with the *FCA* in relation to the *company's* compliance with the *listing rules* and the *disclosure rules* and *transparency rules*, as applicable.

Temporary documents of title (including renounceable documents)

14.3.9

FCA

R

A *company* must ensure that any temporary document of title (other than one issued in global form) for a *share*:

- (1) is serially numbered;
- (2) states where applicable:
 - (a) the name and address of the first holder and names of joint holders (if any);
 - (b) the pro rata entitlement;
 - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
 - (d) how the *shares* rank for dividend or interest;
 - (e) the nature of the document of title and proposed date of issue;
 - (f) how fractions (if any) are to be treated; and
 - (g) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ LR 9.5.6 R, in which the offer may be accepted, and how *shares* not taken up will be dealt with; and
- (3) if renounceable:
 - (a) states in a heading that the document is of value and negotiable;
 - (b) advises holders of *shares* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
 - (c) states that where all of the *shares* have been sold by the addressee (other than ex rights or ex capitalisation), the

document should be passed to the person through whom the sale was effected for transmission to the purchaser;

- (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
- (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
- (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
- (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

14.3.10

FCA

R

A *company* must ensure that any definitive document of title for a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (5) and (7)):

- (1) the authority under which the *company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *shares* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *share* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *share* is transferable;
- (5) the date of the certificate;
- (6) for a fixed income *security*, the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion; and
- (7) for *shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

Disclosure and Transparency Rules

14.3.11 **G** **FCA** A *company* whose *shares* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under the *disclosure rules* and *transparency rules*.

14.3.12 **R** [deleted]

14.3.13 **G** [deleted]

14.3.14 **R** [deleted]

Registrar

14.3.15 **R** **FCA** (1) This *rule* applies to an *overseas company* for whom the *United Kingdom* is a host Member State for the purposes of the *Transparency Directive*.

(2) An *overseas company* must appoint a registrar in the *United Kingdom* if:

(a) there are 200 or more holders resident in the *United Kingdom*; or

(b) 10% of more of the *shares* are held by *persons* resident in the *United Kingdom*.

14.3.15A **G** **FCA** An *overseas company* for whom the *United Kingdom* is the home Member State for the purposes of the *Transparency Directive* should see ■ LR 14.3.22 G and ■ LR 14.3.23 R.

14.3.16 **G** [deleted]

Notifications relating to capital

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

(1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;

(2) [deleted]

(3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;

(4) [deleted]

- (5) any extension of time granted for the currency of temporary documents of title;
- (6) [deleted]
- (7) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

14.3.18

FCA

R

Where the *shares* are subject to an underwriting agreement a *company* may, at its discretion and subject to ■ DTR 2 (Disclosure and control of inside information by issuers) delay notifying a *RIS* as required by ■ LR 14.3.17 R (7) for up to two *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

14.3.19

R

[deleted]

14.3.20

R

[deleted]

14.3.21

R

[deleted]

Compliance with the transparency rules

14.3.22

FCA

G

A *company*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

14.3.23

FCA

R

A *listed company* that is not already required to comply with the *transparency rules* (or with corresponding requirements imposed by another *EEA Member State*) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.

14.3.24

FCA

R

A *listed company* that is not already required to comply with ■ DTR 7.2 (Corporate governance statements), or with corresponding requirements imposed by another *EEA State*, must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.



14.4 [Deleted]

Chapter 15

Closed-Ended Investment Funds: Premium listing



15.1 Application

15.1.1

FCA

R

This chapter applies to a *closed-ended investment fund* applying for, or with, a *premium listing* .

15.1.2

[Deleted]



15.2 Requirements for listing

15.2.1

FCA

R

To be *listed*, an *applicant* must comply with:

- (1) ■ LR 2 (Requirements for listing);
- (2) the following provisions of ■ LR 6 (Additional requirements for premium listing (commercial company)):
 - (a) ■ LR 6.1.3 R (1)(d) and ■ (e), if the *applicant* is a *new applicant* for the *admission* of *equity shares* and it has published or filed audited accounts;
 - (b) ■ LR 6.1.3 R (2);
 - (c) ■ LR 6.1.16 R to ■ LR 6.1.25 R; and
- (3) ■ LR 15.2.2 R to ■ LR 15.2.13A R.

Shares of a non-EEA company

15.2.1A

FCA

R

The *FCA* will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

[Note: Article 51 CARD]

Investment activity

15.2.2

FCA

R

An *applicant* must invest and manage its assets in a way which is consistent with its object of spreading investment risk.

15.2.3

G

[deleted]

15.2.3A

FCA

R

- (1) An *applicant* and its *subsidiary undertakings* must not conduct any trading activity which is significant in the context of its *group* as a whole.

- (2) This rule does not prevent the businesses forming part of the investment portfolio of the *applicant* from conducting trading activities themselves.

15.2.4 **R** [deleted]

15.2.4A **G** Although there is no restriction on an *applicant* taking a controlling stake in an investee company, to ensure a spread of investment risk an *applicant* should avoid:

FCA

- (1) cross-financing between the businesses forming part of its investment portfolio including, for example, through the provision of undertakings or security for borrowings by such businesses for the benefit of another; and
- (2) the operation of common treasury functions as between the *applicant* and investee companies.

Cross-holdings

15.2.5 **R** (1) No more than 10%, in aggregate, of the value of the total assets of an *applicant* at admission may be invested in other *listed closed-ended investment funds*.

FCA

(2) The restriction in (1) does not apply to investments in *closed-ended investment funds* which themselves have published investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.

Feeder funds

15.2.6 **R** (1) If an *applicant* principally invests its funds in another *company* or fund that invests in a portfolio of *investments* (a "master fund"), the *applicant* must ensure that:

FCA

- (a) the master fund's investment policies are consistent with the *applicant's* published investment policy and provide for spreading investment risk; and
- (b) the master fund in fact invests and manages its investments in a way that is consistent with the *applicant's* published investment policy and spreads investment risk.

(2) Paragraph (1) applies whether the *applicant* invests its funds in the master fund directly or indirectly through other intermediaries.

(3) Where the *applicant* invests in the master fund through a chain of intermediaries between the applicant and the master fund, the *applicant* must ensure that each intermediary in the chain complies with paragraphs (1)(a) and (b).

Investment policy

15.2.7 **R** An *applicant* must have a published investment policy that contains information about the policies which the *closed-ended investment fund* will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.
FCA

15.2.8 **G** The information in the investment policy, including quantitative information concerning the exposures mentioned in **LR 15.2.7 R**, should be sufficiently precise and clear as to enable an investor to:

- (1) assess the investment opportunity;
- (2) identify how the objective of risk spreading is to be achieved; and
- (3) assess the significance of any proposed change of investment policy.

15.2.9 **R** [deleted]

15.2.10 **G** [deleted]

Independence

15.2.11 **R** The board of *directors* or equivalent body of the *applicant* must be able to act independently :

FCA

- (1) of any *investment manager* appointed to manage *investments* of the *applicant*; and
- (2) if the *applicant* (either directly or through other intermediaries) has an investment policy of principally investing its funds in another *company* or fund that invests in a portfolio of investments ("a master fund"), of the master fund and of any *investment manager* of the master fund.

15.2.11A **R** **LR 15.2.11 R (2)** does not apply if the *company* or fund which invests its funds in another *company* or fund is a *subsidiary undertaking* of the *applicant*.
FCA

15.2.12 **G** [deleted]

15.2.12-A **R** For the purposes of **LR 15.2.11 R**:

FCA

- (1) the chairman of the board or equivalent body of the *applicant* must be independent; and
- (2) a majority of the board or equivalent body of the *applicant* must be independent (the chairman may be included within that majority).

15.2.12A **R**
FCA

For the purposes of ■ LR 15.2.11 R and ■ LR 15.2.12-A R, the following are not independent:

- (1) *directors, employees*, partners, officers or professional advisers of or to:
 - (a) an *investment manager* of the *applicant*; or
 - (b) a master fund or *investment manager* referred to in ■ LR 15.2.11 R (2); or
 - (c) any other *company* in the same *group* as the *investment manager* of the *applicant*; or
- (2) *directors, employees* or professional advisers of or to other *investment companies* or funds that are:
 - (a) managed by the same *investment manager* as the *investment manager* to the *applicant*; or
 - (b) managed by any other *company* in the same *group* as the *investment manager* to the *applicant*.

15.2.13 **G**

[deleted]

15.2.13A **R**
FCA

A *person* referred to in ■ LR 15.2.12A R (1) or ■ (2) who is a *director* of the *applicant* must be subject to annual re-election by the *applicant's* shareholders.

15.2.14 [Deleted]

15.2.15 [Deleted]

15.2.16 [Deleted]

15.2.17 [Deleted]

15.2.18 [Deleted]



15.3 Listing applications and procedures

15.3.1

FCA

G

An *applicant* is required to comply with ■ LR 3 (Listing applications).

Sponsors

15.3.2

FCA

G

An *applicant* that is seeking admission of its *equity shares* is required to retain a *sponsor* in accordance with ■ LR 8 (Sponsors).

15.3.3

FCA

R

An *applicant* must appoint a *sponsor* on each occasion that it makes an application for *admission of equity shares* which requires the production of *listing particulars*.

Multi-class fund or umbrella fund

15.3.4

FCA

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*.

15.3.5

[Deleted]

15.3.6

[Deleted]

15.3.7

[Deleted]

15.3.8

[Deleted]

15.3.9

[Deleted]

15.3.10

[Deleted]



15.4 Continuing obligations

Compliance with LR 9

- 15.4.1 **R** *A closed-ended investment fund must comply with all of the requirements of ■ LR 9 (Continuing obligations) subject to the modifications and additional requirements set out in this section.*
FCA

Investment policy

- 15.4.1A **R** *A closed-ended investment fund must, at all times, have a published investment policy which complies with ■ LR 15.2.7 R.*
FCA
- 15.4.1B **G** *A closed-ended investment fund should have regard to the guidance in ■ LR 15.2.8 G at all times.*
FCA

Investment activity and compliance with investment policy

- 15.4.2 **R** *A closed-ended investment fund must, at all times, invest and manage its assets:*
FCA
- (1) in a way which is consistent with its object of spreading investment risk; and
 - (2) in accordance with its published investment policy.
- 15.4.3 **G** [deleted]
- 15.4.3A **R** *A closed-ended investment fund must comply with ■ LR 15.2.3A R at all times.*
FCA
- 15.4.4 **R** [deleted]
- 15.4.4A **G** *A closed-ended investment fund should have regard to the guidance in ■ LR 15.2.4A G at all times.*
FCA

Cross-holdings

15.4.5 **R** A *closed-ended investment fund* must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in **LR 15.2.5 R**.
FCA

Feeder funds

15.4.6 **R** If a *closed-ended investment fund* principally invests its funds in the manner set out in **LR 15.2.6 R**, the *closed-ended investment fund* must ensure that **LR 15.2.6 R** is complied with at all times.
FCA

15.4.6A **G** **LR 15.2.6 R** and **LR 15.4.6 R** are not intended to require the *closed-ended investment fund* to be able to control or direct the master fund or intermediary (as the case may be). But if the *closed-ended investment fund* becomes aware that the master fund or intermediary (as the case may be) is not investing or managing its investments in accordance with that rule it will need to immediately consider withdrawal of its funds from the master fund or intermediary (as the case may be) or other appropriate action so that it is no longer in breach of the *rules*.
FCA

Independence

15.4.7 **R** **LR 15.2.11 R** to **LR 15.2.13A R** apply at all times to a *closed-ended investment fund*.
FCA

Shareholder approval for material changes to investment policy

15.4.8 **R** A *closed-ended investment fund* must obtain the prior approval of its shareholders to any material change to its published investment policy.
FCA

15.4.9 **G** In considering what is a material change to the published investment policy, the *closed-ended investment fund* should have regard to the cumulative effect of all the changes since its shareholders last had the opportunity to vote on the investment policy or, if they have never voted, since the *admission to listing*.
FCA

Conversion of an existing listed class of equity shares

15.4.10 **R** An existing *listed class of equity shares* may not be converted into a new *class* or an *unlisted class* unless prior approval has been given by the shareholders of that existing *class*.
FCA

Further issues

- 15.4.11 **R**
- (1) Unless authorised by its shareholders, a *closed-ended investment fund* may not issue further *shares* of the same class as existing *shares* (including issues of *treasury shares*) for cash at a price below the net asset value per *share* of those *shares* unless they are first offered pro rata to existing holders of *shares* of that class.
 - (2) When calculating the net asset value per *share*, *treasury shares* held by the *closed-ended investment fund* should not be taken into account.
- FCA**

Cancellation of premium listing

15.4.11A **G** A *closed-ended investment fund* must comply with ■ LR 5.2.7A R

FCA

15.4.12 **R** [deleted]

15.4.13 **R** [deleted]

15.4.14 **R** [deleted]

15.4.15 **R** [deleted]

15.4.16 **R** [deleted]

15.4.17 **R** [deleted]

15.4.18 **R** [deleted]

15.4.19 **R** [deleted]

15.4.20 **R** [deleted]

15.4.21 **R** [deleted]

15.4.22 **G** [deleted]

15.4.23 **R** [deleted]

15.4.24 **R** [deleted]

15.4.25 **R** [deleted]

Externally managed companies

15.4.26 **R** A *closed-ended investment fund* is not required to comply with

FCA

■ LR 9.2.20 R.

15.5 Transactions

Compliance with the Model Code

15.5.1

FCA

R

- (1) A *closed-ended investment fund* must comply with the provisions of the *Model Code*.
- (2) ■ LR 9.2.7 R to ■ LR 9.2.10 R do not apply to a *closed-ended investment fund*.
- (3) Paragraph (1) does not apply to:
 - (a) dealings by *persons discharging managerial responsibilities* in the *closed-ended investment fund*;
 - (b) purchases by the *closed-ended investment fund* of its own *securities*; and
 - (c) sales of *treasury shares* for cash or transfers (except for sales and transfers by the *closed-ended investment fund* of *treasury shares* in the circumstances set out in ■ LR 12.6.2 R);if the *closed-ended investment fund* satisfies the requirements of (4).
- (4) The transactions described in (3) may be entered into during a *close period* if:
 - (a) the *closed-ended investment fund* is satisfied that all *inside information* which the *directors* and the entity may have in periods leading up to an announcement of results has previously been notified to a *RIS*; and
 - (b) the *closed-ended investment fund* notifies a *RIS* that it is satisfied that all *inside information* has previously been notified.

Significant transactions

15.5.2

FCA

R

A *closed-ended investment fund* must comply with ■ LR 10 (Significant transactions) and ■ LR 5.6, except in relation to transactions that are executed in accordance with the scope of its published investment policy.

Transactions with related parties

15.5.3

G

■ LR 11 (Related party transactions) applies to a *closed-ended investment fund*.

FCA

15.5.4

R

In addition to the definition in ■ LR 11.1.4 R a *related party* includes any *investment manager* of the *closed-ended investment fund* and any member of such *investment manager's* group.

FCA

Additional exemption from related party requirements

15.5.5

R

(1) ■ LR 11.1.7 R to ■ LR 11.1.11 R do not apply to an arrangement between a *closed-ended investment fund* and its *investment manager* or any member of that *investment manager's* group where the arrangement is such that each invests in or provides finance to an entity or asset and the investment or provision of finance is either:

- (a) made at the same time and on substantially the same economic and financial terms; or
- (b) referred to in the *closed-ended investment fund's* published investment policy; or
- (c) made in accordance with a pre-existing agreement between the *closed-ended investment fund* and its *investment manager*.

(2) For the purposes of paragraph (1)(c), a pre-existing agreement is an agreement which was entered into at the time the *investment manager* was appointed.

15.5.6

[Deleted]

15.5.7

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15.5.8

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15.5.9

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15.5.10

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15.5.21

[Deleted]

15.5.22

[Deleted]

15.5.23

[Deleted]



15.6 Notifications and periodic financial information

Changes to tax status

15.6.1
FCA

R

A *closed-ended investment fund* must notify any change in its taxation status to a *RIS* as soon as possible.

Annual financial report

15.6.2
FCA

R

In addition to the requirements in ■ LR 9.8 (Annual financial report), a *closed-ended investment fund* must include in its annual financial report:

- (1) a statement (including a quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk in accordance with its published investment policy;
- (2) a statement, set out in a prominent position, as to whether in the opinion of the *directors*, the continuing appointment of the *investment manager* on the terms agreed is in the interests of its shareholders as a whole, together with a statement of the reasons for this view;
- (3) the names of the fund's *investment managers* and a summary of the principal contents of any agreements between the *closed-ended investment fund* and each of the *investment managers*, including but not limited to :
 - (a) an indication of the terms and duration of their appointment;
 - (b) the basis for their remuneration; and
 - (c) any arrangements relating to the termination of their appointment, including compensation payable in the event of termination;
- (4) [deleted]
- (5) the full text of its current published investment policy; and
- (6) a comprehensive and meaningful analysis of its portfolio.

Annual financial report additional requirements for property investment entities

15.6.3
FCA

R A *closed-ended investment fund* that, as at the end of its financial year, has invested more than 20% of its assets in *property* must include in its annual financial report a summary of the valuation of its portfolio, carried out in accordance with ■ LR 15.6.4 R.

15.6.4
FCA

R A valuation required by ■ LR 15.6.3 R must:

- (1) either:
 - (a) be made in accordance with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors; or
 - (b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such non-compliance; and
- (2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors.

15.6.5
FCA

R The summary described in ■ LR 15.6.3 R must include:

- (1) the total value of *properties* held at the year end;
- (2) totals of the cost of *properties* acquired;
- (3) the net book value of *properties* disposed of during the year; and
- (4) an indication of the geographical location and type of *properties* held at the year end.

Statement regarding compliance with UK Corporate Governance Code

15.6.6
FCA

- R**
- (1) This *rule* applies to a *closed-ended investment fund* that has no executive *directors*.
 - (2) A *closed-ended investment fund's* statement required by ■ LR 9.8.6 R (6) need not include details about the following principles and provisions of the *UK Corporate Governance Code* except to the extent that those principles or provisions relate specifically to non-executive *directors*:
 - (a) Principle D.1 (including Code Provisions D.1.1 to D.1.5); and

(b) Principle D.2 (including Code Provisions D.2.1 to D.2.4).

Annual financial and half yearly report

15.6.7

FCA

R

In addition to the requirements in ■ LR 9 (Continuing obligations), half-yearly reports and, if applicable, preliminary statements of annual results must include information showing the split between:

- (1) dividend and interest received; and
- (2) other forms of income (including income of associated companies).

Notification of cross-holdings

15.6.8

FCA

R

A *closed-ended investment fund* must notify to a *RIS* within five *business days* of the end of each quarter a list of all investments in other *listed closed-ended investment funds*, as at the last *business day* of that quarter, which themselves do not have stated investment policies to invest no more than 15% of their total assets in other *listed closed-ended investment funds*.

15.6.9

[Deleted]

15.6.10

[Deleted]

15.6.11

[Deleted]



15.7

[Deleted]

Chapter 16

Open-ended investment companies: Premium listing

16.1 Application

16.1.1

FCA

R

This chapter applies to an *open-ended investment company* applying for, or with, a *premium listing* which is:

- (1) an *ICVC* that has been granted an *authorisation order* by the *FCA*; or
- (2) an *overseas collective investment scheme* that is a *recognised scheme*.



16.2 Requirements and eligibility for listing

16.2.1

FCA

R

To be *listed*, an *applicant* must comply with:

- (1) ■ LR 2 (Requirements for listing); and
- (2) only ■ LR 6.1.22 R to ■ LR 6.1.24 G of ■ LR 6 (Additional requirements for premium listing commercial company).

16.2.2

[Deleted]

16.2.3

[Deleted]

16.2.4

[Deleted]

16.2.5

[Deleted]

16.2.6

[Deleted]

16.2.7

[Deleted]

16.2.8

[Deleted]

16.2.9

[Deleted]

16.2.10

[Deleted]



16.3 Listing applications

16.3.1 **G** An *applicant* for admission is required to comply with ■ LR 3 (Listing applications).
FCA

16.3.2 **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*.
FCA

Sponsors

16.3.3 **G** An *applicant* that is seeking *admission* of its *equity shares* must retain a *sponsor* in accordance with ■ LR 8 (Sponsors).
FCA

16.3.4 **R** An *applicant* must appoint a *sponsor* when it makes an application for *admission* of *equity shares* which requires the production of *listing particulars*.
FCA

16.3.5 **G** [deleted]

Multi-class fund or umbrella fund

16.3.6 **R** An *applicant* which is a multi-class or umbrella fund which seeks to create a new *class* of *security* without increasing its share capital for which *listing* has previously been granted, must provide the *FCA* with the details of the new *class* and no further application for *listing* is required.
FCA

16.3.7 [Deleted]



16.4 Requirements with continuing application

16.4.1

FCA

R

An *open-ended investment company* must comply with:

- (1) ■ LR 9 (Continuing obligations) except ■ LR 9.2.6B R, ■ LR 9.2.15 R, ■ LR 9.2.20 R and ■ LR 9.3.11 R;
- (2) ■ LR 15.5.1 R;
- (3) ■ LR 15.6.1 R; and
- (4) the condition set out in ■ LR 16.1.1 R (1) or (2).

16.4.2

FCA

R

■ LR 15.6.6 R applies to an *open-ended investment company* if it has no executive *directors*.

16.4.3

FCA

R

The interests of a single *person* or entity which exceeds 10% of the issued *shares* (calculated exclusive of *treasury shares*) of any *class* of *share* in the capital of the *open-ended investment company* must, so far as they are known to it, be notified to a *RIS* as soon as possible following the *open-ended investment company* becoming aware of those interests.

16.4.4

FCA

R

■ LR 10 (Significant transactions) and ■ LR 12 (Dealing in own securities and treasury shares) do not apply to an *open-ended investment company*.

Cancellation of premium listing

16.4.5

FCA

R

An *open-ended investment company* must comply with ■ LR 5.2.7A R

16.4.6

[Deleted]

Chapter 17

Debt and debt-like securities: Standard listing

17.1 Application

17.1.1

FCA

R

This chapter applies to

- (1) an *issuer* of any of the following types of *securities*:
 - (a) *debt securities*;
 - (b) *asset-backed securities*;
 - (c) *certificates representing debt securities*;
 - (d) *specialist securities* of the following types:
 - (i) *convertible securities* which convert to *debt securities*;
 - (ii) *convertible securities* which convert to *equity securities*;
 - (iii) *convertible securities* which are exchangeable for *securities* of another *company*; and
 - (iv) *preference shares*

17.1.2

FCA

G

An *issuer*, as described in ■ LR 17.1.1 R includes:

- (1) a *state monopoly*;
- (2) a *state finance organisation*;
- (3) a statutory body; and
- (4) an *OECD state guaranteed issuer*.

17.1.3

FCA

G

A state, a regional or local authority or a *public international body* with *listed debt securities* should see ■ LR 17.5 for its continuing obligations



17.2 Requirements for listing and listing applications

Requirements for listing

17.2.1

FCA

G

An *issuer* to whom this chapter applies will need to comply with ■ LR 2 (Requirements for listing - all securities).

Listing Applications

17.2.2

FCA

G

An *issuer* to whom this chapter applies will need to comply with ■ LR 3 (Listing applications).

17.3 Requirements with continuing application

Copies of documents

17.3.1
FCA

R

- (1) An *issuer* must forward to the *FCA*, for publication through the *document viewing facility*, two copies of any document required by ■ LR 17.3 or ■ LR 17.4 at the same time the document is issued.
- (2) An *issuer* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under paragraph (1) unless the full text of the document is provided to the *RIS*.
- (3) A notification made under paragraph (2) must set out where copies of the relevant document can be obtained.

Admission to trading

17.3.2
FCA

R

- (1) An *issuer's securities* must be admitted to trading on a *RIE's* market for *listed securities* at all times.
- (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; or
 - (b) requested a *RIE* to cancel or suspend trading of any of its *listed securities*; or
 - (c) been informed by a *RIE* that the trading of any of its *listed securities* will be cancelled or suspended.

17.3.3

R

[deleted]

Annual accounts

17.3.3A
FCA

R

■ LR 17.3.4 R to ■ LR 17.3.6 G apply to an *issuer* that is not already required to comply with ■ DTR 4.

17.3.4
FCA

R

- (1) An *issuer* must publish its annual report and annual accounts as soon as possible after they have been approved.

- (2) An *issuer* must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
- (3) The annual report and accounts must:
 - (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *IAS*; and
 - (b) have been independently audited and reported on, in accordance with:
 - (i) the auditing standards applicable in an *EEA State*; or
 - (ii) an equivalent auditing standard.

17.3.5

FCA

G

- (1) If an *issuer* prepares both own and consolidated annual accounts it may publish either form provided that the unpublished accounts do not contain any significant additional information.
- (2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the *FCA*.
- (3) An *issuer* incorporated or established in a *non-EEA State* which is not required to draw up its accounts so as to give a true and fair view but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

17.3.6

FCA

G

An *issuer* that meets the following criteria is not required to comply with ■ LR 17.3.4 R:

- (1) The *issuer* is an *issuer of asset backed securities* and would if it were a debt *issuer* to which ■ DTR 4 applied be relieved of the obligations to draw up and publish annual, half yearly financial reports and interim management statements in accordance with ■ DTR 4.4.2 R provided the *issuer* is not otherwise required to comply with any other requirement for the publication of annual reports and accounts.
- (2) (a) the *issuer*:
 - (i) is a wholly owned subsidiary of a *listed company*;
 - (ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed holding company* or equivalent arrangements are in place;
 - (iii) is included in the consolidated accounts of its *listed holding company*; and
 - (iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and

(b) non publication of the *issuer's* accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the *securities*.

17.3.7 **R** [deleted]

Disclosure Rules and Transparency Rules

17.3.8 **G**
FCA An *issuer*, whose *securities* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under ■ DTR 2 (Disclosure and control of inside information by issuers).

17.3.9 **R**
FCA An *issuer* that is not already required to comply with ■ DTR 2 must comply with ■ DTR 2 as if it were an *issuer* for the purposes of the *disclosure rules and transparency rules*.

17.3.9A **G**
FCA An *issuer*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

17.3.9B **R**
FCA An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an *issuer* for the purposes of the *transparency rules*.

Amendments to trust deeds

17.3.10 **R**
FCA An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* about proposed amendments to a *trust deed* includes:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that they will be available for inspection:
 - (a) from the date the *circular* is sent until the close of the relevant general meeting at a place in or near the City of London or such other place as the *FCA* may determine; and
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting.

17.3.11 [Deleted]

Early redemptions

17.3.12 **R**
FCA (1) An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* relating to a resolution proposing to redeem *listed securities* before their due date for redemption includes:

- (a) an explanation of the reasons for the early redemption;

- (b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*;
 - (c) a statement of any interests of any *director* in the *securities*;
 - (d) if there is a trustee, or other representative, of the holders of the *securities* to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;
 - (e) the timetable for redemption; and
 - (f) an explanation of the procedure to be followed by the *securities* holders.
- (2) The *circular* must not contain specific advice about whether or not to accept the proposal for redemption.
 - (3) The timetable for redemption in the *circular* must have been approved by the *RIE* on which the *listed securities* are traded.

Documents of title

17.3.13

FCA

R

An *issuer* must ensure that any definitive document of title for a *security* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (5)):

- (1) the authority under which the *issuer* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable; and
- (5) [deleted]
- (6) the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion.



17.4 [deleted]

17.4.1 **R** [deleted]

17.4.2 **R** [deleted]

17.4.3 **R** [deleted]

17.4.4 **G** [deleted]

17.4.5 **R** [deleted]

17.4.6 **R** [deleted]

17.4.7 **R** In the case of *debt securities* guaranteed by another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of the *company* that is providing the guarantee unless that *company* is *listed* or adequate information is otherwise available.

17.4.8 **R** In the case of *convertible securities* which are exchangeable for *securities* of another *company*, an *issuer* must submit to the *FCA* the annual report and accounts of that other *company* unless that *company* is *listed* or adequate information is otherwise available.

Disclosure: asset-backed securities

17.4.9 **R** Where an *issuer* proposes to issue further *debt securities* that are:

- (1) backed by the same assets; and
- (2) not fungible with existing classes of *debt securities*; or
- (3) not subordinated to existing classes of *debt securities*;

the *issuer* must inform the holders of the existing classes of *debt securities*.

**17.5 Requirements for states, regional and local
authorities and public international bodies**

17.5.1

FCA

R

This chapter does not apply to a state, a regional or local authority and a *public international body* with *listed debt securities* except that such an *issuer* must comply with ■ LR 17.3.2 R (Admission to trading).

Compliance with transparency rules

17.5.2

FCA

R

- (1) This *rule* applies to a state, a regional or local authority and a *public international body* with *listed debt securities* for whom the *United Kingdom* is its home Member State for the purposes of the *Transparency Directive*.
- (2) An *issuer* referred to in paragraph (1) that is not already required to comply with the *transparency rules* must comply with:
- (a) ■ DTR 5.6.3 R (disclosure of changes in rights);
 - (b) ■ DTR 6.1.2 R (amendments to constitution);
 - (c) ■ DTR 6.1.3 R (2) (equality of treatment);
 - (d) ■ DTR 6.2 (Filing information and use of language); and
 - (e) ■ DTR 6.3 (Dissemination of information).

Chapter 18

Certificates representing certain securities: Standard listing



18.1 Application

18.1.1

FCA

R

This chapter applies to:

- (1) a *depository*; and
- (2) an *issuer* of the *securities* which are represented by certificates.



18.2 Requirements for listing

Issuer of securities is taken to be the issuer

18.2.1
FCA

R

If an application is made for the *admission of certificates representing certain securities*, the *issuer* of the *securities* which the certificates represent is the *issuer* for the purpose of the *listing rules* and the application will be dealt with as if it were an application for the *admission* of the *securities*.

Certificates representing certain securities

18.2.2
FCA

R

For *certificates representing certain securities* to be admitted to *listing* an *issuer* of the *securities* which the certificates represent must comply with ■ LR 18.2.3 R to ■ LR 18.2.7 G.

18.2.3
FCA

R

An *issuer* must be:

- (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
- (2) operating in conformity with its *constitution*. [Note: Articles 42 and 52 CARD]

18.2.4
FCA

R

For the certificates to be *listed*, the *securities* which the certificates represent must:

- (1) conform with the law of the *issuer's* place of incorporation;
- (2) be duly authorised according to the requirements of the *issuer's constitution*; and
- (3) have any necessary statutory or other consents. [Note: Articles 45 and 53 CARD]

PAGE
3

18.2.5
FCA

R

- (1) For the certificates to be *listed*, the *securities* which the certificates represent must be freely transferable. [Note: Articles 46, 54 and 60 CARD]
- (2) For the certificates to be *listed*, the *securities* 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)).

18.2.6
FCA

G

The FCA may modify ■ LR 18.2.5 R to allow partly paid securities 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. [Note: Articles 46 and 54 CARD]

18.2.7
FCA

G

The FCA may, in exceptional circumstances, modify or dispense with ■ LR 18.2.5 R where the issuer has the power to disapprove the transfer of securities if the FCA is satisfied that this power would not disturb the market in those securities.

Certificates representing equity securities of an overseas company

18.2.8
FCA

R

- (1) If an application is made for the admission of a class of certificates representing shares of an overseas company, a sufficient number of certificates must, no later than the time of admission, be distributed to the public in one or more EEA States.
- (2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not EEA States, if the certificates are listed in the state or states.
- (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 25% of the certificates for which application for admission has been made are in public hands.
- (4) For the purposes of paragraphs (1), (2) and (3), certificates are not held in public hands if they are held, directly or indirectly by:
 - (a) a director of the applicant or of any of its subsidiary undertakings; or
 - (b) a person connected with a director of the applicant or of any of its subsidiary undertakings; or
 - (c) the trustees of any employees' share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings; or
 - (d) any person who under any agreement has a right to nominate a person to the board of directors of the applicant; or
 - (e) any person or persons in the same group or persons acting in concert who have an interest in 5% or more of the certificates of the relevant class.

18.2.9 G The *FCA* may modify ■ LR 18.2.8 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of certificates of the same *class* and the extent of their distribution to the public. For that purpose, the *FCA* may take into account certificates of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 *CARD*]

18.2.10 R [deleted]

Certificates representing securities of an investment entity.

18.2.10A R Certificates representing *equity securities* of an *investment entity* (wherever incorporated or established) will be *admitted to listing* only if the *equity securities* they represent are already *listed* or are the subject of an application for *listing* at the same time.

FCA

Additional requirements for the certificates

18.2.11 R To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in ■ LR 2.2.2 R to ■ LR 2.2.11 R. 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.

FCA

18.2.12 R To be *listed*, the *certificates representing certain securities* must not impose obligations on the *depository* that issues the certificates except to the extent necessary to protect the certificate-holders rights to, and the transmission of entitlements of, the *securities*.

FCA

Additional requirements for a depository

18.2.13 R A *depository* that issues *certificates representing certain securities* must be a suitably authorised and regulated financial institution acceptable to the *FCA*.

FCA

18.2.14 R A *depository* that issues *certificates representing certain securities* must hold on trust (or under equivalent arrangements) for the sole benefit of the certificate holders the *securities* to which the certificates relate, all rights relating to the *securities* and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the *issuer* of the certificates.

FCA



18.3 Listing applications

- 18.3.1 **R** An *applicant for admission of certificates representing certain securities* must comply with ■ LR 3.2 and ■ LR 3.4.4 R to ■ LR 3.4.8 R subject to the following modifications.

FCA
- 18.3.1A **R** An *applicant for admission of certificates representing certain securities* must submit a letter to the *FCA* setting out how it satisfies the requirements in ■ LR 2 and ■ LR 18.2 no later than when the first draft of a *prospectus* for the certificates is submitted, or if the *FCA* is not approving a *prospectus*, at a time agreed with the *FCA*.

FCA
- 18.3.2 **R** In addition to the documents referred to in ■ LR 3.4.6 R, an *applicant for admission of certificates representing certain securities* must keep a copy of the executed deposit agreement for six years after the *admission* of the relevant certificates.

FCA
- 18.3.3 **G** [deleted]

18.4 Continuing obligations

- 18.4.1** **R** An *issuer* of *debt securities* which the certificates represent must comply with the continuing obligations set out in ■ LR 17.3 (Requirements with continuing application) in addition to the requirements of this section.
- FCA**
- 18.4.2** **R** A *UK issuer* of *equity shares* which the certificates represent must comply with the continuing obligations set out in ■ LR 9 (Continuing obligations) in addition to the requirements of this section.
- FCA**
- 18.4.3** **R** An *overseas company* that is the *issuer* of the *equity shares* which the certificates represent must comply with:
- FCA**
- (1) the requirements of this section;
 - (2) the continuing obligations set out in ■ LR 14.3 (Continuing obligations) (other than in ■ LR 14.3.2 R and ■ LR 14.3.15 R), ■ LR 18.2.8 R and ■ LR 18.4.3A R; and
 - (3) ■ DTR 2 (Disclosure and control of inside information by issuers), as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.
- Annual accounts continuing obligations**
-
- 18.4.3A** **R**
- FCA**
- (1) An *issuer* within ■ LR 18.4.3 R must publish its annual report and annual accounts as soon as possible after they have been approved.
 - (2) An issuer within ■ LR 18.4.3 R must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
 - (3) The annual report and accounts must:
 - (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *IAS*; and
 - (b) have been independently audited and reported on, in accordance with:

- (i) the auditing standards applicable in an *EEA State*; or
- (ii) an equivalent auditing standard.

18.4.3B

FCA

R

For the purposes of ■ LR 18.4.3 R (2), a reference to complying with the obligations in ■ LR 14.3 is to be read as a reference to complying with those obligations in respect of the certificates.

Change of depositary

18.4.4

FCA

R

Prior to any change of the *depositary* of *certificates representing certain securities*, the new *depositary* must satisfy the FCA that it meets the requirements of ■ LR 18.2.11 R to ■ LR 18.2.14 R.

Notification of change of depositary

18.4.5

FCA

R

- (1) An *issuer* of *securities* represented by *listed certificates representing certain securities* must notify a *RIS* of any change of *depositary*.
- (2) The notification required by paragraph (1) must be made as soon as possible, and in any event by 7.30 a.m. on the *business day* following the change of *depositary*, and contain the following information:
 - (a) the name, registered office and principal administrative establishment if different from the registered office of the *depositary*;
 - (b) the date of incorporation and length of life of the *depositary*, except where indefinite;
 - (c) the legislation under which the *depositary* operates and the legal form which it has adopted under the legislation; and
 - (d) any changes to the information regarding the *certificates representing certain securities*.

Documents of title

18.4.6

FCA

R

An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to *certificates representing equity securities*.

Compliance with Transparency Rules

18.4.7

FCA

G

An *issuer*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

18.4.8

FCA

R

[18.4.8 to follow]

18.4.9

FCA

R

An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an *issuer* for the purposes of the *transparency rules*.

18

Chapter 19

Securitised derivatives: Standard listing



19.1 Application

19.1.1

FCA

R

This chapter applies to an *issuer* of:

- (1) *retail securitised derivatives*;
- (2) *specialist securitised derivatives*; and
- (3) other derivative products if the *FCA* has specifically approved their *listing* under this chapter.

Other derivative products

19.1.2

FCA

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* under this chapter must comply with the *rules* applicable to an *issuer* of *specialist securitised derivatives* unless otherwise stated.

19.1.3

FCA

R

The *FCA* will not admit to *listing*, under this chapter, other derivative products that are likely to be bought and traded by investors who are not *specialist investors*, unless the derivative product falls within the scope of *specified investments* in Part III of the *Regulated Activities Order*.

19.2 Requirements for listing

19.2.1

FCA

R

An *applicant* for the *admission of securitised derivatives* must comply with ■ LR 2 (Requirements for listing - all securities) and the following requirements.

Requirements for listing: the issuer

19.2.2

FCA

R

An *applicant* for the *admission of securitised derivatives* must either:

- (1) have *permission* under the *Act* to carry on its activities relating to *securitised derivatives* and be either a *bank* or a *securities and futures firm*;
- (2) if the *applicant* is an *overseas company*:
 - (a) be regulated by an *overseas* regulator responsible for the regulation of banks, securities firms or futures firms and which has a lead regulation agreement for financial supervision with the *FCA*; and
 - (b) be carrying on its activities relating to *securitised derivatives* within the approved scope of its business; or
- (3) arrange for its obligations in relation to the *securitised derivatives*, to be unconditionally and irrevocably *guaranteed* by, or benefit from an arrangement which is equivalent in its effect to such a *guarantee* provided by, an entity which satisfies (1) or (2).

Requirements for listing

19.2.3

FCA

R

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

- (1) a currency; or
- (2) an index; or
- (3) an interest rate; or

(4) a basket of any of the above.

19.2.4
FCA

R The *FCA* may modify or dispense with the requirement in ■ LR 19.2.3 R for other derivative products.

Requirements for listing: retail products.....

19.2.5
FCA

R To be *listed*, a *retail securitised derivative* must:

- (1) satisfy the requirements set out in ■ LR 19.2.3 R; and
- (2) not be a *contingent liability investment*.

19.2.6
FCA

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

- (1) for cash settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, the exercise of the *securitised derivative* is automatic; or
- (2) for physically settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, if the holder fails to deliver an *exercise notice* by the time stipulated in the terms and conditions, the *issuer* will, irrespective of the failure to exercise, pay to the holder an amount in cash in lieu of the holders failure to deliver the *exercise notice*, the amount and method of calculation of this amount to be determined by the *issuer*.

19



19.3 Listing applications

Listing application procedures

19.3.1

FCA

R

An *applicant* for *admission* of *securitised derivatives* must comply with:

- (1) ■ LR 3.2 (Application for admission to listing); and
- (2) ■ LR 3.4.4 R to ■ LR 3.4.8 R.

19.3.2

FCA

R

In addition to the documents referred to in ■ LR 3.4.6 R, an *applicant* for *admission* of *securitised derivatives* must keep a copy of the securitised derivative agreement or securitised derivative instrument or similar document for six years after the *admission* of the relevant *securitised derivative*.

19.4 Continuing obligations

Application

- 19.4.1 FCA R An *issuer* that has only *securitised derivative listed* is subject to the continuing obligations set out in this chapter.
- 19.4.2 FCA R An *issuer* that has both *securitised derivatives* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities so listed*.

Admission to trading

- 19.4.3 FCA R
 - (1) An *issuer's listed securitised derivatives* must be admitted to trading on a *RIE's* market for *listed securities* at all times.
 - (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; or
 - (b) requested a *RIE* to cancel or suspend trading of any of its *listed securitised derivatives*; or
 - (c) been informed by a *RIE* that the trading of any of its *listed securitised derivatives* will be cancelled or suspended.
- 19.4.4 R [deleted]
- 19.4.5 R [deleted]
- 19.4.6 R [deleted]
- 19.4.7 FCA R If an issue is *guaranteed* by an *unlisted company*, an *issuer* must submit the guarantor's accounts to the *FCA*.
- 19.4.8 R [deleted]
- 19.4.9 R [deleted]

Settlement arrangements

19.4.10

R

FCA

- (1) An *issuer* must ensure that appropriate settlement arrangements for its *listed securitised derivatives* are in place.
- (2) *Listed securitised derivatives* must be eligible for electronic settlement, which includes settlement by a relevant system, as that term is defined in the Uncertificated Securities Regulations 1995 (SI 1995/3272).

Disclosure rules and transparency rules

19.4.11

R

FCA

An *issuer* must comply with ■ DTR 2.1 to ■ DTR 2.7 as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.

19.4.11A

G

FCA

An *issuer*, whose securities are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

19.4.11B

R

FCA

For the purposes of compliance with the *transparency rules*, the FCA considers that an *issuer of securitised derivatives* should comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer of debt securities as defined in the *transparency rules*.

19.4.11C

G

FCA

An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Documents of title

19.4.12

R

FCA

An *issuer* must comply with the requirements in ■ LR 9.5.15 R (temporary documents of title) and ■ LR 9.5.16 R (definitive documents of title) so far as relevant to *securitised derivatives*.



19.5 Disclosures

19.5.1 **R** An *issuer* must submit to the *FCA* two copies of any document required by **■ LR 19.5.2 R** to **■ LR 19.5.10 R** at the same time as the document is issued.
FCA

19.5.2 **R** [deleted]

19.5.3 **R** [deleted]

19.5.4 **R** [deleted]

19.5.5 **R** [deleted]

19.5.6 **R** [deleted]

19.5.7 **R** An *issuer* must notify a *RIS* of all notices to holders of *listed securitised derivatives* no later than the date of despatch or publication.
FCA

19.5.8 **R** [deleted]

Underlying instruments

19.5.9 **R** An *issuer* must notify a *RIS* of any adjustment or modification it makes to the *securitised derivative* as a result of any change in or to the *underlying instrument* including details of the underlying event that necessitated the adjustment or modification.
FCA

Suspension of listing

19.5.10 **R** An *issuer* must inform the *FCA* immediately if it becomes aware that an *underlying instrument* that is listed or traded outside the *United Kingdom* has been suspended.
FCA

Note: **■ LR 5.1.2G (7) and (8)** and **■ LR 5.4.6 G** are of relevance to an *issuer* of *securitised derivatives*.

Chapter 20

Miscellaneous Securities: Standard listing



20.1 Application

20.1.1

FCA

20.1.2

FCA

R

This chapter applies to an *issuer of miscellaneous securities*.

G

Miscellaneous securities include *warrants* and *options* and other similar *securities*.



20.2 Requirements for listing

20.2.1

FCA

R

An *applicant* for the *admission of miscellaneous securities* must comply with ■ LR 2 (Requirements for listing: All securities).

20



20.3 Listing applications

Listing application procedures

20.3.1

FCA

R

An *applicant* for admission of *miscellaneous securities* must comply with:

- (1) ■ LR 3.2 (Application for admission to listing); and
- (2) ■ LR 3.4.4 R to ■ LR 3.4.8 R.

20.4 Continuing obligations

Application

20.4.1
FCA

R An issuer that has only *miscellaneous securities listed* is subject to the continuing obligations set out in this chapter.

20.4.2
FCA

R An issuer that has both *miscellaneous securities* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities so listed*.

Admission to trading

20.4.3
FCA

- R**
- (1) An issuer's *listed miscellaneous securities* must be admitted to trading on a RIE's market for *listed securities* at all times.
 - (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; or
 - (b) requested a RIE to cancel or suspend trading of any of its *listed miscellaneous securities*; or
 - (c) been informed by a RIE that the trading of any of its *listed miscellaneous securities* will be cancelled or suspended.

20.4.4
FCA

R An issuer with *listed miscellaneous securities* must comply with ■ LR 2.2.12 R at all times.

Disclosure rules and transparency rules

20.4.5
FCA

R An issuer must comply with ■ DTR 2.1 to ■ DTR 2.7 as if it were an issuer for the purposes of the *disclosure rules* and *transparency rules*.

PAGE
5

20.4.6
FCA

G An issuer, whose *miscellaneous securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).

20.4.7

FCA

R

An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Documents of title
.....

20.4.8

FCA

R

An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title (including renounceable documents)) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to *miscellaneous securities*.



20.5 Disclosures

20.5.1 **R** An *issuer* must submit to the *FCA* two copies of any document required by ■ LR 20.5.2 R to ■ LR 20.5.3 R at the same time as the document is issued.

FCA

20.5.2 **R** An *issuer* must notify a *RIS* of all notices to holders of *listed miscellaneous securities* no later than the date of despatch or publication.

FCA

Underlying securities

20.5.3 **R** An *issuer* must notify a *RIS* of any adjustment or modification it makes to a *miscellaneous security* as a result of any change to a *security* over which the *listed miscellaneous security* carries a right to buy or subscribe.

FCA

Suspension of listing

20.5.4 **R** An *issuer* must inform the *FCA* immediately if it becomes aware that any *security* over which the *listed miscellaneous security* carries a right to buy or subscribe that is listed or traded outside the *United Kingdom* has been suspended.

FCA

20.5.5 **G** ■ LR 5.1.2 G (7) and ■ LR 5.1.2 G (8) and ■ LR 5.4.6 G may be of relevance to an *issuer* of *miscellaneous securities*.

FCA

Appendix 1

Relevant definitions

1.1 Relevant definitions

App 1.1.1

FCA

Note: The following definitions relevant to the *listing rules* are extracted from the *Glossary*.

<i>Act</i>	The Financial Services and Markets Act 2000.	
<i>admission or admission to listing</i>	admission of <i>securities</i> to the <i>official list</i> .	
<i>admission to trading</i>	admission of <i>securities</i> to trading on an <i>RIE's</i> market for <i>listed securities</i> .	
<i>advertisement</i>	(as defined in the <i>PD Regulation</i>) announcements:	
	(a)	relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and
	(b)	aiming to specifically promote the potential subscription or acquisition of securities.
<i>applicant</i>	an <i>issuer</i> which is applying for <i>admission of securities</i> .	
<i>asset backed security</i>	(as defined in the <i>PD Regulation</i>) <i>securities</i> which:	
	(1)	represent an interest in assets, including any rights intended to assure servicing, or the receipt or timeliness of receipts by holders of assets of amounts payable there under; or
	(2)	are secured by assets and the terms of which provide for payments which relate to payments or

		reasonable projections of payments calculated by reference to identified or identifiable assets.
<i>associate</i>		in relation to a <i>director, substantial shareholder, or person exercising significant influence</i> , who is an individual:
	(1)	that individual's spouse , civil partner or child (together "the individual's family");
	(2)	the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an <i>occupational pension scheme</i> or an <i>employees' share scheme</i> which does not, in either case, have the effect of conferring benefits on persons all or most of whom are related parties;
	(3)	<p>any <i>company</i> in whose <i>equity securities</i> the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:</p> <p>(a) to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or</p> <p>(b) to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;</p>
	(4)	<p>any partnership whether a limited partnership or <i>limited liability partnership</i> in which the individual or any member or members (taken together) of the individual's family are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they hold or control or would on the fulfilment of the condition or the occurrence of the contingency be able to hold or control:</p> <p>(a) a voting interest greater than 30% in the partnership; or</p> <p>(b) at least 30% of the partnership.</p>

		For the purpose of paragraph (3), if more than one <i>director</i> of the <i>listed company</i> , its <i>parent undertaking</i> or any of its <i>subsidiary undertakings</i> is interested in the <i>equity securities</i> of another <i>company</i> , then the interests of those <i>directors</i> and their <i>associates</i> will be aggregated when determining whether that <i>company</i> is an associate of the <i>director</i> .
		in relation to a <i>substantial shareholder</i> or <i>person exercising significant influence</i> , which is a <i>company</i> :
	(1)	any other <i>company</i> which is its <i>subsidiary undertaking</i> or <i>parent undertaking</i> or fellow <i>subsidiary undertaking</i> of the <i>parent undertaking</i> ;
	(2)	any <i>company</i> whose <i>directors</i> are accustomed to act in accordance with the <i>substantial shareholder's</i> or <i>person exercising significant influence's</i> directions or instructions ;
	(3)	any <i>company</i> in the capital of which the <i>substantial shareholder</i> or <i>person exercising significant influence</i> and any other <i>company</i> under paragraph (1) or (2) taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) able to exercise power of the type described in paragraph (3)(a) or (b) above of this definition.
<i>authorised person</i>		(in accordance with section 31 of the <i>Act</i> (Authorised persons)) one of the following:
	(a)	a <i>person</i> who has a <i>Part 4A permission</i> to carry on one or more <i>regulated activities</i> ;
	(b)	an <i>incoming EEA firm</i> ;
	(c)	an <i>incoming Treaty firm</i> ;
	(d)	a <i>UCITS qualifier</i> ;
	(e)	an <i>ICVC</i> ;
	(f)	the <i>Society of Lloyd's</i> .
<i>bank</i>	(a)	a <i>firm</i> with a <i>Part 4A permission</i> which includes <i>accepting deposits</i> , and: (i) which is a <i>credit institution</i> ; or (ii) whose <i>Part 4A permission</i> includes a requirement that it comply with the <i>rules</i> in <i>GENPRU</i> and <i>BIPRU</i> relating to <i>banks</i> ; but which is not a <i>building society</i> , a <i>friendly society</i> or a <i>credit union</i> ;
	(b)	an <i>EEA bank</i> which is a <i>full credit institution</i> .

<i>base prospectus</i>	a base prospectus referred to in PR 2.2.7 R	
<i>body corporate</i>	(in accordance with section 417(1) of the <i>Act (Definitions)</i>) any body corporate, including a body corporate constituted under the law of a country or territory outside the <i>United Kingdom</i> .	
<i>book value of property</i>	(in relation to a <i>property company</i>) the value of a <i>property</i> (which is not classified as a net current asset) before the deduction of mortgages or borrowings as shown in the <i>company's</i> latest annual report and accounts.	
<i>break fee arrangement</i>	an arrangement falling within the description in LR 10.2.6A R.	
<i>building block</i>	(as defined in the <i>PD Regulation</i>) a list of additional information requirements, not included in one of the schedules, to be added to one or more schedules, as the case may be, depending on the type of instrument and/or transaction for which a prospectus or base prospectus is drawn up.	
<i>business day</i>	(1)	(in relation to anything done or to be done in (including to be submitted to a place in) any part of the <i>United Kingdom</i>), any <i>day</i> which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the <i>United Kingdom</i> ;
	(2)	(in relation to anything done or to be done by reference to a market outside the <i>United Kingdom</i>) any <i>day</i> on which that market is normally open for business.
<i>Buy-back and Stabilisation Regulation</i>	Commission Regulation (EC) of 22 December 2003 implementing the <i>Market Abuse Directive</i> as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003).	
<i>CARD</i>	<i>Consolidated Admissions and Reporting Directive</i> .	
<i>certificate representing certain securities</i>	the <i>investment</i> specified in article 80 of the <i>Regulated Activities Order (Certificates representing certain securities)</i> , which is in summary: a certificate or other instrument which confers contractual or property rights (other than rights consisting of <i>options</i>):	
	(a)	in respect of any <i>share, debenture, alternative debenture, government and public security</i> or <i>warrant</i> held by a <i>person</i> other than the <i>person</i> on whom the rights are conferred by the certificate or instrument; and
	(b)	the transfer of which may be effected without requiring the consent of that <i>person</i> ;

	but excluding any certificate or other instrument which confers rights in respect of two or more <i>investments</i> issued by different <i>persons</i> or in respect of two or more different <i>government and public securities</i> issued by the same <i>person</i> .
<i>certificate representing debt securities</i>	a <i>certificate representing certain securities</i> where the certificate or other instrument confers rights in respect of <i>debentures, alternative debentures, or government and public securities</i> .
<i>certificate representing equity securities</i>	a <i>certificate representing certain securities</i> where the certificate or other instrument confers rights in respect of <i>equity securities</i> .
<i>certificate representing shares</i>	a <i>certificate representing certain securities</i> where the certificate or other instrument confers rights in respect of <i>equity shares</i> .
<i>charge</i>	(in relation to <i>securitised derivatives</i>) means any payment identified under the terms and conditions of the <i>securitised derivatives</i> .
<i>Chinese wall</i>	an arrangement that requires information held by a <i>person</i> in the course of carrying on one part of its business to be withheld from, or not to be used for, <i>persons</i> with or for whom it acts in the course of carrying on another part of its business.
<i>circular</i>	any document issued to holders of <i>listed securities</i> including notices of meetings but excluding <i>prospectuses, listing particulars, annual reports and accounts, interim reports, proxy cards and dividend or interest vouchers</i> .
<i>class</i>	<i>securities</i> the rights attaching to which are or will be identical and which form a single issue or issues.
<i>class 1 acquisition</i>	a <i>class 1 transaction</i> that involves an acquisition by the relevant <i>listed company</i> or its <i>subsidiary undertaking</i> .
<i>class 1 circular</i>	a <i>circular</i> relating to a <i>class 1 transaction</i> .
<i>class 1 disposal</i>	a <i>class 1 transaction</i> that consists of a disposal by the relevant <i>listed company</i> or its <i>subsidiary undertaking</i> .
<i>class 1 transaction</i>	a transaction classified as a class 1 transaction under LR 10.
<i>class 2 transaction</i>	a transaction classified as a class 2 transaction under LR 10 .
<i>class tests</i>	the tests set out in LR 10 Ann 1 (and for certain specialist companies, those tests as modified or added to by LR 10.7),

		which are used to determine how a transaction is to be classified for the purposes of the <i>listing rules</i> .
<i>closed-ended</i>		(in relation to investment entities) an <i>investment company</i> which is not an <i>open-ended investment company</i> .
<i>closed-ended investment fund</i>		an entity:
	(a)	which is an undertaking with limited liability, including a company, limited partnership, or <i>limited liability partnership</i> ; and
	(b)	whose primary object is investing and managing its assets (including pooled funds contributed by holders of its <i>listed securities</i>):
		(i) in property of any description; and
		(ii) with a view to spreading investment risk.
<i>close period</i>		as defined in paragraph 1(a) of the <i>Model Code</i> .
<i>COBS</i>		the Conduct of Business sourcebook, from 1 November 2007 .
<i>Combined Code</i>		in relation to an <i>issuer</i> the Combined Code on Corporate Governance published in June 2008 by the Financial Reporting Council.
<i>company</i>		any <i>body corporate</i> .
<i>competent authority</i>		(in relation to the functions referred to in Part VI of the <i>Act</i>):
	(a)	the authority designated under Schedule 8 to the <i>Act</i> (transfer of functions under Part VI (Official listing)) as responsible for performing those functions under the <i>Act</i> ; for the time being the <i>FCA</i> in its capacity as such; or
	(b)	an authority exercising functions corresponding to those functions under the laws of another <i>EEA State</i> .
<i>connected client</i>		in relation to a <i>sponsor</i> or securities house, any client of the <i>sponsor</i> or securities house who is:
	(a)	a partner, <i>director</i> , employee or controller (as defined in section 422 of the <i>Act</i>) of the <i>sponsor</i> or securities house or of an undertaking described in paragraph (d);
	(b)	the spouse , civil partner or child of any individual described in paragraph (a);

	(c)	a <i>person</i> in his capacity as trustee of a private trust (other than a pension scheme or an <i>employees' share scheme</i>) the beneficiaries of which include any <i>person</i> described in paragraph (a) or (b); or
	(d)	an undertaking which in relation to the <i>sponsor</i> or securities house is a group undertaking.
<i>connected person</i>		as defined in section 96B(2) of the <i>Act</i> .
<i>Consolidated Admissions and Reporting Directive</i>		Directive of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on information to be published on those securities (No 2001/34/EC).
<i>constitution</i>		memorandum and articles of association or equivalent constitutional document.
<i>contingent liability investment</i>		a <i>derivative</i> under the terms of which the <i>client</i> will or may be liable to make further payments (other than <i>charges</i> , and whether or not secured by <i>margin</i>) when the transaction falls to be completed or upon the earlier <i>closing out</i> of his position.
<i>contract of significance</i>		a contract which represents in amount or value (or annual amount or value) a sum equal to 1% or more, calculated on a <i>group</i> basis where relevant, of:
	(1)	in the case of a capital transaction or a transaction of which the principal purpose or effect is the granting of credit, the aggregate of the <i>group's</i> share capital and reserves; or
	(2)	in other cases, the total annual purchases, sales, payments or receipts, as the case may be, of the <i>group</i> .
<i>convertible securities</i>		a <i>security</i> which is:
	(1)	convertible into, or exchangeable for, other <i>securities</i> ; or
	(2)	accompanied by a warrant or option to subscribe for or purchase other <i>securities</i> .
<i>deal</i>		a <i>dealing</i> transaction;
<i>dealing</i>		(in accordance with paragraph 2 of Schedule 2 to the Act (Regulated activities)) buying, selling, subscribing for or underwriting <i>investments</i> or offering or agreeing to do so, either as <i>principal</i> or as agent, including, in the case of an

	<i>investment which is a contract of insurance, carrying out the contract.</i>
<i>debt security</i>	<i>debentures, alternative debentures, debenture stock, loan stock, bonds, certificates of deposit or any other instrument creating or acknowledging indebtedness.</i>
<i>deferred bonus</i>	any arrangement pursuant to the terms of which an <i>employee</i> or <i>director</i> may receive a bonus (including cash or any security) in respect of service and/or performance in a period not exceeding the length of the relevant financial year notwithstanding that the bonus may, subject only to the <i>person</i> remaining a <i>director</i> or <i>employee</i> of the group, be receivable by the <i>person</i> after the end of the period to which the award relates.
<i>defined benefit scheme</i>	in relation to a <i>director</i> , means a pension scheme which is not a <i>money purchase scheme</i> .
<i>depository</i>	a <i>person</i> that issues <i>certificates representing certain securities</i> that have been admitted to listing or are the subject of an application for <i>admission to listing</i> .
DEPP	the Decision Procedure and Penalties manual
<i>designated professional body</i>	<p>a professional body designated by the Treasury under section 326 of the <i>Act</i> (Designation of professional bodies) for the purposes of Part XX of the <i>Act</i> (Provision of Financial Services by Members of the Professions); as at 21 June 2001 the following professional bodies have been designated in the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001 (SI 2001/1226):</p> <ul style="list-style-type: none"> (a) The Law Society (England and Wales); (b) The Law Society of Scotland; (c) The Law Society of Northern Ireland; (d) The Institute of Chartered Accountants in England and Wales; (e) The Institute of Chartered Accountants of Scotland; (f) The Institute of Chartered Accountants in Ireland; (g) The Association of Chartered Certified Accountants; (h) The Institute of Actuaries.
<i>director</i>	(in accordance with section 417(1)(a) of the <i>Act</i>) a <i>person</i> occupying in relation to it the position of a director (by

	whatever name called) and, in relation to an <i>issuer</i> which is not a <i>body corporate</i> , a <i>person</i> with corresponding powers and duties.
<i>disclosure rules</i>	(in accordance with sections 73A(1) and 73A(3) of the <i>Act</i>) rules relating to the disclosure of information in respect of <i>financial instruments</i> which have been admitted to trading on a <i>regulated market</i> or for which a request for <i>admission to trading</i> on such a market has been made.
<i>document</i>	any piece of recorded information, including (in accordance with section 417(1) of the <i>Act</i> (Interpretation)) information recorded in any form; in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form.
<i>document viewing facility</i>	a location identified on the <i>FCA</i> website where the public can inspect documents referred to in the <i>listing rules</i> as being documents to be made available at the document viewing facility.
<i>DTR</i>	the sourcebook containing the <i>disclosure rules</i> , <i>transparency rules</i> and <i>corporate governance rules</i> .
<i>EEA State</i>	(in accordance with paragraph 8 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 1 May 2004, the following are the <i>EEA States</i> : Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the <i>United Kingdom</i> .
<i>EG</i>	the Enforcement Guide
<i>employee</i>	an individual:
	(a) who is employed or appointed by a <i>person</i> in connection with that <i>person's</i> business, whether under a contract of service or for services or otherwise; or
	(b) whose services, under an arrangement between that <i>person</i> and a third party, are placed at the disposal and under the control of that <i>person</i> ;
	but excluding an <i>appointed representative</i> or, where applicable, a <i>tied agent</i> of that <i>person</i> .

<i>employees' share scheme</i>	has the same meaning as in section 1166 of the Companies Act 2006 .
<i>equity security</i>	<i>equity shares</i> and <i>securities</i> convertible into <i>equity shares</i> .
<i>equity share</i>	<i>shares</i> comprised in a <i>company's equity share capital</i> .
<i>equity share capital</i>	(for a <i>company</i>), its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.
<i>equivalent document</i>	a document containing information equivalent to a <i>prospectus</i> for the purposes of PR 1.2.2 R (2) or (3) or PR 1.2.3 R (3) or (4).
<i>ESMA recommendations</i>	the recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 published by the European Securities and Markets Authority (ESMA/2011/81).
<i>exercise notice</i>	(in relation to <i>securitised derivatives</i>), a document that notifies the <i>issuer</i> of a holder's intention to exercise its rights under the <i>securitised derivative</i> .
<i>exercise price</i>	(in relation to <i>securitised derivatives</i>), the price stipulated by the <i>issuer</i> at which the holder can buy or sell the <i>underlying instrument</i> from or to the <i>issuer</i> .
<i>exercise time</i>	(in relation to <i>securitised derivatives</i>), the time stipulated by the <i>issuer</i> by which the holder must exercise their rights.
<i>expiration date</i>	(in relation to <i>securitised derivatives</i>), the date stipulated by the <i>issuer</i> on which the holder's rights in respect of the <i>securitised derivative</i> ends.
<i>external management company</i>	has the meaning in PR 5.5.3A R (i.e., in relation to an <i>issuer</i> that is a <i>company</i> which is not a collective investment undertaking, a <i>person</i> who is appointed by the <i>issuer</i> (whether under a contract of service, a contract for services or any other commercial arrangement) to perform functions that would ordinarily be performed by <i>officers</i> of the <i>issuer</i> and to make recommendations in relation to strategic matters).
<i>extraction</i>	(in relation to <i>mineral companies</i>), includes mining, quarrying or similar activities and the reworking of mine tailings or waste dumps.
<i>final terms</i>	the document containing the final terms of each issue which is intended to be <i>listed</i> .
<i>financial information table</i>	financial information presented in a tabular form that covers the reporting period set out in LR 13.5.13 R in relation

	to the entities set out in LR 13.5.14 R, and to the extent relevant LR 13.5.17A R .
<i>FCA</i>	the Financial Conduct Authority.
<i>50/50 joint venture</i>	[deleted]
<i>50/50 joint venture partner</i>	[deleted]
<i>group</i>	(1) except in LR 6.1.19 R and LR 8.7.8R (10), an <i>issuer</i> and its <i>subsidiary undertakings</i> (if any); and
	(2) in LR 6.1.19 R, and LR 8.7.8R (10), as defined in section 421 of the <i>Act</i> .
<i>guarantee</i>	(in relation to <i>securitised derivatives</i>), either:
	(1) a guarantee given in accordance with LR 19.2.2R(3) (if any); or
	(2) any other guarantee of the issue of <i>securitised derivatives</i> .
<i>guidance</i>	guidance given by the <i>FCA</i> under the <i>Act</i> .
<i>Handbook</i>	the <i>FCA's</i> Handbook of rules and guidance.
<i>holding company</i>	(as defined in section 1159(1) of the Companies Act 2006 (Meaning of "subsidiary" etc) (in relation to another <i>body corporate</i> ("S")) a <i>body corporate</i> which:
	(a) holds a majority of the voting rights in S; or
	(b) is a member of S and has the right to appoint or remove a majority of its board of directors; or
	(c) is a member of S and controls alone, under an agreement with other shareholders and members, a majority of the voting rights in S.
<i>Home Member State or Home State</i>	(as defined in section 102C of the <i>Act</i>) in relation to an issuer of <i>transferable securities</i> , the <i>EEA State</i> which is the "home Member State" for the purposes of the <i>prospectus directive</i> (which is to be determined in accordance with Article 2.1(m) of that directive.
<i>Host Member State or Host State</i>	(as defined in Article 2.1(n) of the <i>prospectus directive</i>) the State where an offer to the public is made or admission to trading is sought, when different from the <i>home Member State</i> .
<i>IAS</i>	<i>International Accounting Standards</i> .
<i>inside information</i>	as defined in section 118C of the <i>Act</i> .

<i>insider list</i>	a list of persons with access to <i>inside information</i> as required by DTR 2.8.1 R.	
<i>International Accounting Standards</i>	international accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.	
<i>intermediaries offer</i>	a marketing of <i>securities</i> already or not yet in issue, by means of an offer by, or on behalf of, the <i>issuer</i> to intermediaries for them to allocate to their own clients.	
<i>in the money</i>	(in relation to <i>securitised derivatives</i>):	
	(a)	where the holder has the right to buy the <i>underlying instrument</i> or instruments from the <i>issuer</i> , when the <i>settlement price</i> is greater than the <i>exercise price</i> ; or
	(b)	where the holder has the right to sell the <i>underlying instrument</i> or instruments to the <i>issuer</i> , when the <i>exercise price</i> is greater than the <i>settlement price</i> .
investment entity	an entity whose primary object is investing and managing its assets with a view to spreading or otherwise managing investment risk.	
<i>investment manager</i>	a person who, on behalf of a <i>client</i> , manages <i>investments</i> and is not a wholly-owned <i>subsidiary</i> of the <i>client</i> .	
<i>investment trust</i>	a company listed in the <i>United Kingdom</i> or another <i>EEA State</i> which:	
	(a)	is approved by the Inland Revenue Commissioners under section 842 of the Income and Corporation Taxes Act 1988 (or, in the case of a newly formed <i>company</i> , has declared its intention to conduct its affairs so as to obtain such approval); or
	(b)	is resident in an <i>EEA State</i> other than the <i>United Kingdom</i> and would qualify for such approval if resident and listed in the <i>United Kingdom</i> .
<i>issuer</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 admitted to <i>listing</i> or is the subject of an application for <i>admission to listing</i> .	
<i>LR</i>	the sourcebook containing the <i>listing rules</i> .	

<i>limited liability partnership</i>	(a) a <i>body corporate</i> incorporated under the Limited Liability Partnerships Act 2000; (b) a <i>body corporate</i> incorporated under legislation having the equivalent effect to the Limited Liability Partnerships Act 2000.
<i>list of sponsors</i>	the list of <i>sponsors</i> maintained by the <i>FCA</i> in accordance with section 88(3)(a) of the <i>Act</i> .
<i>listed</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>	a <i>company</i> that has any <i>class</i> of its <i>securities listed</i> .
<i>listing particulars</i>	(in accordance with section 79(2) of the <i>Act</i>), a document in such form and containing such information as may be specified in <i>listing rules</i> .
<i>listing rules</i>	(in accordance with sections 73A(1) and 73A(2) of the <i>Act</i>) <i>rules</i> relating to admission to the <i>official list</i> .
<i>London Stock Exchange</i>	London Stock Exchange Plc.
<i>long-term incentive scheme</i>	any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive <i>directors</i> remuneration package) which may involve the receipt of any asset (including cash or any <i>security</i>) by a <i>director</i> or <i>employee</i> of the <i>group</i> :
	(1) which includes one or more conditions in respect of service and/or performance to be satisfied over more than one financial year; and
	(2) pursuant to which the <i>group</i> may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.
<i>MAD</i>	<i>Market Abuse Directive</i> .
<i>Market Abuse Directive</i>	Directive of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse) (No 2003/6/EC).
<i>major subsidiary undertaking</i>	a <i>subsidiary undertaking</i> that represents 25% or more of the aggregate of the gross assets or profits (after deducting all charges except taxation) of the <i>group</i> .
<i>member</i>	(in relation to a profession) a <i>person</i> who is entitled to practise that profession and, in practising it, is subject to

		the rules of the relevant <i>designated professional body</i> , whether or not he is a member of that body.
<i>mineral company</i>		a <i>company</i> or <i>group</i> , whose principal activity is, or is planned to be, the <i>extraction of mineral resources</i> (which may or may not include exploration for <i>mineral resources</i>).
<i>mineral resources</i>		include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal.
<i>mineral expert's report</i>		a report prepared in accordance with the <i>ESMA recommendations</i>
<i>miscellaneous securities</i>		<i>securities</i> which are not:
	(a)	<i>shares</i> ; or
	(b)	<i>debt securities</i> ; or
	(c)	<i>asset backed securities</i> ; or
	(d)	<i>certificates representing debt securities</i> ; or
	(e)	<i>convertible securities</i> which convert to <i>debt securities</i> ; or
	(f)	<i>convertible securities</i> which convert to <i>equity securities</i> ; or
	(g)	<i>convertible securities</i> which are exchangeable for <i>securities</i> of another <i>company</i> ; or
	(h)	<i>certificates representing certain securities</i> ; or
	(i)	<i>securitised derivatives</i> .
<i>Model Code</i>		the Model Code on <i>directors' dealings in securities</i> set out in LR 9 Ann 1.
<i>modified report</i>		an accountant's or auditor's report:
	(a)	in which the opinion is modified; or
	(b)	which contains an emphasis-of-matter paragraph.
<i>money purchase scheme</i>		in relation to a <i>director</i> , means a pension scheme under which all of the benefits that may become payable to or in respect of the <i>director</i> are money purchase benefits.
<i>net annual rent</i>		(in relation to a <i>property</i>) the current income or income estimated by the valuer:
	(1)	ignoring any special receipts or deductions arising from the <i>property</i> ;

	(2)	excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
	(3)	after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the <i>property</i> and allowances to maintain it in a condition to command its rent.
<i>new applicant</i>		an <i>applicant</i> that does not have any <i>class</i> of its <i>securities</i> already <i>listed</i> .
<i>non-EEA State</i>		a country or state that is not an <i>EEA State</i> .
<i>OECD state guaranteed issuer</i>		an <i>issuer</i> of <i>debt securities</i> whose obligations in relation to those <i>securities</i> have been guaranteed by a member state of the <i>OECD</i> .
<i>offer</i>		an <i>offer of transferable securities to the public</i> .
<i>offer of transferable securities to the public</i>		(as defined in section 102B of the <i>Act</i>), in summary:
	(a)	a communication to any person which presents sufficient information on:
		(i) the transferable securities to be offered, and (ii) the terms on which they are offered,
		to enable an investor to decide to buy or subscribe for the securities in question;
	(b)	which is made in any form or by any means;
	(c)	including the placing of securities through a financial intermediary;
	(d)	but not including a communication in connection with trading on: (i) a regulated market; (ii) a multilateral trading facility; or (iii) any market prescribed by an order under section 130A of the <i>Act</i> .
		Note: This is only a summary, to see the full text of the definition, readers should consult section 102B of the <i>Act</i> .
<i>offer for sale</i>		an invitation to the public by, or on behalf of, a third party to purchase <i>securities</i> of the <i>issuer</i> already in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).

<i>offer for subscription</i>	an invitation to the public by, or on behalf of, an <i>issuer</i> to subscribe for <i>securities</i> of the <i>issuer</i> not yet in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).	
<i>offeror</i>	(a)	in LR 5.2.10R, an offeror as defined in the <i>Takeover Code</i> ; and
	(b)	elsewhere in <i>LR</i> , a person who makes an <i>offer of transferable securities to the public</i> .
<i>official list</i>	the list maintained by the <i>FCA</i> in accordance with section 74(1) of the <i>Act</i> for the purposes of Part VI of the <i>Act</i> .	
<i>open ended investment company</i>	as defined in section 236 of the <i>Act</i> (Open-ended investment companies).	
<i>open offer</i>	an invitation to existing <i>securities</i> holders to subscribe or purchase <i>securities</i> in proportion to their holdings, which is not made by means of a renounceable letter (or other negotiable document).	
<i>operational objectives</i>	as defined in section 1B(3) of the <i>Act</i> .	
<i>option</i>	the <i>investment</i> , specified in article 83 of the <i>Regulated Activities Order</i> (Options), which is an option to acquire or dispose of: <ul style="list-style-type: none"> (a) a <i>designated investment</i> (other than an option); or (b) currency of the <i>United Kingdom</i> or of any other country or territory; or (c) palladium, platinum, gold or silver; or (d) an option to acquire or dispose of an option specified in (a), (b) or (c). 	
<i>overseas</i>	outside the <i>United Kingdom</i> .	
<i>overseas company</i>	a <i>company</i> incorporated outside the <i>United Kingdom</i> .	
<i>overseas investment exchange</i>	an investment exchange which has neither its head office nor its registered office in the <i>United Kingdom</i> .	
<i>PD</i>	<i>prospectus directive</i> .	
<i>PD Regulation</i>	Regulation number 809/2004 of the European Commission	
<i>PR</i>	the sourcebook containing the <i>Prospectus Rules</i> .	
<i>parent undertaking</i>	as defined in section 1162 of the Companies Act 2006 .	
<i>Part 6 rules</i>	(in accordance with section 73A(1) of the <i>Act</i>) <i>rules</i> made for the purposes of Part 6 of the <i>Act</i> .	

<i>percentage ratio</i>	(in relation to a transaction) the figure, expressed as a percentage, that results from applying a calculation under a <i>class test</i> to the transaction.
<i>person</i>	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a <i>partnership</i>).
<i>person discharging managerial responsibilities</i>	as defined in section 96B(1) of the <i>Act</i> .
<i>person exercising significant influence</i>	in relation to a <i>listed company</i> , a <i>person</i> or entity which exercises significant influence over that <i>listed company</i> .
<i>placing</i>	a marketing of <i>securities</i> already in issue but not <i>listed</i> or not yet in issue, to specified <i>persons</i> or clients of the <i>sponsor</i> or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the <i>issuer's securities</i> generally.
<i>preference share</i>	a <i>share</i> conferring preference as to income or return of capital which does not form part of the <i>equity share capital</i> of a <i>company</i> .
<i>premium listing</i>	(a) in relation to <i>equity shares</i> (other those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i>), means a <i>listing</i> where the <i>issuer</i> is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> ;
	(b) in relation to <i>equity shares</i> of a <i>closed-ended investment fund</i> , means a <i>listing</i> where the <i>issuer</i> is required to comply with the requirements in LR 15 (Closed-Ended Investment Funds: Premium listing) and other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> ;
	(c) in relation to <i>equity shares</i> of an <i>open-ended investment company</i> , means a <i>listing</i> where the <i>issuer</i> is required to comply with LR 16 (Open-ended investment companies: Premium listing) and other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> .

<i>premium listing (commercial company)</i>	a <i>premium listing</i> of equity shares (other than those of a closed-ended investment fund or of an open-ended investment company).	
<i>premium listing (investment company)</i>	a <i>premium listing</i> of equity shares of a closed-ended investment fund or of an open-ended investment company.	
<i>probable reserves</i>	(1)	in respect of <i>mineral companies</i> primarily involved in the <i>extraction</i> of oil and gas resources, those reserves which are not yet <i>proven</i> but which, on the available evidence and taking into account technical and economic factors, have a better than 50% chance of being produced; and
	(2)	in respect of <i>mineral companies</i> other than those primarily involved in the <i>extraction</i> of oil and gas resources, those <i>measured</i> and/or <i>indicated mineral resources</i> , which are not yet <i>proven</i> but of which detailed technical and economic studies have demonstrated that <i>extraction</i> can be justified at the time of the determination and under specified economic conditions.
<i>profit estimate</i>	(as defined in the <i>PD Regulation</i>) a profit forecast for a financial period which has expired and for which results have not yet been published.	
<i>profit forecast</i>	(as defined in the <i>PD Regulation</i>) a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word "profit" is not used.	
<i>prohibited period</i>	as defined in the <i>Model Code</i> .	
<i>property</i>	freehold, heritable or leasehold property.	
<i>property company</i>	a <i>company</i> primarily engaged in property activities including:	
	(1)	the holding of <i>properties</i> (directly or indirectly) for letting and retention as investments;
	(2)	the development of <i>properties</i> for letting and retention as investments;
	(3)	the purchase and development of <i>properties</i> for subsequent sale; or

	(4)	the purchase of land for development <i>properties</i> for retention as investments.
<i>property valuation report</i>		a <i>property valuation report</i> prepared by an independent expert in accordance with :
	(1)	for an <i>issuer</i> incorporated in the <i>United Kingdom</i> , the Channel Islands or the Isle of Man, the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; or
	(2)	for an <i>issuer</i> incorporated in any other place, either the standards referred to in paragraph (1) of this definition or the International Valuation Standards (7th edition) issued by the International Valuation Standards Committee.
<i>prospectus</i>		a prospectus required under the <i>prospectus directive</i> .
<i>prospectus directive</i>		the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No 2003/71/EC).
<i>prospectus rules</i>		(as defined in section 73A(4) of the <i>Act</i>) <i>rules</i> expressed to relate to transferable securities.
<i>proven reserves</i>	(1)	in respect of <i>mineral companies</i> primarily involved in the <i>extraction</i> of oil and gas resources, those reserves which, on the available evidence and taking into account technical and economic factors, have a better than 90% chance of being produced; and
	(2)	in respect of <i>mineral companies</i> other than those primarily involved in the <i>extraction</i> of oil and gas resources, those measured <i>mineral resources</i> of which detailed technical and economic studies have demonstrated that <i>extraction</i> can be justified at the time of the determination, and under specified economic conditions.
<i>public international body</i>		the African Development bank, the Asian Development 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 <i>EU</i> , the European Investment Bank, the Inter-American Development bank, the International Bank for Reconstruction and Development, the Internation-

	al Finance Corporation, the International Monetary Fund, the Nordic Investment bank.
<i>public sector issuer</i>	states and their regional and local authorities, <i>state monopolies</i> , <i>state finance organisations</i> , <i>public international bodies</i> , statutory bodies and <i>OECD state guaranteed issuers</i> .
<i>registration document</i>	a registration document referred to in PR 2.2.2R.
<i>recognised scheme</i>	a <i>scheme</i> recognised under:
	(a) section 264 of the <i>Act</i> (Schemes constituted in other EEA States); or
	(b) section 270 of the <i>Act</i> (Schemes authorised in designated countries or territories); or
	(c) section 272 of the <i>Act</i> (Individually recognised overseas schemes).
<i>Regulated Activities Order</i>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).
<i>regulated market</i>	a multilateral system operated and/or managed by a <i>market operator</i> , which brings together or facilitates the bringing together of multiple third-party buying and selling interests in <i>financial instruments</i> in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the <i>financial instruments</i> admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of <i>MiFID</i> .
<i>regulatory information service or RIS</i>	a Regulatory Information Service that is approved by the <i>FCA</i> as meeting the Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the <i>FCA</i> .
<i>related party</i>	as defined in LR 11.1.4R.
<i>related party circular</i>	a <i>circular</i> relating to a <i>related party transaction</i> .
<i>related party transaction</i>	as defined in LR 11.1.5R.
<i>relevant securities</i>	[deleted]
<i>retail securitised derivative</i>	a <i>securitised derivative</i> which is not a specialist securitised derivative; in this definition, a "specialist securitised

	derivative" is a <i>securitised derivative</i> which, in accordance with the <i>listing rules</i> , is required to be admitted to listing with a clear statement on any disclosure document that the issue is intended for a purchase by only investors who are particularly knowledgeable in investment matters.
<i>reverse takeover</i>	a transaction classified as a <i>reverse takeover</i> under LR 5.6.
<i>rights issue</i>	an offer to existing <i>security</i> holders to subscribe or purchase further <i>securities</i> in proportion to their holdings made by means of the issue of a renounceable letter (or other negotiable document) which may be traded (as "nil paid" rights) for a period before payment for the <i>securities</i> is due.
<i>RIE</i>	<i>recognised investment exchange</i> .
<i>rule</i>	(in accordance with section 417(1) of the <i>Act</i> (Definitions)) a rule made by the <i>FCA</i> under the <i>Act</i> , including: (a) a <i>Principle</i> ; and (b) an <i>evidential provision</i> .
<i>Schedule</i>	(as defined in the <i>PD Regulation</i>) a list of minimum information requirements adapted to the particular nature of the different types of <i>issuers</i> and/or the different <i>securities</i> involved.
<i>scientific research based company</i>	a <i>company</i> primarily involved in the laboratory research and development of chemical or biological products or processes or any other similar innovative science based company.
<i>securitised derivative</i>	an <i>option</i> or <i>contract for differences</i> which, in either case, is <i>listed</i> under LR 19 (including such an <i>option</i> or contract for differences which is also a <i>debenture</i>).
<i>securities note</i>	a securities note referred to in PR 2.2.2R.
<i>security</i>	(in accordance with section 102A of the <i>Act</i>) anything which has been, or may be admitted to the <i>official list</i> .
<i>settlement price</i>	(in relation to <i>securitised derivatives</i>), the reference price or prices of the <i>underlying instrument</i> or instruments stipulated by the <i>issuer</i> for the purposes of calculating its obligations to the holder.
<i>shadow director</i>	as in sub-paragraph (b) of the definition of director in section 417(1) of the <i>Act</i> .
<i>share</i>	(in accordance with section 540(1) of the Companies Act 2006) a share in the share capital of a <i>company</i> , and includes:

	(a)	stock (except where a distinction between shares and stock is express or implied); and
	(b)	<i>preference shares</i> .
<i>specialist investor</i>		an investor who is particularly knowledgeable in investment matters.
<i>specialist securities</i>		<i>securities</i> which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.
<i>specialist securitised derivative</i>		a <i>securitised derivative</i> which because of its nature is normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.
<i>specified investment</i>		any of the following <i>investments</i> specified in Part III of the <i>Regulated Activities Order</i> (Specified Investments):
	(a)	<i>deposit</i> (article 74);
	(aa)	<i>electronic money</i> (article 74A);
	(b)	<i>contract of insurance</i> (article 75); for the purposes of the permission regime, this is sub-divided into: (i) <i>general insurance contract</i> ; (ii) <i>long-term insurance contract</i> ;
		and then further sub-divided into classes of <i>contract of insurance</i> ;
	(c)	<i>share</i> (article 76);
	(d)	<i>debenture</i> (article 77);
	(da)	<i>alternative debenture</i> (article 77A);
	(e)	<i>government and public security</i> (article 78);
	(f)	<i>warrant</i> (article 79);
	(g)	<i>certificate representing certain securities</i> (article 80);
	(h)	<i>unit</i> (article 81);
	(i)	<i>stakeholder pension scheme</i> (article 82);
	(ia)	<i>emissions auction product</i> (article 82A);
	(j)	<i>option</i> (article 83); for the purposes of the <i>permission</i> regime, this is sub-divided into: (i) <i>option</i> (excluding a <i>commodity option</i> and an <i>option on a commodity future</i>); (ii) <i>commodity option</i> and an <i>option on a commodity future</i> ;

	(k)	<i>future</i> (article 84); for the purposes of the <i>permission regime</i> , this is sub-divided into: (i) <i>future</i> (excluding a <i>commodity future</i> and a <i>rolling spot forex contract</i>); (ii) <i>commodity future</i> ; (iii) <i>rolling spot forex contract</i> ;
	(l)	<i>contract for differences</i> (article 85); for the purposes of the <i>permission regime</i> , this is sub-divided into: (i) <i>contract for differences</i> (excluding a <i>spread bet</i> and a <i>rolling spot forex contract</i>); (ii) <i>spread bet</i> ; (iii) <i>rolling spot forex contract</i> ;
	(m)	<i>underwriting capacity of a Lloyd's syndicate</i> (article 86(1));
	(n)	<i>membership of a Lloyd's syndicate</i> (article 86(2));
	(o)	<i>funeral plan contract</i> (article 87);
	(oa)	<i>regulated mortgage contract</i> (article 61(3));
	(ob)	<i>home reversion plan</i> (article 63B(3));
	(oc)	<i>home purchase plan</i> (article 63F(3));
	(od)	<i>regulated sale and rent back agreement</i> (article 63J(3));
	(p)	<i>rights to or interests in investments</i> (article 89).
<i>sponsor</i>		a <i>person</i> approved, under section 88 of the <i>Act</i> by the <i>FCA</i> , as a <i>sponsor</i> .
<i>sponsor service</i>		a service relating to a matter referred to in LR 8.2 that a <i>sponsor</i> provides or is requested or appointed to provide and that is for the purpose of the <i>sponsor</i> complying with LR 8.3.1 R or LR 8.4. This definition includes preparatory work that a <i>sponsor</i> may undertake before a decision is taken as to whether or not it will act as <i>sponsor</i> for a <i>company</i> or in relation to a transaction. But nothing in this definition is to be taken as requiring a <i>sponsor</i> to agree to act as a <i>sponsor</i> for a <i>company</i> or in relation to a transaction.
<i>standard listing</i>		in relation to <i>securities</i> , means a <i>listing</i> that is not a <i>premium listing</i> .
<i>standard listing (shares)</i>		a <i>standard listing</i> of <i>shares</i> other than <i>preference shares</i> that are <i>specialist securities</i> .
<i>state finance organisation</i>		a legal person other than a <i>company</i> :
	(1)	which is a national of an <i>EEA State</i> ;

	(2)	which is set up by or pursuant to a special law;
	(3)	whose activities are governed by that law and consist solely of raising funds under state control through the issue of <i>debt securities</i> ;
	(4)	which is financed by means of the resources they have raised and resources provided by the <i>EEA State</i> ; and
	(5)	the <i>debt securities</i> issued by it are considered by the law of the relevant <i>EEA State</i> as securities issued or guaranteed by that state.
<i>state monopoly</i>		a <i>company</i> or other legal person which is a national of an <i>EEA State</i> and which:
	(1)	in carrying on its business benefits from a monopoly right granted by an <i>EEA state</i> ; and
	(2)	is set up by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by an <i>EEA state</i> or one of the federated states of an <i>EEA state</i> .
<i>subsidiary undertaking</i>		as defined in section 1162 of the Companies Act 2006 .
<i>substantial shareholder</i>		as defined in LR 11.1.4A R.
<i>summary</i>		(in relation to a <i>prospectus</i>) the <i>summary</i> included in the <i>prospectus</i> .
<i>SUP</i>		the Supervision manual.
<i>supplementary listing particulars</i>		(in accordance with section 81(1) of the <i>Act</i>), supplementary listing particulars containing details of the change or new matter.
<i>supplementary prospectus</i>		a supplementary prospectus containing details of a new factor, mistake or inaccuracy.
<i>Takeover Code</i>		the City Code on Takeovers and Mergers issued by the <i>Takeover Panel</i> .
<i>target</i>		the subject of a <i>class 1 transaction</i> or <i>reverse takeover</i> .
<i>tender offer</i>		an offer by a <i>company</i> to purchase all or some of a <i>class</i> of its <i>listed equity securities</i> at a maximum or fixed price (that may be established by means of a formula) that is:

	(1)	communicated to all holders of that <i>class</i> by means of a <i>circular</i> or advertisement in two national newspapers;
	(2)	open to all holders of that <i>class</i> on the same terms for at least 7 days; and
	(3)	open for acceptance by all holders of that <i>class</i> pro rata to their existing holdings.
<i>trading day</i>		a day included in the calendar of trading days published by the <i>FCA</i> at www.fsa.gov.uk .
<i>trading plan</i>		<p>a written plan between a restricted person and an independent third party which sets out a strategy for the acquisition and/or disposal of <i>securities</i> by a specified person and:</p> <p>(a) specifies the amount of <i>securities</i> to be dealt in and the price at which and the date on which the <i>securities</i> are to be dealt in; or</p> <p>(b) gives discretion to that independent third party to make trading decisions about the amount of <i>securities</i> to be dealt in and the price at which and the date on which the <i>securities</i> are to be dealt in; or</p> <p>(c) includes a written formula or algorithm, or computer program, for determining the amount of <i>securities</i> to be dealt in and the price at which and the date on which the <i>securities</i> are to be dealt in.</p>
<i>transferable security</i>		(as defined in section 102A of the <i>Act</i>) anything which is a transferable security for the purposes of <i>MiFID</i> , other than money-market instruments for the purposes of that directive which have a maturity of less than 12 months.
<i>transparency rules</i>		in accordance with sections 73A(1) and 89A of the <i>Act</i> , <i>rules</i> relating to the notification and dissemination of information in respect of <i>issuers</i> of <i>transferable securities</i> and relating to major shareholdings.
<i>treasury shares</i>		shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.
<i>trust deed</i>		a trust deed or equivalent document securing or constituting <i>debt securities</i> .
<i>UK</i>		<i>United Kingdom</i> .
<i>UK Corporate Governance Code</i>		in relation to an <i>issuer</i> , the UK Corporate Governance Code published in May 2010 by the Financial Reporting Council.

<i>underlying instrument</i>	(in relation to <i>securitised derivatives</i>) means either:	
	(1)	if the <i>securitised derivative</i> is an <i>option</i> or <i>debt security</i> with the characteristics of an <i>option</i>, any of the underlying investments listed in article 83 of the <i>Regulated Activities Order</i>; or
	(2)	if the <i>securitised derivative</i> is a <i>contract for differences</i> or <i>debt security</i> with the characteristics of a <i>contract for differences</i>, any factor by reference to which a profit or loss under article 85 of the <i>Regulated Activities Order</i> can be calculated.
<i>unrecognised scheme</i>	a <i>collective investment scheme</i> which is neither a <i>recognised scheme</i> nor a scheme that is constituted as an <i>authorised unit trust scheme</i>.	
<i>vendor consideration placing</i>	a marketing, by or on behalf of vendors, of <i>securities</i> that have been allotted as consideration for an acquisition.	
<i>venture capital trust</i>	a <i>company</i> which is, or which is seeking to become, approved as a venture capital trust under section 842AA of the Income and Corporation Taxes Act 1988.	
<i>warrant</i>	the <i>investment</i>, specified in article 79 of the <i>Regulated Activities Order</i> (Instruments giving entitlements to investments), which is in summary: a warrant or other instrument entitling the holder to subscribe for a <i>share</i>, <i>debenture</i>, <i>alternative debenture</i> or <i>government and public security</i>.	

Appendix 2

Fees and financial penalty income

2.1 The provisions outlined in LR App 2.1 in relation to fees are set out in FEES 3 and 4

App 2.1.1 [Deleted]
[Deleted]

Appendix 3

List of Regulatory Information Services

3.1

App 3.1.1 **R**

The following are approved *Regulatory Information Services*:

Business Wire Regulatory Disclosure provided by Business Wire

FirstSight provided by Cision

Announce provided by Hugin ASA

News Release Express provided by Marketwire

PR Newswire Disclose provided by PRNewswire

RNS provided by the London Stock Exchange

marCo - Market Communication Office provided by Tensid Ltd of Switzerland

DGAP IR.COCKPIT provided by EquityStory AG

Listing Rules

LR TR 1 Transitional Provisions: General and Venture Capital Trusts

General Transitional Provisions

FCA

(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	<p>Amendments to <i>LR</i> set out in Annex B of the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006, relating to:</p> <p>(i) DTR 4 and periodic financial reporting; and</p> <p>(ii) DTR 6 in so far as they may relate to, or are required to give effect to, amendments in (i).</p>	R	<p>The amendments described in column 2 shall have effect as follows:</p> <p>(a) an <i>issuer</i> whose financial year starts on or after 20 January 2007 must comply with these amendments as of 20 January 2007; and</p> <p>(b) an <i>issuer</i> whose financial year starts before 20 January 2007 must comply with these amendments as of the start of its next financial year.</p>	From 20 January 2007	
1A	<i>LR</i> provisions referring to Companies Acts 1985, 2006 or related provisions.	R	(1) To the extent that the whole or part of a provision of the Companies Act 2006 is yet to come into force, any reference to	6 October 2007	20 January 2007

(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
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			<p>that provision or part of it should be read as a reference to the corresponding provision of the Companies Act 1985 currently in force (subject to the application of any relevant transitional provisions in the Companies Act 2006 or the <i>rules</i>).</p> <p>(2) To the extent that the whole or part of a provision of the Companies Act 1985 is no longer in force it shall be read as a reference to the corresponding provision of the Companies Act 2006 or relevant <i>DTR rule</i> that has superseded it (subject to the application of any relevant transitional provisions).</p>		
1B	LR 12.4.7 R (2)	R	<p>A <i>company</i> may obtain the approval required by LR 12.4.7 R (2) by extraordinary resolution (rather than a special resolu-</p>	<p>From 6 February 2008 until further notice</p>	<p>1 July 2005</p>

(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
			tion) if there is a reference to an extraordinary resolution in the <i>company's</i> memorandum and articles which requires or permits it and which continues to have effect by virtue of article 9 and paragraph 23 of Schedule 3 of The Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.		

Transitional Provisions for venture capital trusts

FCA

(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	LR 15.2.11 R - LR 15.2.13A R and LR 15.4.7 R	R	Do not apply in respect of a <i>venture capital trust</i> listed before the date this instrument comes into force.	From 28 September 2007 to 28 September 2010	28 September 2007
3	LR 15.6.8 R	R	Does not apply in respect of a <i>venture capital trust</i> listed before the date this	From 28 September 2007 to 28 September 2010	28 September 2007

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

Listing Rules

LR TR 2 Transitional Provision for closed-ended investment funds listed before 28 September 2007

FCA

(1)	(2) Material to which the transitional provisions apply	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Hand-book provision coming into force
1	LR 15.4.1A R and R LR 15.4.1B G		LR 15.4.1A R and LR 15.4.1B G do not apply to a <i>closed-ended investment fund</i> listed before 28 September 2007 until the date of the publication of its first annual report after 28 September 2007.	6 March 2008	6 March 2008

Listing Rules

LR TR 3 Transitional Provisions for Investment Entities already listed under LR 14

FCA

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	These transitional provisions apply to an entity that is an <i>overseas company</i> and an <i>investment entity</i> and that immediately before 6 March 2008 did not comply with the requirements of LR 15 or LR 16 but complied with the requirements of LR 14.	6 April 2010 In-definite	6 April 2010
2.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	LR 14 continues to apply to the entity for so long as it is listed after that date (and LR 15 and LR 16 do not apply) unless the entity makes an election under rule 3 of	6 April 2010 In-definite	6 April 2010

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
3.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	<p>these transitional provisions.</p> <p>The entity may by notice in writing given to the <i>FCA</i> elect to comply with the requirements of LR 15 or LR 16 (whichever is applicable to the entity) instead of the requirements in LR 14 from a date specified in the notice. An entity should not give notice under this transitional rule unless it has come to a reasonable opinion, after having made due and careful enquiry, that it can satisfy the requirements of LR 15 and 16 (as the case may be).</p>	6 April 2010 Indefinite	6 April 2010
4.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	If an entity gives a notice under TR3 3R of these transitional provisions it must comply with	6 April 2010 Indefinite	6 April 2010

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
			<p>the requirements of LR 15 or LR 16 (as the case may be) from the date specified in the notice and the requirements of LR 14 no longer apply to the entity from that date.</p>		

Note: An entity which intends to give notice under LR 3 LR TR 3 3R should consult with the *FCA* at the earliest possible stage if it intends to comply with the requirements of LR 15 or LR 16 (whichever is applicable to the entity) instead of the requirements in LR 14.

Listing Rules

LR TR 4 Transitional Provision for Issuers with a Premium Listing that are Overseas Companies

FCA

(1)	(2) Material to which the transitional provisions apply	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Hand-book provision: coming into force
1.	LR 9.8.7 R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 5 April 2010 is only required to comply with LR 9.8.7 R in financial years beginning after 31 December 2009.	From 6 April 2010	6 April 2010

Listing Rules

LR TR 5 Transitional Provision for companies incorporated in the United Kingdom

FCA

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.12 R (1), (2) and (3)	R	Where a <i>listed company</i> has an authority to disapply statutory pre-emption rights under section 95 of the Companies Act 1985 and that authority remains in force on or after 6 April 2010, the <i>company</i> can continue to rely on it until it expires and will not need to seek a new authority under section 571 of the Companies Act 2006.	From 6 April 2010	6 April 2010

Listing Rules

LR TR 6 Transitional Provision for overseas companies

FCA

(1)	(2) Material to which the transitional provisions apply	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Hand-book provision: coming into force
1.	LR 9.3.11 R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 6 April 2010 is only required to comply with LR 9.3.11 R after 5 April 2011.	From 6 April 2010	6 April 2010
2.	LR 9.8.7A R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 6 April 2010 is only required to comply with LR 9.8.7A R in financial years beginning after 31 December 2009.	From 6 April 2010	6 April 2010
3.	LR 14.3.24 R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>standard listing</i> on 6 April 2010 is only required to comply with LR 14.3.24 R	From 6 April 2010	6 April 2010

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			in financial years beginning after 31 December 2009.		

Listing Rules

LR TR 7 Transitional Provision for issuers with shares that do not confer full voting rights

FCA

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 10 , LR 11 , LR 12	R	<p>(1) This <i>rule</i> applies to an <i>issuer</i> with a <i>premium listing</i> of <i>equity shares</i> that do not confer full voting rights on 6 April 2010.</p> <p>(2) An <i>issuer</i> to which this <i>rule</i> applies may retain a <i>premium listing</i> of <i>equity shares</i> that do not confer full voting rights until 31 May 2012.</p>	From 6 April 2010 to 31 May 2012	6 April 2010

Listing Rules

LR TR 8 Transitional Provisions for the Combined Code

FCA

(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.	LR 9.8.6 R(5) and R(6) LR 15.6.6 R(2)		References to provisions in the <i>UK Corporate Governance Code</i> are to be read as references to the equivalent provisions in the <i>Combined Code</i> for accounting periods beginning before 29 June 2010. For the avoidance of doubt, LR 15.6.6 R(2) <i>Combined Code</i> Principles B.1 and B.2 became <i>UK Corporate Governance Code</i> Principles D.1 and D.2 respectively; and <i>Combined Code</i> provisions B.1.1 to B.1.6 and B.2.1 to B.2.4 became <i>UK</i>	From 29 June 2010 to 28 December 2011	6 August 2010

(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
			<p><i>Corporate Governance Code provisions D.1.1 to D.1.5 and D.2.1 to D.2.4 respectively.</i></p>		

Listing Rules

LR TR 9 Transitional Provision for a company that has a premium listing of equity shares but does not comply with LR 9.2.20R

FCA

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Hand-book provision: coming into force
1.	LR 9.2.20 R	R	<p>(1) This <i>rule</i> applies to a <i>company</i> that has a <i>premium listing of equity shares</i> but does not comply with LR 9.2.20 R on 1 October 2012.</p> <p>(2) LR 9.2.20 R is not applicable to a <i>company</i> to which this <i>rule</i> applies.</p>	From 1 October 2012 up to and including 31 December 2013	1 October 2012

Listing Rules

LR TR 10 Transitional Provision in relation to new sponsor services

FCA

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 5.6.6 R	R	<p>(1) LR 5.6.6 R does not apply to an <i>issuer</i> with a <i>premium listing</i>.</p> <p>(2) An <i>issuer</i> with a <i>premium listing</i> must contact the <i>FCA</i> as early as possible:</p> <p>(a) before announcing a <i>reverse takeover</i> which has been agreed or is in contemplation, to discuss whether a suspension of <i>listing</i> is appropriate; or</p> <p>(b) where details of a <i>reverse takeover</i> have leaked, to request a suspension.</p>	From 1 October 2012 up to and including 30 December 2012	1 October 2012

2.	LR 5.6.13 R, LR 5.6.17 R, LR 5.6.26 R	R	An <i>issuer</i> with a <i>premium listing</i> is not required to comply with LR 5.6.13 R, LR 5.6.17 R or LR 5.6.26 R from 1 October 2012 to 30 December 2012.	From 1 October 2012 up to and including 30 December 2012	1 October 2012
3.	LR 13.5.27B R	R	<p>(1) LR 13.5.27B R does not apply.</p> <p>(2) Where a <i>listed company</i> proposes to rely on LR 13.5.27 R(1)(b), it must submit to the <i>FCA</i> an assessment of the appropriateness of the standards applicable to an investment exchange or <i>multilateral trading facility</i> against the factors set out in LR 13.5.27A G(1) to LR 13.5.27A G(7) and any other factors that it considers should be noted. The assessment must be submitted before or at the time the <i>listed company</i> submits the draft</p>	From 1 October 2012 up to and including 30 December 2012	1 October 2012

class 1 circular.

Listing Rules

Schedule 1 [to follow]

FCA

[to follow]

Listing Rules

Schedule 2 [to follow]

FCA

[to follow]

Listing Rules

Schedule 3 [to follow]

FCA

[to follow]

Listing Rules

Schedule 4 Powers exercised

Sch 4.1 G

The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the *rules* in *LR*:

- Section 73A (Part 6 Rules)
- Section 75 (Applications for listing)
- Section 77 (Discontinuance and suspension of listing)
- Section 79 (Listing particulars and other documents)
- Section 80 (General duty of disclosure in listing particulars)
- Section 81 (Supplementary listing particulars)
- Section 88 (Sponsors)
- Section 89 (Public censure of sponsor)
- Section 96 (Obligations of issuers of listed securities)
- Section 99 (Fees)
- Section 100 (Penalties)
- Section 101 (Part 6 rules: general provisions)
- Section 138 (General rule-making power)
- Section 156 (General supplementary powers)
- Schedule 7 (The Authority as Competent Authority for Part VI)

Sch 4.2 G

The following power in the *Act* has been exercised by the *FSA* to give the *guidance* in *LR*:

- (1) Section 157(1) (Guidance)

Listing Rules

Schedule 5 [to follow]

FCA

[to follow]

Listing Rules

Schedule 6 Rules that can be waived

Sch 6.1 G

FCA

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) or section 248 (Scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.

Sch 6.2 G

FCA

In addition section 82 (Exemptions from disclosure) of the *Act* provides the *FCA* with discretion to authorise omissions from disclosure requirements derived from the *Consolidated Admissions and Reporting Directive* in the circumstances specified in that section.

Prospectus Rules

Prospectus Rules

PR 1	Preliminary
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TR	Transitional Provisions
Sch 1	[to follow]
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Sch 3	[to follow]
Sch 4	Powers exercised
Sch 5	[to follow]
Sch 6	Rules that can be waived

Chapter 1

Preliminary

1.1 Preliminary

Application

1.1.1
FCA

R

- (1) ■ PR 2, ■ PR 3, ■ PR 4.2, ■ PR 5.1, ■ PR 5.3.1 UK to ■ PR 5.3.3 G and ■ PR 5.5 only apply (subject to paragraph (2)) in relation to:
- (a) an *offer*, or a request for *admission to trading of transferable securities*, in respect of which section 85 of the *Act* applies (other than an exempt *offer* under section 86 of the *Act*) and in relation to which the *United Kingdom* is the *Home State*;
 - (b) an *offer*, or a request for *admission to trading of transferable securities*, where under section 87 of the *Act* a *person* has elected to have a *prospectus* in relation to the *transferable securities*; and
 - (c) an *offer*, or a request for *admission to trading of transferable securities*, not referred to in paragraphs (a) or (b), in relation to which the *United Kingdom* is the *Home State*.
- (2) ■ PR 2, ■ PR 3, ■ PR 4.2 , ■ PR 5.3.1 UK to ■ PR 5.3.3 G also apply in relation to an *offer*, or a request for *admission to trading of transferable securities*, where another competent authority of an *EEA State* has transferred the function of approving the *prospectus* to the *FCA*.

1.1.2
FCA

G

Note: When exercising its functions under Part 6 of the *Act*, the *FCA* may use the name the UK Listing Authority.

1.1.3
FCA

R

Persons responsible for complying with rules

A *person* must comply with all *rules* that are specified as being applicable to them.

1.1.4

FCA

R If a *rule* does not specify who is responsible for complying with it, then the following *persons* must comply with it:

- (1) in relation to an *offer*:
 - (a) the *issuer*; and
 - (b) the *offeror* (if this is a *person* other than the *issuer*);
- (2) in relation to a request for the *admission to trading* of *transferable securities*:
 - (a) the *issuer*; and
 - (b) the *person* requesting *admission to trading* (if this is a *person* other than the *issuer*).

1.1.5

FCA

R An *issuer* is not responsible under ■ PR 1.1.4 R (1)(a) or ■ (2)(a) if it has not authorised or made the *offer* or the request for the *admission to trading*.

Provisions implementing the prospectus directive

1.1.6

FCA

G The following documents need to be considered together to determine the effect of the *prospectus directive*:

- (1) Part 6 of the *Act*;
- (2) the *PD Regulation*;
- (3) these *rules*; and
- (4) the *ESMA recommendations*.

1.1.7

FCA

G To assist readers, extracts from the *Act* and the *PD Regulation* are reproduced in the text of these *rules*. Readers should however consult those documents themselves to see the full text.

ESMA recommendations

1.1.8

FCA

G In determining whether Part 6 of the *Act*, these *rules* and the *PD Regulation* have been complied with, the *FCA* will take into account whether a *person* has complied with the *ESMA recommendations*.

Application of rules to supplementary prospectuses

1.1.9

FCA

R Unless the context otherwise requires, a reference in these *rules* to a *prospectus* includes a *supplementary prospectus*.

1.2 Requirement for a prospectus and exemptions

Requirement for a prospectus

1.2.1
FCA



Sections 85 and 86 of the *Act* provide for when a *prospectus* approved by the *FCA* will be required:

- 85** (1) It is unlawful for transferable securities to which this subsection applies to be offered to the public in the United Kingdom unless an approved prospectus has been made available to the public before the offer is made.
- (2) It is unlawful to request the admission of transferable securities to which this subsection applies to trading on a regulated market situated or operating in the United Kingdom unless an approved prospectus has been made available to the public before the request is made.
- (3) A person who contravenes subsection (1) or (2) is guilty of an offence and liable -
- (a) on summary conviction, to imprisonment for a term not exceeding 3 months or a fine not exceeding the statutory maximum or both;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine or both.
- (4) A contravention of subsection (1) or (2) is actionable, at the suit of a person who suffers loss as a re-

sult of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

- (5) Subsection (1) applies to all transferable securities other than -
- (a) those listed in Schedule 11A;
 - (b) such other transferable securities as may be specified in prospectus rules [see PR 1.2.2 R].
- (6) Subsection (2) applies to all transferable securities other than -
- (a) those listed in Part 1 of Schedule 11A;
 - (b) such other transferable securities as may be specified in prospectus rules [see PR 1.2.3 R].
- (7) "Approved prospectus" means, in relation to transferable securities to which this section applies, a prospectus approved by the competent authority of the home State in relation to the issuer of the securities.

86 Exempt offers to the public

- (1) A person does not contravene section 85(1) if -
- (a) the offer is made to or directed at qualified investors only;
 - (b) the offer is made to or directed at fewer than 150 persons, other than qualified investors, per EEA State;
 - (c) the minimum consideration which may be paid by any person for transferable securities acquired by him pursuant to the offer is at least 100,000 euros (or an equivalent amount);

- (d) the transferable securities being offered are denominated in amounts of at least 100,000 euros (or equivalent amounts);
 - (e) the total consideration for the transferable securities being offered in the EEA states cannot exceed 100,000 euros (or an equivalent amount) ; or
 - (f) the offer falls within subsection (1A).
- (1A) An offer ("the current offer") falls within this subsection where transferable securities are resold or placed through a financial intermediary where:**
- (a) the transferable securities have previously been the subject of one or more offers to the public;
 - (b) in respect of one or more of those previous offers, any of paragraphs (a) to (e) of subsection (1) applied;
 - (c) a prospectus is available for the securities which has been approved by a competent authority no earlier than 12 months before the date the current offer is made; and
 - (d) the issuer or other person who was responsible for drawing up the prospectus has given written consent to the use of the prospectus for the purpose of the current offer.
- (2) Where -**
- (a) a person who is not a qualified investor ("the client") has engaged a qualified investor falling within point

- (1) of Section 1 of Annex II to the markets in financial instruments directive to act as his agent; and
- (b) the terms on which the qualified investor is engaged enable him to make decisions concerning the acceptance of offers of transferable securities on the client's behalf without reference to the client,
- an offer made to or directed at the qualified investor is not to be regarded for the purposes of subsection (1) as also having been made to or directed at the client.
- (3) For the purposes of subsection (1)(b), the making of an offer of transferable securities to -
- (a) trustees of a trust,
- (b) members of a partnership in their capacity as such, or
- (c) two or more persons jointly,
- is to be treated as the making of an offer to a single person.
- (4) In determining whether subsection (1)(e) is satisfied in relation to an offer ("offer A"), offer A is to be taken together with any other offer of transferable securities of the same class made by the same person which -
- (a) was open at any time within the period of 12 months ending with the date on which offer A is first made; and
- (b) had previously satisfied subsection (1)(e).
- (5) For the purposes of this section, an amount (in relation to an amount denominated in euros) is an "equivalent amount" if it is an amount of equal value denominated

ed wholly or partly in another currency or unit of account.

- (6) The equivalent is to be calculated at the latest practicable date before (but in any event not more than 3 working days before) the date on which the offer is first made.
- (7) "Qualified investor" in relation to an offer of transferable securities, means -
 - (a) a person described in points (1) to (4) of Section I of Annex II to the markets in financial instruments directive, other than a person who, before the making of the offer, has agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a non-professional client in accordance with the final paragraph of Section I of Annex II to that directive;
 - (b) a person who has made a request to one or more relevant firms to be treated as a professional client in accordance with Section II of Annex II to that directive and has not subsequently, but before the making of the offer, agreed in writing with that relevant firm (or each of those relevant firms) to be treated as a non-professional client in accordance with the final paragraph of Section I of Annex II to that directive;
 - (c) a person who is recognised as an eligible counterparty in accordance with article 24 of that directive and has not, before the making of the offer, agreed in writing

with the relevant firm (or each of the relevant firms) to be treated as a non-professional client in accordance with the final paragraph of Section I of Annex II of that directive;

- (d) a person whom any relevant firm is authorised to continue to treat as a professional client in accordance with article 71(6) of that directive.
- (8) In subsection (7) "relevant firm" means an investment firm or credit institution acting in connection with the offer.
- (9) Investment firms and credit institutions must communicate their classification of their clients as being or not being qualified investors on request to an issuer, subject to complying with the Data Protection Act 1998 or any directly applicable EU legislation relating to data protection.
- (10) In subsections (8) and (9) -
- "credit institution" means -
- (a) a credit institution authorised under the banking consolidation directive; or
- (b) an institution which would satisfy the requirements for authorisation as a credit institution under that directive if it had its registered office (or if it does not have one, its head office) in an EEA State.

Exempt securities - offers of securities to the public

In accordance with section 85(5)(b) of the *Act*, section 85(1) of the *Act* does not apply to *offers* of the following types of *transferable securities*:

- (1) shares issued in substitution for shares of the same class already issued, if the issue of the new shares does not involve any increase in the issued capital;

- (2) *transferable securities* offered in connection with a takeover by means of an exchange offer, if a document is available containing information which is regarded by the *FCA* as being equivalent to that of the *prospectus*, taking into account the requirements of *EU* legislation;
- (3) *transferable securities* offered, allotted or to be allotted in connection with a merger or division, if a document is available containing information which is regarded by the *FCA* as being equivalent to that of the *prospectus*, taking into account the requirements of *EU* legislation;
- (4) dividends paid out to existing shareholders in the form of shares of the same class as the shares in respect of which the dividends are paid, if a document is made available containing information on the number and nature of the shares and the reasons for and details of the *offer*;
- (5) *transferable securities* offered, allotted or to be allotted to existing or former directors or employees by their employer or by an affiliated undertaking if:
 - (a) the *company* has its head office or registered office in the *EU*, provided a document is made available containing information on the number and nature of the *transferable securities* and the reasons for and details of the *offer*; or
 - (b) the *company* is established outside the *EU* and has *transferable securities* that are *admitted to trading*, provided a document is made available containing information on the number and nature of the *transferable securities* and the reasons for and details of the *offer*; or
 - (c) the *company* is established outside the *EU* and has *transferable securities admitted to trading* on a third country market provided that:
 - (i) a document is made available containing adequate information, including the number and nature of the *transferable securities*; and
 - (ii) the reasons for and details of the *offer* in a language customary in the sphere of international finance; and
 - (iii) the European Commission has adopted an equivalence decision for the purpose of article 4(1) of the *PD* regarding the third country market concerned.

[Note: article 4(1) *PD*]

1.2.3

FCA

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Exempt securities - admission to trading on a regulated market

In accordance with section 85(6)(b) of the *Act*, section 85(2) of the *Act* does not apply to the *admission to trading* of the following types of *transferable securities*:

- (1) shares representing, over a period of 12 months, less than 10 per cent of the number of shares of the same class already *admitted to trading* on the same *regulated market*;
- (2) shares issued in substitution for shares of the same class already *admitted to trading* on the same *regulated market*, if the issue of the shares does not involve any increase in the issued capital;
- (3) *transferable securities* offered in connection with a takeover by means of an exchange offer, if a document is available containing information which is regarded by the *FCA* as being equivalent to that of the *prospectus*, taking into account the requirements of *EU* legislation;
- (4) *transferable securities* offered, allotted or to be allotted in connection with a merger or a division, if a document is available containing information which is regarded by the *FCA* as being equivalent to that of the *prospectus*, taking into account the requirements of *EU* legislation;
- (5) shares offered, allotted or to be allotted free of charge to existing shareholders, and dividends paid out in the form of shares of the same class as the shares in respect of which the dividends are paid, if the shares are of the same class as the shares already *admitted to trading* on the same *regulated market* and if a document is made available containing information on the number and nature of the shares and the reasons for and details of the offer;
- (6) *transferable securities* offered, allotted or to be allotted to existing or former directors or employees by their employer or an affiliated undertaking, if the *transferable securities* are of the same class as the *transferable securities* already *admitted to trading* on the same *regulated market* and if a document is made available containing information on the number and nature of the *transferable securities* and the reasons for and detail of the offer;
- (7) shares resulting from the conversion or exchange of other *transferable securities* or from the exercise of the rights conferred by other *transferable securities*, if the shares are of the same class as the shares already *admitted to trading* on the same *regulated market*;
- (8) *transferable securities* already *admitted to trading* on another *regulated market*, on the following conditions:

- (a) that these *transferable securities*, or *transferable securities* of the same class, have been *admitted to trading* on that other *regulated market* for more than 18 months;
- (b) that, for *transferable securities* first *admitted to trading* after the 31 December 2003, the *admission to trading* on that other *regulated market* was associated with an approved *prospectus* made available to the public in accordance with Article 14 of the *prospectus directive*;
- (c) that, except where (b) applies, for *transferable securities* first admitted to listing after 30 June 1983, listing particulars were approved in accordance with the requirements of Directive 80/390/EEC or Directive 2001/34/EC;
- (d) that the ongoing obligations for trading on that other *regulated market* have been fulfilled;
- (e) that the *person* requesting the *admission to trading* under this exemption makes a summary document available to the public in a language accepted by the competent authority of the *EEA State* of the *regulated market* where admission is sought;
- (f) that the summary document referred to in paragraph (e) is made available to the public in the *EEA State* of the *regulated market* where *admission to trading* is sought in the manner set out in Article 14 of the *prospectus directive*; and
- (g) that the contents of the summary document comply with article 5(2) of the *prospectus directive*. Also the document must state where the most recent *prospectus* can be obtained and where the financial information published by the *issuer* pursuant to its ongoing disclosure obligations is available [Note: article 4(2) *PD*].

1.2.4

FCA

G

- (1) The summary document referred to in ■ PR 1.2.3 R (8) should at least contain the information that would be required in a *summary* if the *summary* were being produced at the date of the summary document.
- (2) The content of the summary document may be obtained from publicly available information on the *issuer*.
- (3) If the information is obtained from publicly available information on the *issuer*, the information should be accurately reproduced from publicly available information and no facts should be omitted which would make the reproduced information misleading.

Chapter 2

Drawing up the prospectus

2.1 General contents of prospectus

General contents of prospectus

2.1.1

FCA



Sections 87A(2), (2A), (3) and (4) of the *Act* provide for the general contents of a *prospectus*:

- (2) The necessary information is the information necessary to enable investors to make an informed assessment of -
- (a) the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the transferable securities and of any guarantor; and
 - (b) the rights attaching to the transferable securities.
- (2A) If, in the case of transferable securities to which section 87 applies, the prospectus states that the guarantor is a specified EEA State, the prospectus is not required to include other information about the guarantor.
- (3) The necessary information must be presented in a form which is comprehensible and easy to analyse.
- (4) The necessary information must be prepared having regard to the particular nature of the transferable securities and their issuer and any delegated acts adopted by the Commission under article 7(1) of the *prospectus directive* .

Summary

2.1.2

FCA



Sections 87A(5) and (6) of the *Act* set out the requirement for a *summary* to be included in a *prospectus*:

- (5) The prospectus must include a summary (unless the transferable securities in question are ones in relation to which prospectus rules provide that a summary is not required).

- (6) The summary must convey concisely, in non-technical language and in an appropriate structure, the key information relevant to the securities which are the subject of the prospectus and, when read with the rest of the prospectus, must be an aid to investors considering whether to invest in the securities.

When a summary is not required

2.1.3

FCA

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In accordance with section 87A(5) of the *Act*, a *summary* is not required for a *prospectus* relating to *non-equity transferable securities* that have a denomination of at least 100,000 euros (or an equivalent amount) if the *prospectus* relates to an *admission to trading*. [Note: article 5.2 PD]

Contents of summary

2.1.4

FCA

EU

Article 24 of the *PD Regulation* provides for how the contents of the *summary* are to be determined:

Content of the summary of the prospectus, of the base prospectus and of the individual issue

- 1 The issuer, the offeror or the person asking for the admission to trading on a regulated market shall determine the detailed content of the summary referred to in Article 5(2) of Directive 2003/71/EC in accordance with this Article.

A summary shall contain the key information items set out in Annex XXII. Where an item is not applicable to a prospectus, such item shall appear in the summary with the mention "not applicable". The length of the summary shall take into account the complexity of the issuer and of the securities offered, but shall not exceed 7% of the length of a prospectus or 15 pages, whichever is the longer. It shall not contain cross-references to other parts of the prospectus.

The order of the sections and of the elements of Annex XXII shall be mandatory. The summary shall be drafted in clear language, presenting the key information in an easily accessible and understandable way. Where an issuer is not under an obligation to include a summary in a prospectus pursuant to Article 5(2) of Directive 2003/71/EC, but produces an overview section in the prospectus, this section shall not be entitled "Summary" unless the issuer complies with all disclosure requirements for summaries laid down in this Article and Annex XXII.

- 2 The summary of the base prospectus may contain the following information:
 - (a) information included in the base prospectus;
 - (b) options for information required by the securities note schedule and its building block(s);
 - (c) information required by the securities note schedule and its building block(s) left in blank for later insertion in the final terms.

3 The summary of the individual issue shall provide the key information of the summary of the base prospectus combined with the relevant parts of the final terms. The summary of the individual issue shall contain the following:

- (a) the information of the summary of the base prospectus which is only relevant to the individual issue;**
- (b) the options contained in the base prospectus which are only relevant to the individual issue as determined in the final terms;**
- (c) the relevant information given in the final terms which has been previously left in blank in the base prospectus.**

Where the final terms relate to several securities which differ only in some very limited details, such as the issue price or maturity date, one single summary of the individual issue may be attached for all those securities, provided the information referring to the different securities is clearly segregated.

The summary of the individual issue shall be subject to the same requirements as the final terms and shall be annexed to them.

[Note: See transitional provisions in Regulation (EU) No 486/2012]

2.1.5

G

[deleted]

2.1.6

FCA

R

The *summary* must be in the language in which the *prospectus* was originally drawn up. [Note: article 19.2 PD]

Note: ■ PR 4.1 sets out *rules* about the language in which the *prospectus* must be drawn up.

Note: Article 19.2 of the *prospectus directive* also allows the competent authority of a *Host State* to require that the *summary* be translated into its official language(s). The *FCA* as competent authority of a *Host State* requires a *summary* to be translated into English under ■ PR 4.1.6 R.

2.1.7

FCA

R

The *summary* must also contain a warning to the effect that:

- (1) it should be read as an introduction to the *prospectus*;
- (2) any decision to invest in the *transferable securities* should be based on consideration of the *prospectus* as a whole by the investor;
- (3) where a claim relating to the information contained in a *prospectus* is brought before a court, the plaintiff investor might, under the national legislation of the *EEA States*, have to bear the costs of translating the *prospectus* before the legal proceedings are initiated; and

- (4) civil liability attaches to those *persons* who are responsible for the *summary* including any translation of the *summary*, but only if the *summary* is misleading, inaccurate or inconsistent when read together with the other parts of the *prospectus* or it does not provide, when read together with the other parts of the *prospectus*, *key information* in order to aid investors when considering whether to consider an *offer* further as set out in section 90(12) of the *Act*.
[Note: articles 5.2 and 6.2 *PD*]

2.2 Format of prospectus

Format of prospectus

- 2.2.1** **FCA** **R** A *prospectus* may be drawn up as a single document or separate documents. [Note: *PD* article 5.3]
- 2.2.2** **FCA** **R**
- (1) A *prospectus* composed of separate documents must divide the required information into a *registration document*, a *securities note* and a *summary*.
 - (2) The *registration document* must contain the information relating to the *issuer*. The *securities note* must contain the information concerning the *transferable securities* to be *offered* or to be *admitted to trading*. [Note: article 5.3 *PD*]
- 2.2.3** **FCA** **R** The *registration document* accompanied by the *securities note* (updated if applicable in accordance with **PR 2.2.5 R**) and the *summary* shall be considered to constitute a valid *prospectus*. [Note: article 9.4 *PD*]
- Prospectuses consisting of separate documents**
- 2.2.4** **FCA** **R** An *issuer*, *offeror* or *person* requesting admission who already has a *registration document* approved by the *FCA* is required to draw up only the *securities note* and the *summary* when *transferable securities* are *offered* or a request is made for *admission to trading*. [Note: article 12.1 *PD*]
- 2.2.5** **FCA** **R** If **PR 2.2.4 R** applies, the *securities note* must provide information that would normally be provided in the *registration document* where there has been a material change or recent development which could affect an investor's assessment since the latest updated *registration document* was approved, unless such information is provided in a *supplementary prospectus*. The *securities note* and *summary* shall be subject to a separate approval. [Note: article 12.2 *PD*]
- 2.2.6** **FCA** **R** An *issuer*, *offeror* or *person* requesting admission may choose to file a *registration document* without approval. If it does so, the entire documentation, including updated information, is subject to approval. [Note: article 12.3 *PD*]

Base prospectus

2.2.7

FCA

R

The *prospectus* can, at the choice of the *issuer*, *offeror* or *person* requesting admission, consist of a *base prospectus* containing all relevant information concerning the *issuer* and the *transferable securities* to be *offered* or to be *admitted to trading* if it relates to one of the following types of *transferable securities*:

- (1) *non-equity transferable securities*, including warrants in any form, issued under an *offering programme*; or
- (2) *non-equity transferable securities* issued in a continuous or repeated manner by *credit institutions*:
 - (a) where the sums deriving from the issue of the *transferable securities*, under national legislation, are placed in assets which provide sufficient coverage for the liability deriving from *transferable securities* until their maturity date;
 - (b) where, in the event of the insolvency of the related *credit institution*, the said sums are intended, as a priority, to repay the capital and interest falling due, without prejudice to the provisions of Directive 2001/24/EC on the reorganisation and winding up of credit institutions. [Note: article 5.4 PD]

2.2.8

FCA

R

The information given in the *base prospectus* must be supplemented, if necessary, in accordance with section 87G of the *Act* (supplementary prospectus), with updated information on the *issuer* and on the *transferable securities* to be *offered* or to be *admitted to trading*. [Note: article 5.4 PD]

2.2.9

FCA

R

If the final terms of the *offer* are not included in either the *base prospectus* or a *supplementary prospectus*:

- (1) the final terms must be provided to investors and filed with the *FCA*, and made available to the public, in accordance with ■ PR 3.2.4 R to ■ PR 3.2.6 R the *PD Regulation* as soon as practicable after each *offer* is made and, if possible, before the *offer* begins;
- (2) the *base prospectus* must disclose the criteria and/or the conditions in accordance with which the above elements will be determined or, in the case of price, the maximum price. [Note: article 5.4 PD]

2.2.10

FCA

EU

Articles 25 and 26 of the *PD Regulation* provide for the format of *prospectuses* and *base prospectuses*:

Format of the prospectus

- 25.1 Where an issuer, an offeror or a person asking for the admission to trading on a regulated market chooses, according to [PR 2.2.1 R] to draw up a prospectus as a single document, the prospectus shall be composed of the following parts in the following order:

- (1) a clear and detailed table of contents;
 - (2) the summary provided for in [section 87A(5) of the *Act*];
 - (3) the risk factors linked to the issuer and the type of security covered by the issue;
 - (4) the other information items included in the schedules and building blocks according to which the prospectus is drawn up.
2. Where an issuer, an offeror or a person asking for the admission to trading on a regulated market chooses, according to [LR 3.1.1 R], to draw up a prospectus composed of separate documents, the securities note and the registration document shall be each composed of the following parts in the following order:
- (1) a clear and detailed table of contents;
 - (2) as the case may be, the risk factors linked to the issuer and the type of security covered by the issue;
 - (3) the other information items included in the schedules and building blocks according to which the prospectus is drawn up.
3. In the cases mentioned in paragraphs 1 and 2, the issuer, the offeror or the person asking for admission to trading on a regulated market shall be free in defining the order in the presentation of the required information items included in the schedules and building blocks according to which the prospectus is drawn up.
4. Where the order of the items does not coincide with the order of the information provided for in the schedules and building blocks according to which the prospectus is drawn up, the [FCA] may ask the issuer, the offeror or the person asking for the admission to trading on a regulated market to provide a cross reference list for the purpose of checking the prospectus before its approval. Such list shall identify the pages where each item can be found in the prospectus. [see PR 3.1.1 R (3)]
5. Where the summary of a prospectus must be supplemented according to [section 87G of the *Act*], the issuer, the offeror or the person asking for admission to trading on a regulated market shall decide on a case-by-case basis whether to integrate the new information in the original summary by producing a new summary, or to produce a supplement to the summary.
- If the new information is integrated in the original summary, the issuer, the offeror or the person asking for admission to

trading on a regulated market shall ensure that investors can easily identify the changes, in particular by way of footnotes.

In any case, a new filing of final terms and summary of the individual issue annexed thereto corresponding to offers made prior to the production of a new summary or a supplement to the summary shall not be required.

Format of the base prospectus and its related final terms

- 26.1 Where an issuer, an offeror or a person asking for the admission to trading on a regulated market chooses, according to [PR 2.2.7 R] to draw up a base prospectus, the base prospectus shall be composed of the following parts in the following order:
- (1) a clear and detailed table of contents;
 - (2) the summary provided for in [section 87A of the Act];
 - (3) the risk factors linked to the issuer and the type of security or securities covered by the issue(s);
 - (4) the other information items included in the schedules and building blocks according to which the prospectus is drawn up.
2. Notwithstanding paragraph 1, the issuer, the offeror or the person asking for admission to trading on a regulated market shall be free in defining the order in the presentation of the required information items included in the schedules and building blocks according to which the prospectus is drawn up. The information on the different securities contained in the base prospectus shall be clearly segregated.
3. Where the order of the items does not coincide with the order of the information provided for by the schedules and building blocks according to which the prospectus is drawn up, the [FCA] may ask the issuer, the offeror or the person asking for admission to trading on a regulated market to provide a cross reference list for the purpose of checking the prospectus before its approval. Such list should identify the pages where each item can be found in the prospectus. [see PR 3.1.1 R (3)]
4. In case the issuer, the offeror or the person asking for admission to trading on a regulated market has previously filed a registration document for a particular type of security and, at a later stage, chooses to draw up base prospectus in conformity with the conditions provided for in [PR 2.2.7 R], the base prospectus shall contain:
- (1) the information contained in the previously or simultaneously filed and approved registration document which shall be incorporated by reference, following the conditions provided for in Article 28 of this Regulation;

(2) the information which would otherwise be contained in the relevant securities note less the final terms where the final terms are not included in the base prospectus.

5. The final terms shall be presented in the form of a separate document or be included in the base prospectus. The final terms shall be prepared in an easily analysable and comprehensible form.

The items of the relevant securities note schedule and its building blocks, which are included in the base prospectus shall not be reproduced in the final terms.

The issuer, the offeror or the person asking for admission to trading on a regulated market may include any of the additional information set out in Annex XXI in the final terms.

A clear and prominent statement shall be inserted in the final terms indicating:

- (a) that the final terms have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC and must be read in conjunction with the base prospectus and its supplement(s);
- (b) where the base prospectus and its supplement(s) are published in accordance with Article 14 of Directive 2003/71/EC;
- (c) that in order to get the full information both the base prospectus and the final terms must be read in conjunction;
- (d) that a summary of the individual issue is annexed to the final terms.

The final terms may include the signature of the legal representative of the issuer or the person responsible for the prospectus according to the relevant national law or the signature of both.

- 5a The final terms and the summary of the individual issue shall be drawn up in the same language respectively as the approved version of the form of the final terms of the base prospectus and as the summary of the base prospectus.

When the final terms are communicated to the competent authority of the host Member State or, if there is more than one host Member State, to the competent authorities of the host Member States, in accordance with Article 5(4) of Directive 2003/71/EC, the following language rules shall apply to the final terms and the annexed summary:

- (a) where the summary of the base prospectus is to be translated pursuant to Article 19 of Directive 2003/71/EC, the summary of the individual issue annexed to the final

terms shall be subject to the same translation requirements as the summary of the base prospectus;

- (b) where the base prospectus is to be translated pursuant to Article 19 of Directive 2003/71/EC, the final terms and the summary of the individual issue annexed thereto, shall be subject to the same translation requirements as the base prospectus.

The issuer shall communicate those translations, together with the final terms, to the competent authority of the host Member State or, if there is more than one host Member State, to the competent authorities of the host Member States.

6. Where a base prospectus relates to different securities, the issuer, the offeror or the person asking for admission to trading on a regulated market shall include a single summary in the base prospectus for all securities. The information on the different securities contained in the summary, however, shall be clearly segregated.
7. Where the summary of a base prospectus must be supplemented according to [section 87G of the *Act*], the issuer, the offeror or the person asking for admission to trading on a regulated market shall decide on a case-by-case basis whether to integrate the new information in the original summary by producing a new summary, or by producing a supplement to the summary. If the new information is integrated in the original summary of the base prospectus by producing a new summary, the issuer, the offeror or the person asking for admission to trading on a regulated market shall ensure that investors can easily identify the changes, in particular by way of footnotes.
8. Issuers, offerors or persons asking for admission to trading on a regulated market may compile in one single document two or more different base prospectuses.

[Note: See transitional provisions in Regulation (EU) No 486/2012]

2.2.11

FCA



The *PD Regulation* provides for categories of information to be included in the base *prospectus* and final terms.

Categories of information in the base prospectus and the final terms

- 2a 1 The categories set out in Annex XX shall determine the degree of flexibility by which the information can be given in the base prospectus or the final terms. The categories shall be defined as follows:

- (a) 'Category A' means the relevant information which shall be included in the base prospectus. This information cannot be left in blank for later insertion in the final terms;

(b) **'Category B' means that the base prospectus shall include all the general principles related to the information required, and only the details which are unknown at the time of the approval of the base prospectus can be left in blank for later insertion in the final terms;**

(c) **'Category C' means that the base prospectus may contain a reserved space for later insertion for the information which was not known at the time of the approval of the base prospectus. Such information shall be inserted in the final terms.**

2 Where the conditions of Article 16(1) of Directive 2003/71/EC apply, a supplement shall be required.

Where those conditions do not apply, the issuer, the offeror or the person asking for admission to trading on a regulated market shall publish a notice of the change.

[Note: See transitional provisions in Regulation (EU) No 486/2012]

2.3 Minimum information to be included in a prospectus

Minimum information

2.3.1

FCA



Articles 3 to 23 of the *PD Regulation* provide for the minimum information to be included in a *prospectus*:

Note: the Annexes (including *schedules* and *building blocks*) referred to in these articles are set out for information in ■ PR App 3.

Article 3

Minimum information to be included in a prospectus

A prospectus shall be drawn up by using one or a combination of the schedules and building blocks set out in this Regulation.

A prospectus shall contain the information items required in Annexes I to XVII and Annexes XX to XXX depending on the type of issuer or issues and securities involved. Subject to Article 4a(1), a competent authority shall not require that a prospectus contains information items which are not included in Annexes I to XVII or Annexes XX to XXX.

In order to ensure conformity with the obligation referred to in Article 5(1) of Directive 2003/71/EC, the competent authority of the home Member State, when approving a prospectus in accordance with Article 13 of that Directive, may, on a case by case basis, require the information provided by the issuer, the offeror or the person asking for admission to trading on a regulated market to be completed, for each of the information items.

Where the issuer, the offeror or the person asking for the admission to trading on a regulated market is required to include a summary in a prospectus, in accordance with Article 5(2) of Directive 2003/71/EC, the competent authority of the home Member State, when approving the prospectus in accordance with Article 13 of that Directive, may, on a case by case basis, require certain information provided in the prospectus, to be included in the summary.

[Note: See transitional provisions in Regulation (EU) No 862/2012]

Article 4

Share registration document schedule

1. For the share registration document information shall be given in accordance with the schedule set out in Annex I.
2. The schedule set out in paragraph 1 shall apply to the following:
 - (1) shares and other transferable securities equivalent to shares;
 - (2) other securities which comply with the following conditions:
 - (a) they can be converted or exchanged into shares or other transferable securities equivalent to shares, at the issuer's or at the investor's discretion, or on the basis of the conditions established at the moment of the issue, or give, in any other way, the possibility to acquire shares or other transferable securities equivalent to shares, and
 - (b) provided that these shares or other transferable securities equivalent to shares are or will be issued by the issuer of the security and are not yet traded on a regulated market or an equivalent market outside the Community at the time of the approval of the prospectus covering the securities, and that the underlying shares or other transferable securities equivalent to shares can be delivered with physical settlement.

Article 4a

Share registration document schedule in cases of complex financial history or significant financial commitment

1. Where the issuer of a security covered by Article 4(2) has a complex financial history, or has made a significant financial commitment, and in consequence the inclusion in the registration document of certain items of financial information relating to an entity other than the issuer is necessary in order to satisfy the obligation laid down in Article 5(1) of Directive 2003/71/EC, those items of financial information shall be deemed to relate to the issuer. The competent authority of the home Member State shall in such cases request that the issuer, the offeror or the person asking for admission to trading include those items of information in the registration document.

Those items of financial information may include pro forma information prepared in accordance with Annex II. In this context, where the issuer has made a significant financial commitment any such pro forma information shall illustrate the anticipated effects of the transaction that the issuer has agreed to undertake, and references in Annex II to "the transaction" shall be read accordingly.

2. The competent authority shall base any request pursuant to the first subparagraph of paragraph 1 on the requirements set out in item 20.1 of Annex I, item 15.1 of Annex XXIII, item 20.1 of Annex XXV, item 11.1 of Annex XXVII and item 20.1 of Annex XXVIII as regards the content of financial information and the applicable accounting and auditing principles, subject to any modification which is appropriate in view of any of the following factors:

- (a) the nature of the securities;**
- (b) the nature and range of information already included in the prospectus, and the existence of financial information relating to an entity other than the issuer in a form that might be included in a prospectus without modification;**
- (c) the facts of the case, including the economic substance of the transactions by which the issuer has acquired or disposed of its business undertaking or any part of it, and the specific nature of that undertaking;**
- (d) the ability of the issuer to obtain financial information relating to another entity with reasonable effort.**

Where, in the individual case, the obligation laid down in Article 5(1) of Directive 2003/71/EC may be satisfied in more than one way, preference shall be given to the way that is the least costly or onerous.

(3) Paragraph 1 is without prejudice to the responsibility under national law of any other person, including the persons referred to in Article 6(1) of Directive 2003/71/EC, for the information contained in the prospectus. In particular, those persons shall be responsible for the inclusion in the registration document of any items of information requested by the competent authority pursuant to paragraph 1.

(4) For the purposes of paragraph 1, an issuer shall be treated as having a complex financial history if all of the following conditions apply:

- (a) its entire business undertaking at the time that the prospectus is drawn up is not accurately represented in the historical financial information which it is required to provide under item 20.1 of Annex I, item 15.1 of Annex XXIII, item 20.1 of Annex XXV, item 11.1 of Annex XXVII and item 20.1 of Annex XXVIII;**
- (b) that inaccuracy will affect the ability of an investor to make an informed assessment as mentioned in Article 5(1) of Directive 2003/71/EC; and**
- (c) information relating to its business undertaking that is necessary for an investor to make such an assessment is**

included in financial information relating to another entity.

- (5) For the purposes of paragraph 1, an issuer shall be treated as having made a significant financial commitment if it has entered into a binding agreement to undertake a transaction which, on completion, is likely to give rise to a significant gross change.

In this context, the fact that an agreement makes completion of the transaction subject to conditions, including approval by a regulatory authority, shall not prevent that agreement from being treated as binding if it is reasonably certain that those conditions will be fulfilled.

In particular, an agreement shall be treated as binding where it makes the completion of the transaction conditional on the outcome of the offer of the securities that are the subject matter of the prospectus or, in the case of a proposed takeover, if the offer of securities that are the subject matter of the prospectus has the objective of funding that takeover.

- (6) For the purposes of paragraph 5 of this Article, and of item 20.2 of Annex I, item 15.2 of Annex XXIII and item 20.2 of Annex XXV, a significant gross change means a variation of more than 25%, relative to one or more indicators of the size of the issuer's business, in the situation of an issuer.

Recital 9

Pro forma financial information is needed in case of significant gross change, i. e. a variation of more than 25% relative to one or more indicators of the size of the issuer's business, in the situation of an issuer due to a particular transaction, with the exception of those situations where merger accounting is required.

Article 5

Pro-forma financial information building block

For pro-forma financial information, information shall be given in accordance with the building block set out in Annex II.

Pro forma financial information should be preceded by an introductory explanatory paragraph that states in clear terms the purpose of including this information in the prospectus.

Article 6

Share securities note schedule

1. For the share securities note information is necessary to be given in accordance with the schedule set out in Annex III.

2. The schedule shall apply to shares and other transferable securities equivalent to shares

Article 7

Debt and derivative securities registration document schedule for securities with a denomination per unit of less than EUR 100 000

For the debt and derivative securities registration document concerning securities which are not covered in Article 4 with a denomination per unit of less than EUR 100 000 or, where there is no individual denomination, securities that can only be acquired on issue for less than EUR 100 000 per security, information shall be given in accordance with the schedule set out in Annex IV.

Article 8

Securities note schedule for debt securities with a denomination per unit of less than EUR 100 000

1. For the securities note for debt securities with a denomination per unit of less than EUR 100 000 information shall be given in accordance with the schedule set out in Annex V.
2. The schedule shall apply to debt where the issuer has an obligation arising on issue to pay the investor 100% of the nominal value in addition to which there may be also an interest payment.

Article 9

Guarantees building block

For guarantees information shall be given in accordance with the building block set out in Annex VI.

Item 3 of Annex VI shall not apply where a Member State acts as guarantor.

Article 10

Asset backed securities registration document schedule

For the asset backed securities registration document information shall be given in accordance with the schedule set out in Annex VII.

Article 11

Asset backed securities building block

For the additional information building block to the securities note for asset backed securities information shall be given in accordance with the building block set out in Annex VIII.

Article 12

Debt and derivative securities registration document schedule for securities with a denomination per unit of at least EUR 100 000

For the debt and derivative securities registration document concerning securities which are not covered in Article 4 with a denomination per unit of at least EUR 100 000 or, where there is no individual denomination, securities that can only be acquired on issue for at least EUR 100 000 per security, information shall be given in accordance with the schedule set out in Annex IX.

Article 13**Depository receipts schedule**

For depository receipts issued over shares information shall be given in accordance with the schedule set out in Annex X.

Article 14**Banks registration document schedule**

- 1. For the banks registration document for debt and derivative securities and those securities which are not covered by article 4 information shall be given in accordance with the schedule set out in Annex XI.**
- 2. The schedule set out in paragraph 1 shall apply to credit institutions as defined in point (a) of Article 1(1) of Directive 2000/12/EC as well as to third country credit institutions which do not fall under that definition but have their registered office in a state which is a member of the OECD.**

These entities may also use alternatively the registration document schedules provided for under in Articles 7 and 12.

Article 15**Securities note schedule for derivative securities**

- 1. For the securities note for derivative securities information shall be given in accordance with the schedule set out in Annex XII.**
- 2. The schedule shall apply to securities which are not in the scope of application of the other securities note schedules referred to in Articles 6, 8 and 16, including certain securities where the payment and/or delivery obligations are linked to an underlying.**

Article 16

Securities note schedule for debt securities with a denomination per unit

of at least EUR 100 000

1. For the securities note for debt securities with a denomination per unit of at least EUR 100 000 information shall be given in accordance with the schedule set out in Annex XIII.
2. The schedule shall apply to debt where the issuer has an obligation arising on issue to pay the investor 100% of the nominal value in addition to which there may be also an interest payment.

Article 17**Additional information building block on the underlying share**

1. For the additional information on the underlying share, the description of the underlying share shall be given in accordance with the building block set out in Annex XIV.

In addition, if the issuer of the underlying share is an entity belonging to the same group, the information required by the schedule referred to in Article 4 shall be given in respect of that issuer.
2. The additional information referred to in the first subparagraph of paragraph 1 shall only apply to those securities which comply with both of the following conditions:
 - (1) they can be converted or exchanged into shares or other transferable securities equivalent to shares, at the issuer's or at the investor's discretion, or on the basis of the conditions established at the moment of the issue or give, in any other way, the possibility to acquire shares or other transferable securities equivalent to shares; and
 - (2) provided that these shares or other transferable securities equivalent to shares are or will be issued by the issuer of the security or by an entity belonging to the group of that issuer and are not yet traded on a regulated market or an equivalent market outside the Community at the time of the approval of the prospectus covering the securities, and that the underlying shares or other transferable securities equivalent to shares can be delivered with physical settlement.

Article 18**Registration document schedule for collective investment undertakings of the closed-end type**

1. In addition to the information required pursuant to items 1, 2, 3, 4, 5.1, 7, 9.1, 9.2.1, 9.2.3, 10.4, 13, 14, 15, 16, 17.2, 18, 19, 20, 21, 22, 23, 24, 25 of Annex I, for the registration document for securities issued by collective investment undertakings of the closed-end type information shall be given in accordance with the schedule set out in Annex XV.

- 2. The schedule shall apply to collective investment undertakings of the closed-end type holding a portfolio of assets on behalf of investors that:**
- (1) are recognised by national law in the Member State in which it is incorporated as a collective investment undertaking of the closed end type; or**
 - (2) do not take or seek to take legal or management control of any of the issuers of its underlying investments. In such a case, legal control and/or participation in the administrative, management or supervisory bodies of the underlying issuer(s) may be taken where such action is incidental to the primary investment objective, necessary for the protection of shareholders and only in circumstances where the collective investment undertaking will not exercise significant management control over the operations of that underlying issuer(s).**

Article 19

Registration document schedule for Member States, third countries and their regional and local authorities

- 1. For the registration document for securities issued by Member States, third countries and their regional and local authorities information shall be given in accordance with the schedule set out in Annex XVI.**
- 2. The schedule shall apply to all types of securities issued by Member States, third countries and their regional and local authorities.**

Article 20

Registration document schedule for public international bodies and for issuers of debt securities guaranteed by a member state of the OECD

- 1. For the registration document for securities issued by public international bodies and for securities unconditionally and irrevocably guaranteed, on the basis of national legislation, by a state which is a member of the OECD information shall be given in accordance with the schedule set out in Annex XVII.**
- 2. The schedule shall apply to:**
 - all types of securities issued by public international bodies;**
 - to debt securities unconditionally and irrevocably guaranteed, on the basis of national legislation, by a state which is a member of the OECD.**

Article 20a

Additional information building block for consent given in accordance with Article 3(2) of Directive 2003/71/EC

1. For the purposes of the third subparagraph of Article 3(2) of Directive 2003/71/EC, the prospectus shall contain the following:
 - (a) the additional information set out in Sections 1 and 2A of Annex XXX where the consent is given to one or more specified financial intermediaries;
 - (b) the additional information set out in Sections 1 and 2B of Annex XXX where the issuer or the person responsible for drawing up the prospectus chooses to give its consent to all financial intermediaries.
2. Where a financial intermediary does not comply with the conditions attached to consent as disclosed in the prospectus, a new prospectus shall be required in accordance with the second paragraph of Article 3(2) of Directive 2003/71/EC.

[Note: See transitional provisions in Regulation (EU) No 862/2012]

Article 21**Combination of schedules and building blocks**

1. The use of the combinations provided for in the table set out in Annex XVIII shall be mandatory when drawing up prospectuses for the types of securities to which those combinations correspond according to this table. However, for securities not covered by those combinations further combinations may be used.
2. The most comprehensive and stringent registration document schedule, i.e. the most demanding schedule in term of number of information items and the extent of the information included in them, may always be used to issue securities for which a less comprehensive and stringent registration document schedule is provided for, according to the following ranking of schedules:
 - (1) share registration document schedule;
 - (2) debt and derivative securities registration document schedule for securities with a denomination per unit of less than EUR 100 000 ;
 - (3) debt and derivative securities registration document schedule for securities with a denomination per unit at least EUR 100 000 .
3. The issuer, the offeror and the person asking for admission to trading on a regulated market may choose to draw up a prospectus in accordance with the proportionate schedules set out in Annexes XXIII to XXIX instead of the schedules set out in Annexes I, III, IV, IX, X and XI as described in the second subparagraph provided that the respective conditions laid down in Articles 26a, 26b and 26c are fulfilled.

Where the issuer, the offeror and the person asking for admission to trading on a regulated market makes that choice:

- (a) the reference to Annex I in Annex XVIII shall be read as a reference to Annexes XXIII or XXV;
- (b) the reference to Annex III in Annex XVIII shall be read as a reference to Annex XXIV;
- (c) the reference to Annex IV in Annex XVIII shall be read as a reference to Annex XXVI;
- (d) the reference to Annex IX in Annex XVIII shall be read as a reference to Annex XXVII;
- (e) the reference to Annex X in Annex XVIII shall be read as a reference to Annex XXVIII;
- (f) the reference to Annex XI in Annex XVIII shall be read as a reference to Annex XXIX.

Article 22

Minimum information to be included in a base prospectus and its related final terms

1. A base prospectus shall be drawn up using one or a combination of schedules and building blocks provided for in this Regulation according to the combinations for various types of securities set out in Annex XVIII.

A base prospectus shall contain the information items required in Annexes I to XVII, Annex XX and Annexes XXIII to XXX depending on the type of issuer and securities involved. Competent authorities shall not require that a base prospectus contains information items which are not included in Annexes I to XVII, Annex XX or Annexes XXIII to XXX.

In order to ensure conformity with the obligation referred to in Article 5(1) of Directive 2003/71/EC, the competent authority of the home Member State, when approving a base prospectus in accordance with Article 13 of that Directive, may, on a case by case basis, require the information provided by the issuer, the offeror or the person asking for admission to trading on a regulated market to be completed for each of the information items.

Where the issuer, the offeror or the person asking for the admission to trading on a regulated market is required to include a summary in a base prospectus, in accordance with Article 5(2) of Directive 2003/71/EC, the competent authority of the home Member State, when approving the base prospectus in accordance with Article 13 of that Directive, may, on a case-by-case basis, require certain information provided in the base prospectus to be included in the summary.

- 1a. **The base prospectus may contain options with regard to information categorised as Category A, Category B and Category C, required by the relevant securities note schedules and building blocks, and set out in Annex XX. The final terms shall determine which of these options is applicable to the individual issue, by referring to the relevant sections of the base prospectus or by replicating such information.**
2. **The issuer, the offeror or the person asking for admission to trading on a regulated market may omit information items which are not known when the base prospectus is approved and which can only be determined at the time of the individual issue.**
3. **The use of the combinations provided for in the table in Annex XVIII shall be mandatory when drawing up base prospectuses for the types of securities to which those combinations correspond according to this table. However, for securities not covered by those combinations further combinations may be used.**
4. **The final terms attached to a base prospectus shall only contain the following:**
 - (a) **within the various securities notes schedules according to which the base prospectus is drawn up, the information items in Categories B and C listed in Annex XX. When an item is not applicable to a prospectus, the item shall appear in the final terms with the mention "not applicable";**
 - (b) **on a voluntary basis, any "additional information" set out in Annex XXI;**
 - (c) **any replication of, or reference to options already provided for in the base prospectus which are applicable to the individual issue.**

The final terms shall not amend or replace any information in the base prospectus.
5. **In addition to the information items set out in the schedules and building blocks referred to in Articles 4 to 20 the following information shall be included in a base prospectus:**
 - (1) **indication on the information that will be included in the final terms;**
 - (1a) **a section containing a template, the "form of the final terms", which has to be filled out for each individual issue;**
 - (2) **the method of publication of the final terms; if the issuer is not in a position to determine, at the time of the approval of the prospectus, the method of publication of the final terms, an indication of how the public will be informed about which method will be used for the publication of the final terms;**
 - (3) **in the case of issues of non equity securities according to [PR 2.2.7 R (1)], a general description of the programme.**

6. Only the following categories of securities may be contained in a base prospectus and its related final terms covering issues of various types of securities:

- (1) asset backed securities;**
- (2) warrants falling under Article 17;**
- (3) non-equity securities provided for under [PR 2.2.7 R (2)];**
- (4) all other non-equity securities including warrants with the exception of those mentioned in point (2).**

In drawing up a base prospectus the issuer, the offeror or the person asking for admission to trading on a regulated market shall clearly segregate the specific information on each of the different securities included in these categories.

7. Where an event envisaged under [section 87G(1) of the *Act* (Supplementary prospectus)] occurs between the time that the base prospectus has been approved and the final closing of the offer of each issue of securities under the base prospectus or, as the case may be, the time that trading on a regulated market of those securities begins, the issuer, the offeror or the person asking for admission to trading on a regulated market shall publish a supplement prior to the final closing of the offer or the admission of those securities to trading.

Where the issuer needs to prepare a supplement concerning information in the base prospectus that relates to only one or several specific issues, the right of investors to withdraw their acceptances pursuant to Article 16(2) of Directive 2003/71/EC shall only apply to the relevant issues and not to any other issues of securities under the base prospectus.

[Note: See transitional provisions in Regulation (EU) No 486/2012 and in Regulation (EU) No 862/2012]

Article 23

Adaptations to the minimum information given in prospectuses and base prospectuses

1. Notwithstanding Articles 3 second paragraph and 22(1) second subparagraph, where the issuer's activities fall under one of the categories included in Annex XIX, the [FCA], taking into consideration the specific nature of the activities involved, may ask for adapted information, in addition to the information items included in the schedules and building blocks set out in 4 to 20, including, where appropriate, a valuation or other expert's report on the assets of the issuer, in order to comply with the obligation referred to in [sections 87A(2),(3) and (4) of the *Act*]. The [FCA] shall forthwith inform the Commission thereof.

In order to obtain the inclusion of a new category in Annex XIX a Member State shall notify its request to the Commission. The Commission shall update this list following the Committee procedure provided for in Article 24 of [the *prospectus directive*].

2. By way of derogation of Articles 3 to 22, where an issuer, an offeror or a person asking for admission to trading on a regulated market applies for approval of a prospectus or a base prospectus for a security which is not the same but comparable to the various types of securities mentioned in the table of combinations set out in Annex XVIII, the issuer, the offeror or the person asking for admission to trading on a regulated market shall add the relevant information items from another securities note schedule provided for in Articles 4 to 20 to the main securities note schedule chosen. This addition shall be done in accordance with the main characteristics of the securities being offered to the public or admitted to trading on a regulated market.

3. By way of derogation of Articles 3 to 22, where an issuer, an offeror or a person asking for admission to trading on a regulated market applies for approval of a prospectus or a base prospectus for a new type of security, the issuer, the offeror or the person asking for admission to trading on a regulated market shall notify a draft prospectus or base prospectus to the [FCA].

The [FCA] shall decide, in consultation with the issuer, the offeror or the person asking for admission to trading on a regulated market, what information shall be included in the prospectus or base prospectus in order to comply with the obligation referred to in [sections 87A(2),(3) and (4) of the *Act*]. The [FCA] shall forthwith inform the Commission thereof.

The derogation referred to in the first subparagraph shall only apply in case of a new type of security which has features completely different from the various types of securities mentioned in Annex XVIII, if the characteristics of this new security are such that a combination of the different information items referred to in the schedules and building blocks provided for in Articles 4 to 20 is not pertinent.

4. By way of derogation of Articles 3 to 22, in the cases where one of the information items required in one of the schedules or building blocks referred to in 4 to 20 or equivalent information is not pertinent to the issuer, to the offer or to the securities to which the prospectus relates, that information may be omitted.

Articles 26a, 26b and 26c respectively provide for a proportionate disclosure regime for rights issues (as defined by the *PD Regulation*); for small and medium-sized enterprises and *companies* with reduced market capitalisation; and for issues by *credit institutions* referred to in Article 1 (2) (j) of the PD.

Proportionate schedule for rights issues



- 26a**
- 1.** The proportionate schedules set out in Annexes XXIII and XXIV shall apply to rights issues, provided that the issuer has shares of the same class already admitted to trading on a regulated market or a multilateral trading facility as defined in point 15 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council.
 - 2.** Issuers whose shares of the same class are already admitted to trading on a multilateral trading facility can only make use of the schedules set out in Annexes XXIII and XXIV when the rules of that multilateral trading facility contain the following:
 - (a)** provisions requiring issuers to publish annual financial statements and audit reports within six months after the end of each financial year, half yearly financial statements within four months after the end of the first six months of each financial year and make public inside information as defined in point 1 of the first paragraph of Article 1 of Directive 2003/6/EC pursuant to Article 6 of that Directive;
 - (b)** provisions requiring issuers to make the reports and information referred to in point (a) available to the public by publishing them on their websites;
 - (c)** provisions preventing insider dealing and market manipulation in accordance with Directive 2003/6/EC.
 - 3.** A statement at the beginning of the prospectus shall indicate clearly that the rights issue is addressed to shareholders of the issuer and that the level of disclosure of the prospectus is proportionate to that type of issue.

Proportionate schedules for small and medium-sized enterprises and companies with reduced market capitalisation

- 26b** The proportionate schedules set out in Annexes XXV to XXVIII shall apply when securities issued by small and medium-sized enterprises and companies with reduced market capitalisation are offered to the public or admitted to trading on a regulated market situated or operating within a Member State.

However, small and medium-sized enterprises and companies with reduced market capitalisation may instead choose to draw up a prospectus in accordance with the schedules set out in Annexes I to XVII and XX to XXIV.

Proportionate requirements for issues by credit institutions referred to in Article 1(2)(j) of Directive 2003/71/EC

- 26c** Credit institutions issuing securities referred to in Article 1(2)(j) of Directive 2003/71/EC that draw up a prospectus in accordance with Article 1(3) of that Directive may choose to include in their prospectus historical financial information

covering only the last financial year, or such shorter period that the issuer has been in operation, in accordance with Annex XXIX to this Regulation.

Final offer price and amount of securities not included in prospectus

2.3.2

FCA

R

If a *prospectus* for which approval is sought does not include the final offer price or the amount of *transferable securities* to be offered:

- (1) the *prospectus* must disclose the criteria and/or the conditions in accordance with which the above elements will be determined or, in the case of price, the maximum price; and
- (2) the final offer price and amount of *transferable securities* must as soon as practicable be filed with the FCA, and made available to the public, in accordance with ■ PR 3.2.4 R to ■ PR 3.2.6 R and the *PD Regulation*. [Note: article 8.1 PD]

Note: Sections 87A(7) and 87Q(1),(2) and (3) of the *Act* set out further provisions that apply if the final offer price or the amount of *transferable securities* to be offered are not included in a *prospectus*.

2.4 Incorporation by reference

Incorporation by reference

2.4.1

FCA

R

(1) Information may be incorporated in the *prospectus* by reference to one or more previously or simultaneously published documents that have been approved by the competent authority of the *Home State* or filed with or notified to it in accordance with the *prospectus directive* or the *TD*. [Note: article 11.1 *PD*].

(2) [deleted]

2.4.2

FCA

G

Information under the *TD* that may be incorporated by reference includes, for example, annual accounts and annual reports, interim management statements, equivalent information made available to markets in the United Kingdom and half yearly reports .

2.4.3

FCA

R

Information incorporated by reference must be the most recent available to the *issuer, offeror* or *person* requesting admission. [Note: article 11.1 *PD*]

2.4.4

FCA

R

The *summary* must not incorporate information by reference. [Note: article 11.1 *PD*]

2.4.5

FCA

R

When information is incorporated by reference, a cross reference list must be provided in the *prospectus* to enable investors to identify easily specific items of information. The cross reference list must specify where the information can be accessed by investors. [Note: article 11.2 *PD*]

2.4.6

FCA



Article 28 of the *PD Regulation* provides examples of information that may be incorporated by reference:

Arrangements for incorporation by reference

1. Information may be incorporated by reference in a prospectus or base prospectus, notably if it is contained in one the following documents:

- (1) annual and interim financial information;

- (2) documents prepared on the occasion of a specific transaction such as a merger or demerger;
- (3) audit reports and financial statements;
- (4) memorandum and articles of association;
- (5) earlier approved and published prospectuses and/or base prospectuses;
- (6) regulated information;
- (7) circulars to security holders.

2. The documents containing information that may be incorporated by reference in a prospectus or base prospectus or in the documents composing it shall be drawn up following the provisions of [PR 4.1 (Use of languages)].
3. If a document which may be incorporated by reference contains information which has undergone material changes, the prospectus or base prospectus shall clearly state such a circumstance and shall give the updated information.
4. The issuer, the offeror or the person asking for admission to trading on a regulated market may incorporate information in a prospectus or base prospectus by making reference only to certain parts of a document, provided that it states that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.
5. When incorporating information by reference, issuers, offerors or persons asking for admission to trading on a regulated market shall endeavour not to endanger investor protection in terms of comprehensibility and accessibility of the information.

2.5 Omission of information

Equivalent information

2.5.1

FCA

R

Without prejudice to the adequate information of investors, if, in exceptional cases, certain information referred to in the *PD Regulation* that is required to be included in a *prospectus* is inappropriate to the issuer's activity or to the legal form of the *issuer* or to the *transferable securities* to which the *prospectus* relates, the *prospectus* must contain information equivalent to the required information (unless there is no such information). [Note: article 8.3 *PD*]

Omission of information from prospectus

2.5.1A

FCA

✠

Section 87A(2A) of the *Act* provides that information about certain guarantors may be omitted from a *prospectus*:

87A (2A) If, in the case of transferable securities to which section 87 applies, the prospectus states that the guarantor is a specified EEA State, the prospectus is not required to include other information about the guarantor.

2.5.2

FCA

✠

Section 87B(1) of the *Act* sets out when the *FCA* may authorise the omission of information from a *prospectus*:

- (1) The [FCA] may authorise the omission from a prospectus of any information, the inclusion of which would otherwise be required, on the ground -
- (a) that its disclosure would be contrary to the public interest;
 - (b) that its disclosure would be seriously detrimental to the issuer, provided that the omission would be unlikely to mislead the public with regard to any facts or circumstances which are essen-

(c)

tial for an informed assessment of the kind mentioned in section 87A(2); or

that the information is only of minor importance for a specific offer to the public or admission to trading on a regulated market and unlikely to influence an informed assessment of the kind mentioned in section 87A(2).

Request to omit information

2.5.3

FCA

R

A request to the *FCA* to authorise the omission of specific information must:

- (1) be in writing from the *applicant*;
- (2) identify the specific information concerned and the specific reasons for its omission; and
- (3) state why in the *applicant's* opinion one or more of the grounds in section 87B(1) of the *Act* applies.

Chapter 3

Approval and publication of prospectus



3.1 Approval of prospectus

Applying for approval

3.1.1
FCA

R

An *applicant* must submit to the *FCA* the following information:

- (1) a completed form A;
- (2) the *prospectus*;
- (3) if the order of items in the *prospectus* does not coincide with the order in the *schedules* and *building blocks* in the *PD Regulation*, a cross reference list identifying the pages where each item can be found in the *prospectus*;
- (4) a letter identifying any items from the *schedules* and *building blocks* that have not been included because they are not applicable;
- (5) if information is incorporated in the *prospectus* by reference to another document, a copy of the document (annotated to indicate which item of the *schedules* and *building blocks* in the *PD Regulation* it relates to);
- (6) if the *applicant* is requesting the *FCA* to authorise the omission of information from the *prospectus*, the information required by ■ PR 2.5.3 R;
- (7) [deleted]
- (8) [deleted]
- (9) contact details of individuals who are:
 - (a) sufficiently knowledgeable about the documentation to be able to answer queries from the *FCA*; and
 - (b) available to answer queries between the hours of 7 a.m. and 6 p.m.; and

(10) any other information that the *FCA* may require.

3.1.2

G

■ FEES 3 sets out the relevant application fee payable to the *FCA*.

FCA

When information must be submitted

3.1.3

R

(1) The *applicant* must submit to the *FCA* by the date specified in paragraph (2):

- (a) the completed form A in final form;
- (b) the relevant fee; and
- (c) the other information referred to in ■ PR 3.1.1 R in draft form.

(2) The date referred to in paragraph (1) is:

- (a) at least 10 *working days* before the intended approval date of the *prospectus*; or
- (b) at least 20 *working days* before the intended approval date of the *prospectus* if the *applicant* does not have *transferable securities admission to trading* and has not previously made an *offer*; or
- (c) as soon as practicable in the case of a *supplementary prospectus*.

(3) The *applicant* must submit to the *FCA* the information referred to in paragraph (1)(c) in final form before midday on the day on which approval is required to be granted.

Drafts of documents

3.1.4

R

Drafts of documents must be submitted to the *FCA*:

- (1) in a substantially complete form;
- (2) in duplicate in hard copy or an agreed electronic format; and
- (3) annotated in the margin to indicate compliance with all applicable requirements of Part 6 of the *Act* and these *rules*.

3.1.5

R

If further drafts of documents are required, they must be submitted to the *FCA*:

- (1) marked to show all changes made since the last draft was reviewed by the *FCA*;
- (2) marked to show all changes made to the documents as a consequence of the *FCA*'s comments (in a way that differentiates those changes from other changes);

- (3) in duplicate in hard copy or an agreed electronic format; and
- (4) annotated in the margin to indicate compliance with all applicable requirements of the *Act* and these *rules*.

Copy of resolution to be kept

3.1.5A
FCA

R

An *applicant* must keep a copy of the board resolution allotting or issuing the *transferable securities* for six years after the application for approval of the *prospectus* for those *securities*.

Request for certificate of approval

3.1.6
FCA

G

If an *applicant* wishes the *FCA* to provide a certificate of approval to another competent authority at the time the *prospectus* is approved, it should include a request for the supply of the certificate with its application for approval of the *prospectus* (■ PR 5.3.2 R sets out the requirements for such a request).

Approval of prospectus

3.1.7
FCA

UK

Section 87A(1) of the *Act* provides for the approval of a *prospectus* by the *FCA*:

(1) The [FCA] may not approve a *prospectus* unless it is satisfied that:

- (a) the United Kingdom is the home State in relation to the issuer of the transferable securities to which it relates,
- (b) the prospectus contains the necessary information, and
- (c) all of the other requirements imposed by or in accordance with this Part or the prospectus directive have been complied with (so far as those requirements apply to a prospectus for the transferable securities in question).

3.1.8
FCA

G

The *FCA* will only approve a *prospectus* when it considers that the information provided with the application is complete and is in final form.

Note: Section 87C of the *Act* sets out time limits for the *FCA* to notify an *applicant* of its decision on an application for approval.

Decision-making procedures

3.1.9
FCA

R The FCA will follow the *executive procedures for statutory notice decisions* and *statutory notice associated decisions* if it:

- (1) proposes to refuse to approve a *prospectus*; or
- (2) decides to refuse to approve a *prospectus* after having given the *applicant* a written notice.

Note: ■ DEPP 4 sets out the *executive procedures for statutory notice decisions* and *statutory notice associated decisions*.

Prospectus not to be published until approved

3.1.10
FCA

R A *prospectus* must not be published until it has been approved by the FCA.
[Note: article 13.1 PD]

Prospectus comprising separate documents

3.1.11
FCA

R If the *prospectus* is not a single document but is comprised of separate documents:

- (1) an application for approval may relate to one or more of those separate documents; and
- (2) a reference in this section to a *prospectus* is, unless the context otherwise requires, to be taken to be a reference to the document or documents to which the application relates.

Transfer to another competent authority

3.1.12
FCA

R (1) A *person* seeking to have the function of approving a *prospectus* transferred to the competent authority of another *EEA State* must make a written request to the FCA at least 10 working days before the date the transfer is sought.

- (2) The request must:
 - (a) set out the reasons for the proposed transfer;
 - (b) state the name of the competent authority to whom the transfer is sought; and
 - (c) include a copy of the draft *prospectus*.

3.1.13
FCA

G The FCA will consider transferring the function of approving a *prospectus* to the competent authority of another *EEA State*:

- (1) if requested to do so by the *issuer*, *offeror* or *person* requesting admission or by another competent authority; or
- (2) in other cases if the FCA considers it would be more appropriate for another competent authority to perform that function.

Vetting of equivalent documents

3.1.14
FCA

R

A *person* who wishes the *FCA* to vet an equivalent document referred to in ■ PR 1.2.2 R (2) or (3) or ■ PR 1.2.3 R (3) or (4) must submit to the *FCA*:

- (1) a copy of the document;
- (2) a cross reference list identifying the pages in the document where each item that is equivalent to the disclosure requirements for a *prospectus* may be found;
- (3) contact details of individuals who are:
 - (a) sufficiently knowledgeable about the documentation to be able to answer queries from the *FCA*; and
 - (b) available to answer queries between the hours of 7 a.m. and 6 p.m.; and
- (4) any other information that the *FCA* may require.

3.1.15
FCA

R

The *person* must submit the documents referred to in ■ PR 3.1.14 R at least ten *working days* before the date on which it wishes the vetting to be completed or at least 20 *working days* before that date if the *person* does not have *transferable securities admitted to trading* and has not previously made an *offer*.

3.1.16
FCA

G

■ FEES 3 sets out the relevant fee payable in relation to the vetting of an equivalent document or a summary document.



3.2 Filing and publication of prospectus

Filing and publication of prospectus

3.2.1 FCA R After a *prospectus* is approved by the *FCA*, it must be filed with the *FCA* and made available to the public. [Note: articles 14.1 and 16.1 of *PD*]

Timing of filing and publication

3.2.2 FCA R Except as provided in ■ PR 3.2.3 R, the *prospectus* must be filed and made available to the public as soon as practicable, and in any case, at a reasonable time in advance of, and at the latest at the beginning of, the *offer* or the *admission to trading* of the *transferable securities* involved. [Note: article 14.1 *PD*]

3.2.3 FCA R In the case of an initial public offer of a class of shares not already *admitted to trading* that is to be *admitted to trading* for the first time, the *prospectus* must be made available to the public at least six *working days* before the end of the offer. [Note: article 14.1 *PD*]

Method of publishing

3.2.4 FCA R A *prospectus* is deemed to be made available to the public for the purposes of ■ PR 3.2.1 R to ■ PR 3.2.3 R when published either:

- (1) by insertion in one or more newspapers circulated throughout, or widely circulated in, the *EEA States* in which the *offer* is made or the *admission to trading* is sought; or
- (2) in a printed form to be made available, free of charge, to the public at the offices of the *regulated market* on which the *transferable securities* are being *admitted to trading*, or at the registered office of the *issuer* and at the offices of the financial intermediaries placing or selling the *transferable securities*, including paying agents; or
- (3) in electronic form on the *issuer's* website or, if applicable, on the website of the financial intermediaries placing or selling the *transferable securities*, including paying agents; or

(4) in an electronic form on the website of the *regulated market* where the *admission to trading* is sought. [Note: article 14.2 PD]

3.2.4A

FCA

R

A *person* requesting *admission* and drawing up a *prospectus* in accordance with ■ PR 3.2.4R (1) or ■ (2) must also publish their *prospectus* electronically in accordance with ■ PR 3.2.4R (3).

[Note: article 14.2 PD]

3.2.5

FCA

R

The text and the format of the *prospectus* made available to the public, must at all times be identical to the original version approved by the FCA. [Note: article 14.6 PD]

3.2.6

FCA

R

If the *prospectus* is made available by publication in electronic form, a paper copy must nevertheless be delivered to the investor, upon his request and free of charge, by the *issuer*, the *offeror*, the *person* requesting admission or the financial intermediaries placing or selling the *transferable securities*. [Note: article 14.7 PD]

FCA will publish list of approved prospectuses

3.2.7

FCA

G

The FCA will publish on its website, a list of *prospectuses* approved over the previous 12 months. The list will specify how a prospectus is made available and where it can be obtained, including, if applicable, a hyperlink to the *prospectus* published on the *issuer's* or *regulated market's* website. [Note: article 14.4 PD]

Prospectus comprising separate documents etc

3.2.8

FCA

R

If a *prospectus* consists of several documents or incorporates information by reference, the documents and information making up the *prospectus* may be published and circulated separately if the documents are made available, free of charge, to the public, in accordance with ■ PR 3.2.4 R. Each document must indicate where the other constituent documents of the full *prospectus* may be obtained. [Note: article 14.5 PD]

3.2.9

FCA



Articles 29, 30 and 33 of the *PD Regulation* provide for further requirements relating to publication of *prospectuses*:

Article 29

Publication in electronic form

1. The publication of the prospectus or base prospectus in electronic form, either pursuant to [PR 3.2.4 R (3) and PR 3.2.4 R (4)], or as an additional means of availability, shall be subject to the following requirements:
 - (1) the prospectus or base prospectus shall be easily accessible when entering the website;

- (2) the file format shall be such that the prospectus or base prospectus cannot be modified;
- (3) the prospectus or base prospectus shall not contain hyper-links, with exception of links to the electronic addresses where information incorporated by reference is available;
- (4) the investors shall have the possibility of downloading and printing the prospectus or base prospectus.

The exception referred to in point (3) of the first subparagraph shall only be valid for documents incorporated by reference; those documents shall be available with easy and immediate technical arrangements.

- 2. If a prospectus or base prospectus for offer of securities to the public is made available on the websites of issuers and financial intermediaries or of regulated markets, these shall take measures, to avoid targeting residents in Members States or third countries where the offer of securities to the public does not take place, such as the insertion of a disclaimer as to who are the addressees of the offer.

Article 30

Publication in newspapers

- 1. In order to comply with [PR 3.2.4 R (1)] the publication of a prospectus or a base prospectus shall be made in a general or financial information newspaper having national or supra-regional scope;
- 2. If the [FCA] is of the opinion that the newspaper chosen for publication does not comply with the requirements set out in paragraph 1, it shall determine a newspaper whose circulation is deemed appropriate for this purpose taking into account, in particular, the geographic area, number of inhabitants and reading habits in each Member State.

Article 33

Publication of the final terms of base prospectuses

The publication method for final terms related to a base prospectus does not have to be the same as the one used for the base prospectus as long as the publication method used is one of the publication methods indicated in [PR 3.2.4 R].



3.3 Advertisements

Application

3.3.1
FCA

R

■ PR 3.3.2 R to ■ PR 3.3.4 R only apply to an *offer*, or to an *admission to trading of transferable securities*, for which:

- (1) a *prospectus* is required to be made available to the public under section 85 of the *Act*; or
- (2) a person elects to have a prospectus under section 87 of the *Act*. [Note: article 15.1 PD]

Advertisements

3.3.2
FCA

R

An *advertisement* relating to an *offer* or to an *admission to trading* must not be issued unless:

- (1) it states that a *prospectus* has been or will be published and indicates where investors are, or will be, able to obtain it;
- (2) it is clearly recognisable as an advertisement;
- (3) information in the *advertisement* is not inaccurate, or misleading; and
- (4) information in the *advertisement* is consistent with the information contained in the *prospectus*, if already published, or with the information required to be in the *prospectus*, if the *prospectus* is published afterwards. [Note: articles 15.1, 15.2 and 15.3 of PD]

3.3.3
FCA

G

To comply with ■ PR 3.3.2 R, a written *advertisement* should also contain a bold and prominent statement to the effect that it is not a *prospectus* but an *advertisement* and investors should not subscribe for any *transferable securities* referred to in the *advertisement* except on the basis of information in the *prospectus*.

Other information disclosed must be consistent with prospectus

3.3.4
FCA



All information concerning an *offer* or an *admission to trading* disclosed in an oral or written form (even if not for advertising purposes), must be consistent with that contained in the *prospectus*. [Note: article 15.4 PD]

3.3.5
FCA



Article 34 of the *PD Regulation* sets out a non-exhaustive list of the types of *advertisement* covered by the advertising provisions:

Dissemination of advertisements

Advertisements related to an offer to the public of securities or to an admission to trading on a regulated market may be disseminated to the public by interested parties, such as issuer, offeror or person asking for admission, the financial intermediaries that participate in the placing and/or underwriting of securities, notably by one of the following means of communication:

- (1) Addressed or unaddressed printed matter;
- (2) Electronic message or advertisement received via a mobile telephone or pager;
- (3) Standard letter;
- (4) Press advertising with or without order form;
- (5) Catalogue;
- (6) Telephone with or without human intervention;
- (7) Seminars and presentations;
- (8) Radio;
- (9) Videophone;
- (10) Videotext;
- (11) Electronic mail;
- (12) Facsimile machine (fax);
- (13) Television;
- (14) Notice;
- (15) Bill;
- (16) Poster;
- (17) Brochure;
- (18) Web posting including internet banners.

3.3.6

FCA



Article 34 of the *PD Regulation* also provides for the inclusion of a warning where no *prospectus* is required in accordance with the *PD*:

Article 34

Where no prospectus is required in accordance with Directive 2003/71/EC, any advertisement shall include a warning to that effect unless the issuer, the offeror or the person asking for admission to trading on a regulated market chooses to publish a prospectus which complies with Directive 2003/71/EC and this Regulation.

3



3.4 Supplementary prospectus

Supplementary prospectus

3.4.1

FCA



Section 87G of the *Act* provides that:

- (1) Subsection (2) applies if, during the relevant period, there arises or is noted a significant new factor, material mistake or inaccuracy relating to the information included in a prospectus approved by the [FCA].
- (2) The person on whose application the prospectus was approved must, in accordance with prospectus rules, submit a supplementary prospectus containing details of the new factor, mistake or inaccuracy to the [FCA] for its approval.
- (3) The relevant period begins when the prospectus is approved by the [FCA] and ends -
 - (a) with the closure of the offer of the transferable securities to which the prospectus relates; or
 - (b) when trading in those securities on a regulated

- market begins.**
- (3A) But where the prospectus relates both to an offer of transferable securities to the public and the admission of those securities to trading on a regulated market, subsection (3) does not apply and the relevant period begins when the prospectus is approved and ends with the later of -**
- (a) the closure of the offer to the public to which the prospectus relates; or**
 - (b) the time when trading in those securities on a regulated market begins.**
- (4) "Significant" means significant for the purposes of making an informed assessment of the kind mentioned in section 87A(2).**
- (5) Any person responsible for the prospectus who is aware of any new factor, mistake or inaccuracy which may require the submission of a supplementary prospectus in accordance with subsection (2) must give notice of it to -**
- (a) the issuer of the transferable securities to which the prospectus relates, and**
 - (b) the person on whose applica-**

tion the prospectus was approved.

(6) **A supplementary prospectus must provide sufficient information to correct any mistake or inaccuracy which gave rise to the need for it.**

(7) **Subsection (1) applies also to information contained in any supplementary prospectus published under this section.**

3.4.2

FCA

R

Amendments to summary

A supplementary prospectus must also if necessary include an amendment or supplement to the *summary*, and any translations of the *summary*, to take into account the new information. [Note: article 16.1 PD]

Note: Sections 87Q(4) and (5) of the *Act* set out the rights of investors to withdraw their acceptances after a *supplementary prospectus* is published.

3.4.3

FCA

R

Supplementary prospectus to be submitted as soon as practicable

In the event that a requirement for a supplement is triggered, then as soon as practicable after the new factor, mistake or inaccuracy arises or is noted, a *person* referred to in section 87G(2) of the *Act* must submit a *supplementary prospectus* referred to in that section to the *FCA* for approval.

Chapter 4

Use of languages and third country issuers



4.1 Use of languages

Language

- 4.1.1** **R** If an *offer* is made, or *admission to trading* is sought, only in the *United Kingdom* and the *United Kingdom* is the *Home State*, the *prospectus* must be drawn up in English. [Note: article 19.1 PD]
- 4.1.2** **R** If an *offer* is made, or *admission to trading* is sought, in more than one *EEA State* including the *United Kingdom* and the *United Kingdom* is the *Home State*, the *prospectus* must be drawn up in English and must also be made available either in a language accepted by the competent authorities of each *Host State* or in a language customary in the sphere of international finance, at the choice of the *issuer*, *offeror* or *person* requesting admission (as the case may be). [Note: article 19.3 PD]
- 4.1.3** **R**
- (1) If an *offer* is made, or *admission to trading* is sought, in one or more *EEA States* excluding the *United Kingdom* and the *United Kingdom* is the *Home State*, the *prospectus* must be drawn up in a language accepted by the competent authorities of those *EEA States* or in a language customary in the sphere of international finance, at the choice of the *issuer*, *offeror* or *person* requesting admission (as the case may be). [Note: article 19.2 PD]
 - (2) For the purpose of the scrutiny by the *FCA* where the *United Kingdom* is the *Home State*, the *prospectus* must be drawn up either in English or in another language customary in the sphere of international finance, at the choice of the *issuer*, *offeror* or *person* requesting admission (as the case may be). [Note: article 19.2 PD]
- 4.1.4** **R** If *admission to trading* of *non-equity transferable securities* whose denomination per unit amounts to at least 100,000 euros (or an equivalent amount) is sought in the *United Kingdom* or in one or more other *EEA States*, the *prospectus* must be drawn up in either a language accepted by the competent authorities of the *Home State* and *Host States* or in a language customary in the sphere of international finance, at the choice of the *issuer*, *offeror* or *person* requesting admission (as the case may be). [Note: article 19.4 PD]

English language

4.1.5

FCA

G

English is a language accepted by the *FCA* where the *United Kingdom* is a *Home State* or *Host State*.

Language customary in the sphere of international finance

4.1.5A

FCA

G

The *FCA* will consider a language to be customary in the sphere of international finance if documents in that language are accepted for scrutiny and filing in at least three international capital markets in each of the following:

- (1) Europe;
- (2) Asia; and
- (3) the Americas.

Summary to be translated into English

4.1.6

FCA

R

If:

- (1) an *offer* is made in the *United Kingdom*;
- (2) a *prospectus* relating to the *transferable securities* has been approved by the competent authority of another *EEA State* and the *prospectus* contains a *summary*; and
- (3) the *prospectus* is drawn up in a language other than English that is customary in the sphere of international finance;

the *offeror* must ensure that the *summary* is translated into English. [Note: article 19.2 *PD*]

4.2 Third country issuers

Approval of prospectus drawn up in accordance with third country laws

4.2.1
FCA

R

If a *prospectus* relating to an *issuer* that has its registered office in a country that is not an *EEA State* is drawn up in accordance with the legislation of that country, the *FCA* may, if the *United Kingdom* is the *Home State* in relation to the *issuer*, approve the *prospectus* if it is satisfied that:

- (1) the *prospectus* has been drawn up in accordance with international standards set by international securities commission organisations, including the IOSCO disclosure standards; and
- (2) the information requirements, including information of a financial nature, are equivalent to the requirements under Part 6 of the *Act*, the *PD Regulation* and these *rules*. [Note: article 20.1 *PD*]

4.2.2
FCA

G

An *applicant* for the approval of a *prospectus* referred to in ■ PR 4.2.1 R will need to comply with relevant requirements of the *Act*, the *PD regulation* and these *rules* including (to the extent applicable) ■ PR 3.1 relating to applying for approval of a *prospectus*.

Chapter 5

Other provisions

5.1 Validity of prospectus

Validity of prospectus

5.1.1

FCA

R

A *prospectus* is valid for 12 months after its approval for an *offer* or an *admission to trading*, provided that the *prospectus* is updated by a *supplementary prospectus* (if required) under section 87G of the *Act*. [Note: article 9.1 PD]

5.1.2

FCA

R

For an *offering programme*, the *base prospectus* is valid for a period of up to 12 months after it is filed. [Note: article 9.2 PD]

5.1.3

FCA

R

For *non-equity transferable securities* referred to in ■ PR 2.2.7 R (2), the *prospectus* is valid until no more of the *transferable securities* concerned are issued in a continuous or repeated manner. [Note: article 9.3 PD]

5.1.4

FCA

R

A *registration document* is valid for a period of up to 12 months after it is filed and approved, provided that it has been updated in accordance with ■ PR 2.2.5 R and ■ PR 3.4.2 R . [Note: article 9.4 PD]



5.2

[Deleted]

5.3.1

FCA

Sections 87H and 87I of the *Act* provide:

5.3 Certificate of approval

Prospectus approved in another EEA State

- 87H (1)** A prospectus approved by the competent authority of an EEA State other than the United Kingdom is not an approved prospectus for the purposes of section 85 unless that authority has notified *ESMA* and provided the competent authority with -
- (a) a certificate of approval;
 - (b) a copy of the prospectus as approved; and
 - (c) if requested by the [FCA], a translation of the summary of the prospectus.
- (2)** A document is not a certificate of approval unless it states that the prospectus -
- (a) has been drawn up in accordance with the prospectus directive; and
 - (b) has been approved, in accordance with that directive, by the competent authority providing the certificate.
- (3)** A document is not a certificate of approval unless it states whether (and, if so, why) the competent authority providing it authorised, in accordance with the prospectus directive, the omission from the prospectus of information which would otherwise have been required to be included.
- (3A)** The competent authority must publish on its website a list of certificates of approval provided to it in accordance with this section.
- (3B)** The list referred to in subsection (3A) must -
- (a) be kept up-to-date;
 - (b) retain items on it for a period of at least 12 months; and
 - (c) include hyperlinks to any certificate of approval and prospectus published on the website of -

- (i) the competent authority of the EEA State which provided the certificate;
 - (ii) the issuer; or
 - (iii) the regulated market where admission to trading is sought.
- (4) "Prospectus" includes a supplementary prospectus.

Provision of information to host Member State

- 87I
- (1) The [FCA] must, if requested to do so, supply the competent authority of a specified EEA State with -
- (a) a certificate of approval;
 - (b) a copy of the specified prospectus (as approved by the [FCA]); and
 - (c) a translation of the summary of the specified prospectus (if the request states that one has been requested by the other competent authority).
- (1A) If the competent authority supplies a certificate of approval to the competent authority of the specified EEA State, it must also supply a copy of that certificate to -
- (a) the person who made the request under this section; and
 - (b) ESMA.
- (2) Only the following may make a request under this section -
- (a) the issuer of the transferable securities to which the specified prospectus relates;
 - (b) a person who wishes to offer the transferable securities to which the specified prospectus relates to the public in an EEA State other than (or as well as) the United Kingdom;
 - (c) a person requesting the admission of the transferable securities to which the specified prospectus relates to a regulated market situated or operating in an EEA State other than (or as well as) the United Kingdom.
- (3) A certificate of approval must state that the prospectus -

- (a) has been drawn up in accordance with this Part and the prospectus directive; and
 - (b) has been approved, in accordance with those provisions, by the [FCA].
- (4) A certificate of approval must state whether (and, if so, why) the [FCA] authorised, in accordance with section 87B, the omission from the prospectus of information which would otherwise have been required to be included.
- (5) The [FCA] must comply with a request under this section -
- (a) if the prospectus has been approved before the request is made, within 3 working days beginning with the date the request is received ; or
 - (b) if the request is submitted with an application for the approval of the prospectus, on the first working day after the date on which it approves the prospectus.
- (6) "Prospectus" includes a supplementary prospectus.
- (7) "Specified" means specified in a request made for the purposes of this section.

Requests to FCA to supply certificate of approval

5.3.2
FCA

R

- (1) This *rule* applies to a request by a *person* to the FCA to supply information referred to in section 87I of the *Act* to the competent authority of a relevant *Host State*.
- (2) The request must be in writing and must include:
 - (a) the relevant *prospectus* as approved (if it has already been approved); and
 - (b) a translation of the *summary* if required by the competent authority of a relevant *host State*.

5.3.3
FCA

G

The FCA will inform the *person* who made the request as soon as practicable after it has supplied the information to the other competent authority.

5.3.4
FCA

G

Certificate received from another competent authority

If the FCA receives information referred to in section 87H from another competent authority it will as soon as practicable give notice on the FCA website that it has received the information.



5.4 [Deleted]

5.5 Persons responsible for a prospectus

Persons responsible for a prospectus

5.5.1

FCA

R

The *rules* in this section specify in accordance with section 84(1)(d) of the *Act* and for the purposes of Part 6 of the *Act*, the *persons* responsible for a *prospectus*.

Note: In accordance with ■ PR 1.1.9 a reference in this section to a *prospectus* includes a *supplementary prospectus*.

Rules only apply if UK is Home State

5.5.2

FCA

R

The *rules* in this section only apply in respect of a *prospectus* if the *United Kingdom* is the *Home State* for the *issuer* in relation to the *transferable securities* to which the *prospectus* relates.

Equity shares

5.5.3

FCA

R

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

- (iii) each *person* who is a senior executive of any *external management company* of the *issuer*;
- (c) each *person* who accepts, and is stated in the *prospectus* as accepting, responsibility for the *prospectus*;
- (d) in relation to an *offer*:
 - (i) the *offeror*, if this is not the *issuer*; and
 - (ii) if the *offeror* is a *body corporate* and is not the *issuer*, each *person* who is a *director* of the *body corporate* when the *prospectus* is published;
- (e) in relation to a request for the *admission to trading* of *transferable securities*:
 - (i) the *person* requesting admission, if this is not the *issuer*, and
 - (ii) if the *person* requesting admission is a *body corporate* and is not the *issuer*, each *person* who is a *director* of the *body corporate* when the *prospectus* is published; and
- (f) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *prospectus*.

5.5.3A

FCA

R

In ■ PR 5.5.3R (2)(b)(iii), *external management company* means in relation to an *issuer* that is a *company* which is not a collective investment undertaking, a *person* who is appointed by the *issuer* (whether under a contract of service, a contract for services or any other commercial arrangement) to perform functions that would ordinarily be performed by *officers* of the *issuer* and to make recommendations in relation to strategic matters.

5.5.3B

FCA

G

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

- (1) the nature of the board of the *issuer* to which the *person* provides services, and whether the board has the capability to act itself on strategic matters in the absence of that *person's* services;
- (2) whether the appointment relates to a one-off transaction or is a longer term relationship; and
- (3) the proportion of the functions ordinarily performed by *officers* of the *issuer* that is covered by the arrangement.

All other securities

5.5.4

FCA

R

- (1) This *rule* applies to a *prospectus* relating to *transferable securities* other than those to which ■ PR 5.5.3 R applies.

- (2) Each of the following *persons* are responsible for the *prospectus*:
- (a) the *issuer* of the *transferable securities*;
 - (b) each *person* who accepts, and is stated in the *prospectus* as accepting, responsibility for the *prospectus*;
 - (c) in relation to an *offer*, the *offeror* of the *transferable securities*, if this is not the *issuer*;
 - (d) in relation to a request for an *admission to trading* of *transferable securities*, the *person* requesting admission, if this is not the *issuer*;
 - (e) if there is a *guarantor* for the issue, the *guarantor* in relation to information in the *prospectus* that relates to the *guarantor* and the *guarantee*; and
 - (f) each *person* not falling within any of the previous paragraphs who has authorised the contents of the *prospectus*.

Issuer not responsible if it has not authorised offer or admission to trading

5.5.5
FCA

- R** A *person* is not responsible for a *prospectus* under ■ PR 5.5.3R (2)(a) or (b) or ■ PR 5.5.4 R (2)(a) if the *issuer* has not made or authorised the *offer* or the request for *admission to trading* in relation to which the *prospectus* was published.

Publication without director's consent

5.5.6
FCA

- R** A *person* is not responsible for a *prospectus* under ■ PR 5.5.3 R (2)(b)(i) if it is published without his knowledge or consent and on becoming aware of its publication he, as soon as practicable, gives reasonable public notice that it was published without his knowledge or consent.

Offeror not responsible in certain circumstances

5.5.7
FCA

- R** A *person* is not responsible for a *prospectus* under ■ PR 5.5.3 R (2)(d) or ■ PR 5.5.4 R (2)(c) if:

- (1) the *issuer* is responsible for the *prospectus* in accordance with the *rules* in this section;
- (2) the *prospectus* was drawn up primarily by the *issuer*, or by one or more *persons* acting on behalf of the *issuer*; and
- (3) the *offeror* is making the *offer* in association with the *issuer*.

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

5.5.8
FCA

- R** A *person* who accepts responsibility for a *prospectus* under ■ PR 5.5.3 R (2)(c) or ■ PR 5.5.4 R (2)(b) or authorises the contents of a

prospectus under ■ PR 5.5.3 R (2)(f) or ■ PR 5.5.4 R (2)(f), may state that they do so only in relation to specified parts of the *prospectus*, or only in specified respects, and in that case the *person* is responsible under those paragraphs:

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

Advice in a professional capacity

5.5.9

FCA

R

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

5

5.6 Miscellaneous

Information to be disclosed to all investors to whom offer addressed

5.6.1
FCA

R

Where, in relation to an *offer* in the *United Kingdom*, no *prospectus* is required under the *Act*, the *issuer* and *offeror* must ensure that material information they provide to *qualified investors* or special categories of investors, including information disclosed in the context of meetings relating to *offers*, is disclosed to all *qualified investors* or special categories of investors to whom the *offer* is exclusively addressed. [Note: article 15.5 PD]

5.6.2
FCA

G

Where a *prospectus* is required to be made available to the public under the *Act*, information referred to in ■ PR 5.6.1 R should be included in the *prospectus* or in a *supplementary prospectus*.

Exercise of powers under section 87K or 87L of the Act

5.6.3
FCA

G

Under sections 87K and 87L of the *Act*, the *FCA* has various powers including powers to prohibit or suspend an *offer* and to prohibit or suspend an *advertisement*. The *FCA* will use these powers if it is necessary to protect investors or the smooth operation of the market is, or may be, jeopardised.

Calculation of amounts not denominated in euros

5.6.4
FCA

R

For the purposes of these *rules*, an amount (in relation to an amount denominated in euros) is an "equivalent amount" if it is an amount of equal value denominated wholly or partly in another currency or unit of account, calculated at:

- (1) in relation to a *prospectus* drawn up as a single document, the date on which the *prospectus* is approved;
- (2) in relation to a *prospectus* consisting of a *registration document* together with a *securities note* and a *summary*, the date on which the *registration document* is approved;
- (3) in relation to a *prospectus* consisting of a *base prospectus* and final terms of the *offer*, the date on which the final terms are filed.

Property valuation reports

5.6.5

FCA

G

To comply with paragraph 130 of the *ESMA recommendations*, the *FCA* would expect a valuation report for a property company to be in accordance with either:

- (1) the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; or
- (2) the International Valuation Standards (7th edition) issued by the International Valuation Standards Committee.

5.6.6

FCA

G

To comply with paragraph 2.7 of Annex XV of the *PD Regulation*, the *FCA* would also expect a valuation report for a property collective investment undertaking to comply with a relevant standard set out in ■ PR 5.6.5 G.

5

Appendix 1

Relevant definitions

1.1

App 1.1.1

FCA

Note: The following definitions relevant to the *prospectus rules* are extracted from the *Glossary*.

<i>Act</i>	the Financial Services and Markets Act 2000
<i>admission to trading</i>	admission to trading on a <i>regulated market</i> .
<i>advertisement</i>	(as defined in the <i>PD Regulation</i>) announcements: <ol style="list-style-type: none"> (1) relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and (2) aiming to specifically promote the potential subscription or acquisition of securities.
<i>applicant</i>	an <i>applicant</i> for approval of a <i>prospectus</i> or <i>supplementary prospectus</i> relating to <i>transferable securities</i> .
<i>asset backed security</i>	(as defined in the <i>PD Regulation</i>) securities which: <ol style="list-style-type: none"> (1) represent an interest in assets, including any rights intended to assure servicing, or the receipt or timeliness of receipts by holders of assets of amounts payable there under; or (2) are secured by assets and the terms of which provide for payments which relate to payments or reasonable projections of payments calculated by reference to identified or identifiable assets.
<i>base prospectus</i>	a base prospectus referred to in PR 2.2.7R.
<i>body corporate</i>	(in accordance with section 417(1) of the <i>Act</i> (Definitions)) any body corporate, including a body corporate constituted under the law of a country or territory outside the <i>United Kingdom</i> ;

<i>building block</i>	(as defined in the <i>PD Regulation</i>) a list of additional information requirements, not included in one of the schedules, to be added to one or more schedules, as the case may be, depending on the type of instrument and/or transaction for which a prospectus or base prospectus is drawn up.
<i>collective investment undertaking other than the closed-end type</i>	(in <i>PR</i>) (as defined in Article 2.1(o) of the <i>prospectus directive</i>) unit trusts and investment companies: <ol style="list-style-type: none"> (1) the object of which is the collective investment of capital provided by the public, and which operate on the principle of risk-spreading; (2) the units of which are, at the holder's request, repurchased or redeemed, directly or indirectly, out of the assets of these undertakings.
<i>company</i>	any body corporate.
<i>Consolidated Admissions and Reporting Directive</i>	Directive 2001/34/EC of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on information to be published on those securities.
<i>credit institution</i>	as defined in article 1(1) of the <i>Banking Consolidation Directive</i> .
<i>director</i>	(in accordance with section 417(1)(a) of the <i>Act</i>) a person occupying in relation to it the position of a director (by whatever name called) and, in relation to an <i>issuer</i> which is not a <i>body corporate</i> , a person with corresponding powers and duties.
<i>EEA State</i>	(in accordance with paragraph 8 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 1 May 2004, the following are the <i>EEA States</i> : Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the <i>United Kingdom</i> .
<i>equity security</i>	(as defined in Article 2.1(b) of the <i>prospectus directive</i>) shares and other transferable securities equivalent to shares in companies, as well as any other type of transferable securities giving the right to acquire any of the aforementioned securities as a consequence of their being converted or the rights conferred by them being exercised, provided that securities of the latter type are issued by the issuer of the

	underlying shares or by an entity belonging to the group of the said issuer.
<i>equity share</i>	<i>shares</i> comprised in a <i>company's equity share capital</i> .
<i>equity share capital</i>	(for a <i>company</i>), its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.
<i>ESMA recommendations</i>	the recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 published by the European Securities and Markets Authority (ESMA/2011/81).
<i>executive procedures</i>	the procedures relating to the giving of <i>warning notices</i> , <i>decision notices</i> and <i>supervisory notices</i> that are described in DEPP 4 (Decision by FCA staff under executive procedures) .
<i>FCA</i>	the Financial Conduct Authority.
<i>guarantee</i>	(as defined in the <i>PD Regulation</i>) any arrangement intended to ensure that any obligation material to the issue will be duly serviced, whether in the form of guarantee, surety, keep well agreement, mono-line insurance policy or other equivalent commitment.
<i>guarantor</i>	a <i>person</i> that provides a <i>guarantee</i> .
<i>Home State or Home Member State</i>	(as defined in section 102C of the <i>Act</i>) in relation to an issuer of <i>transferable securities</i> , the <i>EEA State</i> which is the "home Member State" for the purposes of the <i>prospectus directive</i> (which is to be determined in accordance with Article 2.1(m) of that directive).
<i>Host State or Host Member State</i>	(as defined in Article 2.1(n) of the <i>prospectus directive</i>) the <i>EEA State</i> where an offer to the public is made or admission to trading is sought, when different from the home State.
	[deleted]
	[deleted]
<i>issuer</i>	(as defined in section 102A of the <i>Act</i>) a legal person who issues or proposes to issue the <i>transferable securities</i> in question.
<i>key information</i>	(in <i>PR</i>) (as defined in section 87A(9) and (10) of the <i>Act</i>) the information which is essential to enable investors to understand the <i>transferable securities</i> to which the <i>prospectus</i> relates and decide whether to consider the <i>offer</i> further. The <i>key information</i> must include: <ul style="list-style-type: none"> (a) the essential characteristics of, and risks associated with, the <i>issuer</i> and any <i>guarantor</i>, including their assets, liabilities and financial positions;

	<ul style="list-style-type: none"> (b) the essential characteristics of, and risks associated with, investment in the <i>transferable securities</i>, including any rights attaching to the <i>securities</i>; (c) the general terms of the <i>offer</i>, including an estimate of the expenses charged to an investor by the <i>issuer</i> and the offeror, if not the <i>issuer</i>; (d) details of the <i>admission to trading</i>; and (e) the reasons for the <i>offer</i> and proposed use of the proceeds.
<i>limited liability partnership</i>	<ul style="list-style-type: none"> (a) a <i>body corporate</i> incorporated under the Limited Liability Partnerships Act 2000; (b) a <i>body corporate</i> incorporated under legislation having the equivalent effect to the Limited Liability Partnerships Act 2000.
<i>MiFID</i>	<p>The European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC).</p> <p>See also <i>MiFID Regulation</i> and <i>MiFID implementing Directive</i>.</p>
<i>non-equity transferable securities</i>	<p>(as defined in section 102A of the Act) all <i>transferable securities</i> that are not <i>equity securities</i>.</p> <p>Note: In the <i>prospectus directive</i> and the <i>PD Regulation</i>, the Commission uses the term "non-equity securities" rather than "non-equity transferable securities".</p>
<i>offer of transferable securities to the public</i>	<p>(as defined in section 102B of the Act), in summary:</p> <ul style="list-style-type: none"> (a) a communication to any person which presents sufficient information on: <ul style="list-style-type: none"> (i) the transferable securities to be offered, and (ii) the terms on which they are offered, <p>to enable an investor to decide to buy or subscribe for the securities in question;</p> (b) which is made in any form or by any means; (c) including the placing of securities through a financial intermediary; (d) but not including a communication in connection with trading on: <ul style="list-style-type: none"> (i) a regulated market; (ii) a multilateral trading facility; or (iii) any market prescribed by an order under section 130A of the Act.

Note: This is only a summary, to see the full text of the definition, readers should consult section 102B of the *Act*.

<i>offer</i>	an <i>offer of transferable securities to the public</i> .
<i>offeror</i>	a <i>person who makes an offer of transferable securities to the public</i> .
<i>offering programme</i>	(as defined in Article 2.1(k) of the <i>prospectus directive</i>) a plan which would permit the issuance of non-equity securities, including warrants in any form, having a similar type and/or class, in a continuous or repeated manner during a specified issuing period.
<i>officer</i>	(in relation to a <i>body corporate</i>) (as defined in section 400(5) of the <i>Act</i> (Offences by bodies corporate etc)) a director, member of the committee of management, <i>chief executive, manager, secretary, or other similar officer of the body, or a person purporting to act in that capacity or a controller of the body</i> .
<i>overseas company</i>	a company incorporated outside the <i>United Kingdom</i> .
<i>Part 6 rules</i>	(in accordance with section 73A(1) of the <i>Act</i>), <i>rules made for the purposes of Part 6 of the Act</i> .
<i>partnership</i>	(in accordance with section 417(1) of the <i>Act</i> (Definitions)) any partnership, including a partnership constituted under the law of a country or territory outside the <i>United Kingdom</i> , but not including a <i>limited liability partnership</i> .
<i>PD</i>	<i>prospectus directive</i> .
<i>PD Regulation</i>	Regulation number 809/2004 of the European Commission.
<i>person</i>	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporated that is, a natural person, a legal person and, for example, a <i>partnership</i> .
<i>PR</i>	the Prospectus Rules sourcebook.
<i>profit forecast</i>	(as defined in the <i>PD Regulation</i>) a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word "profit" is not used.
<i>profit estimate</i>	(as defined in the <i>PD Regulation</i>) a profit forecast for a financial period which has expired and for which results have not yet been published.

<i>property collective investment undertaking</i>	(as defined in the <i>PD Regulation</i>) a collective investment undertaking whose investment objective is the participation in the holding of property in the long term.
<i>prospectus</i>	a prospectus required under the <i>prospectus directive</i> .
<i>prospectus directive</i>	the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No 2003/71/EC).
<i>Prospectus Rules</i>	(as defined in section 73A(4) of the <i>Act</i>) <i>rules</i> expressed to relate to <i>transferable securities</i> .
<i>Public international body</i>	(as defined in the <i>PD Regulation</i>) a legal entity of public nature established by an international treaty between sovereign States and of which one or more Member States are members.
<i>qualified investor</i>	(as defined in section 86(7) of the <i>Act</i>) in relation to an offer of <i>transferable securities</i> : <ul style="list-style-type: none"> (a) a person or entity described in points (1) to (4) of Section I of Annex II to <i>MiFID</i>, other than a <i>person</i> who, before the making of the <i>offer</i>, has agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a <i>non-professional client</i> in accordance with <i>MiFID</i>; or (b) a <i>person</i> who has made a request to one or more relevant firms to be treated as a <i>professional client</i> in accordance with Section II of Annex II to <i>MiFID</i> and has not subsequently, but before the making of the <i>offer</i>, agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a <i>non-professional client</i> in accordance with the final paragraph of Section I of Annex II of <i>MiFID</i>; or (c) a <i>person</i> who is recognised as an <i>eligible counterparty</i> in accordance with article 24 of <i>MiFID</i> and has not, before the making of the <i>offer</i>, agreed in writing with the relevant firm (or each of the relevant firms) to be treated as a <i>non-professional client</i> in accordance with the final paragraph of Section I of Annex II of <i>MiFID</i>; or (d) a person whom any relevant firm is authorised to continue to treat as a <i>professional client</i> in accordance with article 71(6) of <i>MiFID</i>.
<i>registration document</i>	a registration document referred to in PR 2.2.2R.
<i>regulated information</i>	(as defined in the <i>PD Regulation</i>) all information which the issuer, or any person who has applied for the admission of securities to trading on a regulated market without the is-

	<p>suer's consent, is required to disclose under Directive 2001/34/EC or under Article 6 of Directive 2003/6/EC.</p>
<i>regulated market</i>	<p>a multilateral system operated and/or managed by a <i>market operator</i>, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in <i>financial instruments</i> in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the <i>financial instruments</i> admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of <i>MiFID</i>.</p>
<i>RIS</i>	<p><i>Regulatory Information Service</i>.</p>
<i>risk factors</i>	<p>(as defined in the <i>PD Regulation</i>) a list of risks which are specific to the situation of the issuer and/or the securities and which are material for taking investment decisions.</p>
<i>rule</i>	<p>(in accordance with section 417(1) of the <i>Act</i> (Definitions)) a rule made by the <i>FCA</i> under the <i>Act</i>.</p>
<i>schedule</i>	<p>(as defined in the <i>PD Regulation</i>) a list of minimum information requirements adapted to the particular nature of the different types of issuers and/or the different securities involved.</p>
<i>securities issued in a continuous and repeated manner</i>	<p>(as defined in Article 2.1(l) of the <i>prospectus directive</i>) issues on tap or at least two separate issues of securities of a similar type and/or class over a period of 12 months.</p>
<i>securities note</i>	<p>a securities note referred to in PR 2.2.2R.</p>
<i>small and medium-sized enterprise</i>	<p>(as defined in Article 2.1(f) of the <i>prospectus directive</i>) companies, which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding €43,000,000 and an annual net turnover not exceeding €50,000,000.</p>
<i>special purpose vehicle</i>	<p>(as defined in the <i>PD Regulation</i>) an <i>issuer</i> whose objects and purposes are primarily the issue of <i>securities</i>.</p>
<i>statutory notice decision</i>	<p>a decision by the <i>FCA</i> on whether or not to give a <i>statutory notice</i>.</p>
<i>statutory notice associated decision</i>	<p>a decision which is made by the <i>FCA</i> and which is associated with a decision to give a <i>statutory notice</i>, including a decision:</p> <ul style="list-style-type: none"> (a) to determine or extend the period for making representations; (b) to determine whether a copy of the <i>statutory notice</i> needs to be given to any third party and the period for him to make representations;

	(c) to refuse access to <i>FCA</i> material;
	(d) as to the information which it is appropriate to publish about the matter to which a <i>final notice</i> or an effective <i>supervisory notice</i> relates.
<i>summary</i>	(in relation to a <i>prospectus</i>) the summary included in the <i>prospectus</i> .
<i>supplementary prospectus</i>	a supplementary prospectus containing details of a new factor, mistake or inaccuracy.
<i>transferable security</i>	(as defined in section 102A of the <i>Act</i>) anything which is a transferable security for the purposes of <i>MiFID</i> , other than money-market instruments for the purposes of that directive which have a maturity of less than 12 months.
Note: In the <i>prospectus directive</i> and <i>PD regulation</i> , the Commission uses the term "security" rather than "transferable security".	
<i>umbrella collective investment scheme</i>	(as defined in the <i>PD Regulation</i>) a collective investment undertaking invested in one or more collective investment undertakings, the asset of which is composed of separate class(es) or designation(s) of securities.
<i>United Kingdom</i>	England and Wales, Scotland and Northern Ireland (but not the Channel Islands or the Isle of Man).
<i>units of a collective investment scheme</i>	(as defined in Article 2.1(p) of the <i>prospectus directive</i>) securities issued by a collective investment undertaking as representing the rights of the participants in such an undertaking over its assets.
<i>working day</i>	(as defined in section 103 of the <i>Act</i>) any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the <i>United Kingdom</i> .

Appendix 2

Fees

2.1 **The provisions outlined in PR App 2.1 in relation to fees are set out in FEES 3 Annex 5R Part 2**

App 2.1.1 **[Deleted]**

Appendix 3

Schedules and Building Blocks and Table of Combinations of Schedules and Building Blocks

3.1

App 3.1.1 
FCA

The following *schedules* and *building blocks* and tables of combinations are copied from the *PD Regulation*:

[Note: See transitional provisions in Regulation (EU) No 486/2012 and Regulation (EU) No 862/2012]

ANNEX I

Minimum Disclosure Requirements for the Share Registration Document (schedule)

1. **PERSONS RESPONSIBLE**
 - 1.1. All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
 - 1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to

ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.

3. SELECTED FINANCIAL INFORMATION

3.1. Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.

The selected historical financial information must provide the key figures that summarise the financial condition of the issuer.

3.2. If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.

4. RISK FACTORS

Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".

5. INFORMATION ABOUT THE ISSUER

5.1.

5.1.1. the legal and commercial name of the issuer;

5.1.2. the place of registration of the issuer and its registration number;

5.1.3. the date of incorporation and the length of life of the issuer, except where indefinite;

5.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);

5.1.5. the important events in the development of the issuer's business.

5.2.

5.2.1. A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the

- historical financial information up to the date of the registration document;
- 5.2.2. A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external);
- 5.2.3. Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments.
6. BUSINESS OVERVIEW
- 6.1.
- 6.1.1. A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information; and
- 6.1.2. An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.
- 6.2. A description of the principal markets in which the issuer competes, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information.
- 6.3. Where the information given pursuant to items 6.1 and 6.2 has been influenced by exceptional factors, mention that fact.
- 6.4. If material to the issuer's business or profitability, a summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.
- 6.5. The basis for any statements made by the issuer regarding its competitive position.
7. ORGANIZATIONAL STRUCTURE
- 7.1. If the issuer is part of a group, a brief description of the group and the issuer's position within the group.
- 7.2. A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.
8. PROPERTY, PLANTS AND EQUIPMENT
- 8.1. Information regarding any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon.

- 3
- 8.2. A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.
9. **OPERATING AND FINANCIAL REVIEW**
- 9.1. To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.
- 9.2.
- 9.2.1. Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.
- 9.2.2. Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.
- 9.2.3. Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.
10. **CAPITAL RESOURCES**
- 10.1. Information concerning the issuer's capital resources (both short and long term);
- 10.2. An explanation of the sources and amounts of and a narrative description of the issuer's cash flows;
- 10.3. Information on the borrowing requirements and funding structure of the issuer;
- 10.4. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.
- 10.5. Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3. and 8.1.
11. **RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**
- Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities.
12. **TREND INFORMATION**

- 12.1.** The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.
- 12.2.** Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.
- 13.** **PROFIT FORECASTS OR ESTIMATES**
- If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in items 13.1 and 13.2:
- 13.1.** A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.
- There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.
- 13.2.** A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.
- Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:
- (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;
- (b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;
- (c) this financial information has not been audited.
- 13.3.** The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.

13.4. If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1. Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:

(a) members of the administrative, management or supervisory bodies;

(b) partners with unlimited liability, in the case of a limited partnership with a share capital;

(c) founders, if the issuer has been established for fewer than five years; and

(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

The nature of any family relationship between any of those persons.

In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:

(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;

(b) any convictions in relation to fraudulent offences for at least the previous five years;

(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph

who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;

(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

If there is no such information to be disclosed, a statement to that effect is to be made.

- 14.2. Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 14.1., and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1.:

- 15.1. The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.

That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.

- 15.2. The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.

16. BOARD PRACTICES

In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of 14.1. :

- 16.1.** Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.
- 16.2.** Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.
- 16.3.** Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
- 16.4.** A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.
- 17.** EMPLOYEES
- 17.1.** Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.
- 17.2.** Shareholdings and stock options
- With respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1. provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.
- 17.3.** Description of any arrangements for involving the employees in the capital of the issuer.
- 18.** MAJOR SHAREHOLDERS
- 18.1.** In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.
- 18.2.** Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.

18.3. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.

18.4. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.

19. RELATED PARTY TRANSACTIONS

Details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.

If such standards do not apply to the issuer the following information must be disclosed:

(a) The nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding.

(b) The amount or the percentage to which related party transactions form part of the turnover of the issuer.

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1. Audited historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such finan-

cial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

The last two years audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:

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

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

- 20.2. In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported.**

- This requirement will normally be satisfied by the inclusion of pro forma financial information.**
- This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein.**
- Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.**
- 20.3. If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the registration document.**
- 20.4**
- 20.4.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.**
- 20.4.2. Indication of other information in the registration document which has been audited by the auditors.**
- 20.4.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.**
- 20.5.**
- 20.5.1. The last year of audited financial information may not be older than one of the following:**
- (a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;**
- (b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.**
- 20.6.**
- 20.6.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.**
- 20.6.2. If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case**

that fact must be stated) covering at least the first six months of the financial year.

The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.

- 20.7. A description of the issuer's policy on dividend distributions and any restrictions thereon.
- 20.7.1. The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.
- 20.8. Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.
- 20.9. A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.
21. ADDITIONAL INFORMATION
- 21.1. The following information as of the date of the most recent balance sheet included in the historical financial information:
- 21.1.1. The amount of issued capital, and for each class of share capital:
- (a) the number of shares authorised;
 - (b) the number of shares issued and fully paid and issued but not fully paid;
 - (c) the par value per share, or that the shares have no par value; and
 - (d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.
- 21.1.2. If there are shares not representing capital, state the number and main characteristics of such shares.

- 21.1.3.** The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.
- 21.1.4.** The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.
- 21.1.5.** Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.
- 21.1.6.** Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.
- 21.1.7.** A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.
- 21.2.**
- 21.2.1.** A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.
- 21.2.2.** A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.
- 21.2.3.** A description of the rights, preferences and restrictions attaching to each class of the existing shares.
- 21.2.4.** A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.
- 21.2.5.** A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.
- 21.2.6.** A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.
- 21.2.7.** An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.
- 21.2.8.** A description of the conditions imposed by the memorandum and articles of association, statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.

22. MATERIAL CONTRACTS

A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.

A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.

23. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

23.1. Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Registration Document.

23.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

24. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) the memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

- An indication of where the documents on display may be inspected, by physical or electronic means.**
- 25. INFORMATION ON HOLDINGS**
- Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.**

ANNEX II

Pro forma financial information building block

- 1. The pro forma information must include a description of the transaction, the businesses or entities involved and the period to which it refers, and must clearly state the following:**
 - (a) the purpose to which it has been prepared;**
 - (b) the fact that it has been prepared for illustrative purposes only;**
 - (c) the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.**
- 2. In order to present pro forma financial information, a balance sheet and profit and loss account, and accompanying explanatory notes, depending on the circumstances may be included.**
- 3. Pro forma financial information must normally be presented in columnar format, composed of:**
 - (a) the historical unadjusted information;**
 - (b) the pro forma adjustments; and**
 - (c) the resulting pro forma financial information in the final column.**

The sources of the pro forma financial information have to be stated and, if applicable, the financial statements of the acquired businesses or entities must be included in the prospectus.
- 4. The pro forma information must be prepared in a manner consistent with the accounting policies adopted by the issuer in its last or next financial statements and shall identify the following:**
 - (a) the basis upon which it is prepared;**
 - (b) the source of each item of information and adjustment.**

5. **Pro forma information may only be published in respect of**
 - (a) the current financial period;
 - (b) the most recently completed financial period; and/or
 - (c) the most recent interim period for which relevant unadjusted information has been or will be published or is being published in the same document.
6. **Pro forma adjustments related to the pro forma financial information must be:**
 - (a) clearly shown and explained;
 - (b) directly attributable to the transaction;
 - (c) factually supportable.

In addition, in respect of a pro forma profit and loss or cash flow statement, they must be clearly identified as to those expected to have a continuing impact on the issuer and those which are not.
7. **The report prepared by the independent accountants or auditors must state that in their opinion:**
 - (a) the pro forma financial information has been properly compiled on the basis stated;
 - (b) that basis is consistent with the accounting policies of the issuer.

ANNEX III

Minimum Disclosure Requirements for the Share Securities Note (schedule)

1. **PERSONS RESPONSIBLE**
 - 1.1. **All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.**
 - 1.2. **A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case the information contained in the part of the prospectus for which**

they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. RISK FACTORS

Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".

3. ESSENTIAL INFORMATION

3.1 Working capital Statement

Statement by the issuer that, in its opinion, the working capital is sufficient for the issuer's present requirements or, if not, how it proposes to provide the additional working capital needed.

3.2 Capitalization and indebtedness

A statement of capitalization and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. Indebtedness also includes indirect and contingent indebtedness.

3.3 Interest of natural and legal persons involved in the issue/offer

A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest.

3.4 Reasons for the offer and use of proceeds

Reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed. Details must be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING

4.1 A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.

4.2 Legislation under which the securities have been created.

4.3 An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

- 4.4** Currency of the securities issue.
- 4.5** A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.
- Dividend rights:**
- Fixed date(s) on which the entitlement arises,
 - Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,
 - Dividend restrictions and procedures for non-resident holders,
 - Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.
- Voting rights.**
- Pre-emption rights in offers for subscription of securities of the same class.**
- Right to share in the issuer's profits.**
- Rights to share in any surplus in the event of liquidation.**
- Redemption provisions.**
- Conversion provisions.**
- 4.6** In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.
- 4.7** In the case of new issues, the expected issue date of the securities.
- 4.8** A description of any restrictions on the free transferability of the securities.
- 4.9** An indication of the existence of any mandatory takeover bids and/or squeeze-out and sellout rules in relation to the securities.
- 4.10** An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

- 4.11 In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:**
- **Information on taxes on the income from the securities withheld at source,**
 - **Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.**
- 5. TERMS AND CONDITIONS OF THE OFFER**
- 5.1 Conditions, offer statistics, expected timetable and action required to apply for the offer**
- 5.1.1. Conditions to which the offer is subject.**
 - 5.1.2 Total amount of the issue/offer, distinguishing the securities offered for sale and those offered for subscription; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.**
 - 5.1.3 The time period, including any possible amendments, during which the offer will be open and description of the application process.**
 - 5.1.4 An indication of when, and under which circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.**
 - 5.1.5 A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.**
 - 5.1.6 Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).**
 - 5.1.7 An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.**
 - 5.1.8 Method and time limits for paying up the securities and for delivery of the securities.**
 - 5.1.9 A full description of the manner and date in which results of the offer are to be made public.**
 - 5.1.10 The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.**
- 5.2 Plan of distribution and allotment**
- 5.2.1. The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.**
 - 5.2.2. To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or**

administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.

5.2.3. Pre-allotment Disclosure:

- (a) The division into tranches of the offer including the institutional, retail and issuer's employee tranches and any other tranches;
- (b) The conditions under which the claw-back may be used, the maximum size of such claw back and any applicable minimum percentages for individual tranches;
- (c) The allotment method or methods to be used for the retail and issuer's employee tranche in the event of an over-subscription of these tranches;
- (d) A description of any pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups (including friends and family programmes) in the allotment, the percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such classes or groups.
- (e) Whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on the basis of which firm they are made through or by;
- (f) A target minimum individual allotment if any within the retail tranche;
- (g) The conditions for the closing of the offer as well as the date on which the offer may be closed at the earliest;
- (h) Whether or not multiple subscriptions are admitted, and where they are not, how any multiple subscriptions will be handled.

5.2.4. Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.

5.2.5. Over-allotment and 'green shoe':

- (a) The existence and size of any over-allotment facility and/or 'green shoe'.
- (b) The existence period of the over-allotment facility and/or 'green shoe'.
- (c) Any conditions for the use of the over-allotment facility or exercise of the 'green shoe'.

5.3 Pricing

5.3.1. An indication of the price at which the securities will be offered. If the price is not known or if there is no established and/or liquid market for the securities, indicate the method for determining the offer price, including a statement as to who has set the criteria or is formally responsible for the determination. Indication of the amount of any expenses and taxes specifically charged to the subscriber or purchaser.

5.3.2. Process for the disclosure of the offer price.

5.3.3. If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn, indication of the basis for the issue price if the issue is for cash, together with the reasons for and beneficiaries of such restriction or withdrawal.

- 5.3.4** Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year, or which they have the right to acquire, include a comparison of the public contribution in the proposed public offer and the effective cash contributions of such persons.
- 5.4. Placing and Underwriting**
- 5.4.1** Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.
- 5.4.2** Name and address of any paying agents and depository agents in each country.
- 5.4.3.** Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.
- 5.4.4.** When the underwriting agreement has been or will be reached.
- 6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**
- 6.1** An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.
- 6.2** All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.
- 6.3** If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate.
- 6.4** Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.
- 6.5** **Stabilization:** where an issuer or a selling shareholder has granted an over-allotment option or it is otherwise proposed that price stabilizing activities may be entered into in connection with an offer:

- 6.5.1. The fact that stabilization may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time,
- 6.5.2. The beginning and the end of the period during which stabilization may occur,
- 6.5.3. The identity of the stabilization manager for each relevant jurisdiction unless this is not known at the time of publication,
- 6.5.4. The fact that stabilization transactions may result in a market price that is higher than would otherwise prevail.
- 7. SELLING SECURITIES HOLDERS**
- 7.1 Name and business address of the person or entity offering to sell the securities, the nature of any position office or other material relationship that the selling persons has had within the past three years with the issuer or any of its predecessors or affiliates.
- 7.2 The number and class of securities being offered by each of the selling security holders.
- 7.3 Lock-up agreements
- The parties involved.
- Content and exceptions of the agreement.
- Indication of the period of the lock up.
- 8. EXPENSE OF THE ISSUE/OFFER**
- 8.1. The total net proceeds and an estimate of the total expenses of the issue/offer.
- 9. DILUTION**
- 9.1 The amount and percentage of immediate dilution resulting from the offer.
- 9.2. In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.
- 10. ADDITIONAL INFORMATION**
- 10.1. If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.
- 10.2. An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.
- 10.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is

included, with the consent of the person who has authorised the contents of that part of the Securities Note.

- 10.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

ANNEX IV

Minimum Disclosure Requirements for the Debt and Derivative Securities Registration Document (schedule)

(Debt and derivative securities with a denomination per unit of less than EUR 100 000)

1. PERSONS RESPONSIBLE

- 1.1. All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
- 1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

- 2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).
- 2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.

3. SELECTED FINANCIAL INFORMATION

- 3.1. Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.

The selected historical financial information must provide key figures that summarise the financial condition of the issuer.

- 3.2. If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet data is satisfied by presenting the year end balance sheet information.

4. RISK FACTORS

Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".

5. INFORMATION ABOUT THE ISSUER

5.1.

- 5.1.1. the legal and commercial name of the issuer;
- 5.1.2. the place of registration of the issuer and its registration number;
- 5.1.3. the date of incorporation and the length of life of the issuer, except where indefinite;
- 5.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);
- 5.1.5. any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.

5.2.

- 5.2.1. A description of the principal investments made since the date of the last published financial statements.
- 5.2.2. Information concerning the issuer's principal future investments, on which its management bodies have already made firm commitments.
- 5.2.3. Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.2.2.

6. BUSINESS OVERVIEW

6.1.

- 6.1.1. A description of the issuer's principal activities stating the main categories of products sold and/or services performed; and
- 6.1.2. an indication of any significant new products and/or activities.

6.2. A brief description of the principal markets in which the issuer competes.

- 6.3. The basis for any statements made by the issuer regarding its competitive position.

7. ORGANISATIONAL STRUCTURE

- 7.1. If the issuer is part of a group, a brief description of the group and of the issuer's position within it.

7.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.

8. TREND INFORMATION

8.1. Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements.

In the event that the issuer is unable to make such a statement, provide details of this material adverse change.

8.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

9. PROFIT FORECASTS OR ESTIMATES

If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 9.1 and 9.2:

9.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.

There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.

9.2. A report prepared by independent accountants or auditors must be included stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:

(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;

(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;

- (c) this financial information has not been audited.
- 9.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.
10. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES
- 10.1. Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:
- (a) members of the administrative, management or supervisory bodies;
- (b) partners with unlimited liability, in the case of a limited partnership with a share capital.
- 10.2. Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 10.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.
11. BOARD PRACTICES
- 11.1. Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
- 11.2. A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.
12. MAJOR SHAREHOLDERS
- 12.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.
- 12.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES
- 13.1. Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable

to a Member States national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:

- (a) balance sheet;
- (b) income statement;
- (c) cash flow statement; and
- (d) accounting policies and explanatory notes.

The historical annual financial information must have been independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

13.2. If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

13.3.

- 13.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.**
- 13.3.2. An indication of other information in the registration document which has been audited by the auditors.**
- 13.3.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-audited.**
- 13.4.**
- 13.4.1. The last year of audited financial information may not be older than 18 months from the date of the registration document.**
- 13.5.**
- 13.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is un-audited or has not been reviewed state that fact.**
- 13.5.2. If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact. The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.**
- 13.6. Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.**
- 13.7. A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.**
- 14. ADDITIONAL INFORMATION**
- 14.1.**
- 14.1.1. The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully**

paid up, broken down where applicable according to the extent to which they have been paid up.

14.2.

- 14.2.1.** The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.

15. MATERIAL CONTRACTS

A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.

16 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

- 16.1** Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.

- 16.2** Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.

17. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) the memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX V

Minimum Disclosure Requirements for the Securities Note related to Debt securities (schedule)

(Debt securities with a denomination per unit of less than EUR 100 000)

1. PERSONS RESPONSIBLE

1.1 All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

1.2 A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. RISK FACTORS

2.1 Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".

3. ESSENTIAL INFORMATION

3.1 Interest of natural and legal persons involved in the issue/offer.

A description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.

3.2 Reasons for the offer and use of proceeds.

Reasons for the offer if different from making profit and/or hedging certain risks. Where applicable, disclosure of the estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds shall be broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING

4.1 A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.

4.2 Legislation under which the securities have been created.

4.3 An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

4.4 Currency of the securities issue.

4.5 Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.

4.6 A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.

4.7 The nominal interest rate and provisions relating to interest payable:

- the date from which interest becomes payable and the due dates for interest,

- the time limit on the validity of claims to interest and repayment of principal.

Where the rate is not fixed, a statement setting out the type of underlying and a description of the underlying on which it is based and of the method used to relate the underlying and the rate and an indication where information about the past and the further performance of the underlying and its volatility can be obtained.

- a description of any market disruption or settlement disruption events that affect the underlying,

- adjustment rules with relation to events concerning the underlying,

- name of the calculation agent.

If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument (s), especially under the circumstances when the risks are most evident.

4.8 Maturity date and arrangements for the amortization of the loan, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it shall be described, stipulating amortization terms and conditions.

- 4.9** An indication of yield. Describe the method whereby that yield is calculated in summary form.
- 4.10** Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation.
- 4.11** In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.
- 4.12** In the case of new issues, the expected issue date of the securities.
- 4.13** A description of any restrictions on the free transferability of the securities.
- 4.14** In respect of the country of registered office of the issuer and the country(ies) where the offer being made or admission to trading is being sought:
- Information on taxes on the income from the securities withheld at source;
 - Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.
- 5** **TERMS AND CONDITIONS OF THE OFFER**
- 5.1** Conditions, offer statistics, expected timetable and action required to apply for the offer.
- 5.1.1** Conditions to which the offer is subject.
- 5.1.2** Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.
- 5.1.3** The time period, including any possible amendments, during which the offer will be open and description of the application process.
- 5.1.4** A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.
- 5.1.5** Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest).
- 5.1.6** Method and time limits for paying up the securities and for delivery of the securities.
- 5.1.7** A full description of the manner and date in which results of the offer are to be made public.
- 5.1.8** The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.
- 5.2** Plan of distribution and allotment

- 5.2.1** The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.
- 5.2.2** Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.
- 5.3** Pricing
- 5.3.1** An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.
- 5.4** Placing and Underwriting
- 5.4.1** Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.
- 5.4.2** Name and address of any paying agents and depository agents in each country.
- 5.4.3** Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.
- 5.4.4** When the underwriting agreement has been or will be reached.
- 6** **ADMISSION TO TRADING AND DEALING ARRANGEMENTS**
- 6.1** An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved. If known, give the earliest dates on which the securities will be admitted to trading.
- 6.2** All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.
- 6.3** Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.
- 7.** **ADDITIONAL INFORMATION**
- 7.1** If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.

- 7.2** An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.
- 7.3** Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note.
- 7.4** Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
- 7.5** Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.

ANNEX VI

Minimum Disclosure Requirements for Guarantees

(Additional building block)

1. NATURE OF THE GUARANTEE

A description of any arrangement intended to ensure that any obligation material to the issue will be duly serviced, whether in the form of guarantee, surety, Keep well Agreement, Mono-line Insurance policy or other equivalent commitment (hereafter referred to generically as "guarantees" and their provider as "guarantor" for convenience).

Without prejudice to the generality of the foregoing, such arrangements encompass commitments to ensure obligations to repay debt securities and/or the payment of interest and the description shall set out how the arrangement is intended to ensure that the guaranteed payments will be duly serviced.

2. SCOPE OF THE GUARANTEE

Details shall be disclosed about the terms and conditions and scope of the guarantee. Without prejudice to the generality of the foregoing, these details should cover any conditionality on the application of the guarantee in the event of any default under the terms of the security and the material terms of any Mono-line Insurance or Keep well Agreement between

- the issuer and the guarantor. Details must also be disclosed of any guarantor's power of veto in relation to changes to the security holder's rights, such as is often found in Mono-line Insurance.
- 3 INFORMATION TO BE DISCLOSED ABOUT THE GUARANTOR**
- The guarantor must disclose information about itself as if it were the issuer of that same type of security that is the subject of the guarantee.
- 4 DOCUMENTS ON DISPLAY**
- Indication of the places where the public may have access to the material contracts and other documents relating to the guarantee.

ANNEX VII

Minimum Disclosure Requirements for Asset Backed Securities Registration Document (schedule)

- 1. PERSONS RESPONSIBLE**
- 1.1** All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
- 1.2** A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information given in the registration document is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that having taken all reasonable care to ensure that such is the case, the information contained in that part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 2. STATUTORY AUDITORS**
- 2.1** Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with any membership of any relevant professional body).
- 3. RISK FACTORS**
- 3.1** The document must prominently disclose risk factors in a section headed "Risk Factors" that are specific to the issuer and its industry.
- 4. INFORMATION ABOUT THE ISSUER:**
- 4.1** A statement whether the issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities;
- 4.2** The legal and commercial name of the issuer;

- 4.3** The place of registration of the issuer and its registration number;
- 4.4** The date of incorporation and the length of life of the issuer, except where indefinite;
- 4.5** The domicile and legal form of the issuer, the legislation under which the issuer operates its country of incorporation and the address and telephone number of its registered office (or principal place of business if different from its registered office).
- 4.6** Description of the amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities of which it is composed.
- 5. BUSINESS OVERVIEW**
- 5.1** A brief description of the issuer's principal activities.
- 5.2** A global overview of the parties to the securitisation program including information on the direct or indirect ownership or control between those parties.
- 6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**
- 6.1** Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:
- (a) members of the administrative, management or supervisory bodies;
- (b) partners with unlimited liability, in the case of a limited partnership with a share capital.
- 7. MAJOR SHAREHOLDERS**
- 7.1** To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control and describe the measures in place to ensure that such control is not abused.
- 8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES**
- 8.1** Where, since the date of incorporation or establishment, an issuer has not commenced operations and no financial statements have been made up as at the date of the registration document, a statement to that effect shall be provided in the registration document.
- 8.2** **Historical Financial Information**
- Where, since the date of incorporation or establishment, an issuer has commenced operations and financial statements have been made up, the registration document must contain audited historical financial information covering the latest 2 financial years (or shorter period that the issuer has been in operation) and the audit report in respect of each year. If the issuer has changed its accounting reference date during the

period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next annual published financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards where the issuer is from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

- (a) the balance sheet;
- (b) the income statement;
- (c) the accounting policies and explanatory notes.

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

8.2 bis This paragraph may be used only for issues of asset-backed securities having a denomination per unit of at least EUR 100 000 .

Where, since the date of incorporation or establishment, an issuer has commenced operations and financial statements have been made up, the registration document must contain audited historical financial information covering the latest 2 financial years (or shorter period that the issuer has been in operation) and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002 or, if not applicable, to a Member State's national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. Otherwise, the following information must be included in the registration document:

(a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;

(b) immediately following the historical financial information a narrative description of the differences between the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and the accounting principles adopted by the issuer in preparing its annual financial statements.

The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

- (a) the balance sheet;
- (b) the income statement;
- (c) the accounting policies and explanatory notes.

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

Otherwise, the following information must be included in the Registration Document:

(a) a prominent statement disclosing which auditing standards have been applied;

(b) an explanation of any significant departures from International Standards on Auditing.

8.3 Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the company is aware), during a period covering at least the previous 12 months, which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

8.4 Material adverse change in the issuer's financial position

Where an issuer has prepared financial statements, include a statement that there has been no material adverse change in the financial position or prospects of the issuer since the date of its last published audited financial statements. Where a material adverse change has occurred, this must be disclosed in the registration document.

9. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1 Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.

9.2 Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.

10. DOCUMENTS ON DISPLAY

10.1 A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) the memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX VIII

Minimum Disclosure Requirements for the Asset Backed Securities additional Building Block

1 THE SECURITIES

1.1 The minimum denomination of an issue

1.2 Where information is disclosed about an undertaking/obligor which is not involved in the issue, provide a confirmation that the information relating to the undertaking/obligor has been accurately reproduced from information published by the undertaking/obligor. So far as the issuer is aware and is able to ascertain from information published by the undertaking/obligor no facts have been omitted which would render the reproduced information misleading.

In addition, identify the source(s) of information in the Securities Note that has been reproduced from information published by an undertaking/obligor.

2 THE UNDERLYING ASSETS

2.1 Confirmation that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the securities.

2.2 In respect of a pool of discrete assets backing the issue:

2.2.1 The legal jurisdiction by which the pool of assets is governed

- 2.2.2 (a) In the case of a small number of easily identifiable obligors, a general description of each obligor.**
- (b) In all other cases, a description of: the general characteristics of the obligors; and the economic environment, as well as global statistical data referred to the securitised assets.**
- 2.2.3 the legal nature of the assets;**
- 2.2.4 the expiry or maturity date(s) of the assets;**
- 2.2.5 the amount of the assets;**
- 2.2.6 loan to value ratio or level of collateralisation;**
- 2.2.7 the method of origination or creation of the assets, and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances;**
- 2.2.8 an indication of significant representations and collaterals given to the issuer relating to the assets;**
- 2.2.9 any rights to substitute the assets and a description of the manner in which and the type of assets which may be so substituted; if there is any capacity to substitute assets with a different class or quality of assets a statement to that effect together with a description of the impact of such substitution;**
- 2.2.10 a description of any relevant insurance policies relating to the assets. Any concentration with one insurer must be disclosed if it is material to the transaction.**
- 2.2.11 Where the assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the assets, or where an obligor accounts for a material portion of the assets, so far as the issuer is aware and/or is able to ascertain from information published by the obligor(s) indicate either of the following:**
- (a) information relating to each obligor as if it were an issuer drafting a Registration Document for debt and derivative securities with an individual denomination of at least EUR 100 000 ;**
- (b) if an obligor or guarantor has securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.**
- 2.2.12 If a relationship exists that is material to the issue, between the issuer, guarantor and obligor, details of the principal terms of that relationship.**
- 2.2.13 Where the assets comprise obligations that are not traded on a regulated or equivalent market, a description of the principal terms and conditions of the obligations.**

2.2.14 Where the assets comprise equity securities that are admitted to trading on a regulated or equivalent market indicate the following:

(a) a description of the securities;

(b) a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority;

(c) the frequency with which prices of the relevant securities, are published.

2.2.15 Where more than ten (10) per cent of the assets comprise equity securities that are not traded on a regulated or equivalent market, a description of those equity securities and equivalent information to that contained in the schedule for share Registration Document in respect of each issuer of those securities.

2.2.16 Where a material portion of the assets are secured on or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow/income streams.

Compliance with this disclosure is not required if the issue is of securities backed by mortgage loans with property as security, where there has been no revaluation of the properties for the purpose of the issue, and it is clearly stated that the valuations quoted are as at the date of the original initial mortgage loan origination.

2.3 In respect of an actively managed pool of assets backing the issue:

2.3.1 equivalent information to that contained in items 2.1 and 2.2 to allow an assessment of the type, quality, sufficiency and liquidity of the asset types in the portfolio which will secure the issue;

2.3.2 the parameters within which investments can be made, the name and description of the entity responsible for such management including a description of that entity's expertise and experience, a summary of the provisions relating to the termination of the appointment of such entity and the appointment of an alternative management entity, and a description of that entity's relationship with any other parties to the issue.

2.4 Where an issuer proposes to issue further securities backed by the same assets, a prominent statement to that effect and unless those further securities are fungible with or are subordinated to those classes of existing debt, a description of how the holders of that class will be informed.

3 STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction, including, if necessary, a structure diagram.

3.2 Description of the entities participating in the issue and description of the functions to be performed by them.

- 3.3** Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer or, where applicable, the manner and time period in which the proceeds from the issue will be fully invested by the issuer.
- 3.4** An explanation of the flow of funds including:
- 3.4.1** how the cash flow from the assets will meet the issuer's obligations to holders of the securities, including, if necessary, a financial service table and a description of the assumptions used in developing the table;
- 3.4.2** information on any credit enhancements, an indication of where material potential liquidity shortfalls may occur and the availability of any liquidity supports and indication of provisions designed to cover interest/principal shortfall risks;
- 3.4.3** without prejudice to item 3.4.2, details of any subordinated debt finance;
- 3.4.4** an indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment;
- 3.4.5** how payments are collected in respect of the assets;
- 3.4.6** the order of priority of payments made by the issuer to the holders of the class of securities in question;
- 3.4.7** details of any other arrangements upon which payments of interest and principal to investors are dependent;
- 3.5** the name, address and significant business activities of the originators of the securitised assets;
- 3.6** where the return on, and/or repayment of the security is linked to the performance or credit of other assets which are not assets of the issuer, items 2.2 and 2.3 are necessary;
- 3.7** the name, address and significant business activities of the administrator, calculation agent or equivalent, together with a summary of the administrator's/calculation agents responsibilities, their relationship with the originator or the creator of the assets and a summary of the provisions relating to the termination of the appointment of the administrator/calculation agent and the appointment of an alternative administrator/calculation agent;
- 3.8** the names and addresses and brief description of:
- (a) any swap counterparties and any providers of other material forms of credit/liquidity enhancement;
- (b) the banks with which the main accounts relating to the transaction are held.
- 4. POST ISSUANCE REPORTING**
- 4.1** Indication in the prospectus whether or not it intends to provide post-issuance transaction information regarding securities to be admitted to

trading and the performance of the underlying collateral. Where the issuer has indicated that it intends to report such information, specify in the prospectus what information will be reported, where such information can be obtained, and the frequency with which such information will be reported.

ANNEX IX

Minimum Disclosure Requirements for the Debt and Derivative securities Registration Document (schedule)

(Debt and derivative securities with a denomination per unit of at least EUR 100 000)

1. PERSONS RESPONSIBLE

- 1.1. All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
- 1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

- 2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).
- 2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.

3. RISK FACTORS

- 3.1. Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".

4. INFORMATION ABOUT THE ISSUER

- 4.1.
 - 4.1.1. the legal and commercial name of the issuer;

- 4.1.2. the place of registration of the issuer and its registration number;
- 4.1.3. the date of incorporation and the length of life of the issuer, except where indefinite;
- 4.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);
- 4.1.5. any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.

5. BUSINESS OVERVIEW

5.1.

- 5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;
- 5.1.2. The basis for any statements in the registration document made by the issuer regarding its competitive position.

6. ORGANISATIONAL STRUCTURE

- 6.1. If the issuer is part of a group, a brief description of the group and of the issuer's position within it.
- 6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.

7. TREND INFORMATION

- 7.1. Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements.

In the event that the issuer is unable to make such a statement, provide details of this material adverse change.

8. PROFIT FORECASTS OR ESTIMATES

If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 8.1 and 8.2 the following:

- 8.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.

There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.

- 8.2.** Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.
- 8.3.** The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.
- 9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**
- 9.1** Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:
- (a) members of the administrative, management or supervisory bodies;
- (b) partners with unlimited liability, in the case of a limited partnership with a share capital.
- 9.2** Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.
- 10. MAJOR SHAREHOLDERS**
- 10.1.** To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.
- 10.2.** A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
- 11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**
- 11.1.** Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. Otherwise, the following information must be included in the registration document:

(a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;

(b) immediately following the historical financial information a narrative description of the differences between the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and the accounting principles adopted by the issuer in preparing its annual financial statements;

The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

- (a) the balance sheet;**
- (b) the income statement;**
- (c) the accounting policies and explanatory notes.**

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document:

- (a) a prominent statement disclosing which auditing standards have been applied;**
- (b) an explanation of any significant departures from International Standards on Auditing.**

11.2. If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

11.3.

11.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers,

such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

11.3.2. An indication of other information in the registration document which has been audited by the auditors.

11.3.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.

11.4.

11.4.1. The last year of audited financial information may not be older than 18 months from the date of the registration document.

11.5. Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

11.6. A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.

12. MATERIAL CONTRACTS

A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.

13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

13.1 Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.

13.2 THIRD PARTY INFORMATION

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.

14. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

- (a) the memorandum and articles of association of the issuer;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;
- (c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX X

Minimum Disclosure Requirements for the Depository Receipts issued over shares (schedule)

INFORMATION ABOUT THE ISSUER OF THE UNDERLYING SHARES**1. PERSONS RESPONSIBLE**

- 1.1. All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
- 1.2. A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

- 2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.

3. SELECTED FINANCIAL INFORMATION

3.1. Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.

The selected historical financial information must provide the key figures that summarise the financial condition of the issuer.

3.2. If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year shall also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.

4. RISK FACTORS

Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".

5. INFORMATION ABOUT THE ISSUER

5.1. .

5.1.1. the legal and commercial name of the issuer;

5.1.2. the place of registration of the issuer and its registration number;

5.1.3. the date of incorporation and the length of life of the issuer, except where indefinite;

5.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);

5.1.5. the important events in the development of the issuer's business.

5.2.

5.2.1. A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the prospectus;

5.2.2. A description of the issuer's principal investments that are currently in progress, including the distribution of these investments geographically (home and abroad) and the method of financing (internal or external);

5.2.3. Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments.

6. BUSINESS OVERVIEW

6.1.

- 6.1.1.** A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information;
- 6.1.2.** An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.
- 6.2.** A description of the principal markets in which the issuer competes, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information.
- 6.3.** Where the information given pursuant to items 6.1. and 6.2. has been influenced by exceptional factors, mention that fact.
- 6.4.** If material to the issuer's business or profitability, disclose summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.
- 6.5.** The basis for any statements made by the issuer regarding its competitive position.
- 7. ORGANIZATIONAL STRUCTURE**
- 7.1.** If the issuer is part of a group, a brief description of the group and the issuer's position within the group.
- 7.2.** A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.
- 8. PROPERTY, PLANTS AND EQUIPMENT**
- 8.1.** Information regarding any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon.
- 8.2.** A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.
- 9. OPERATING AND FINANCIAL REVIEW**
- 9.1.** To the extent not covered elsewhere in the prospectus, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.
- 9.2.**
- 9.2.1.** Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.

9.2.2. Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.

9.2.3. Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.

10. CAPITAL RESOURCES

10.1. Information concerning the issuer's capital resources (both short and long term);

10.2. An explanation of the sources and amounts of and a narrative description of the issuer's cash flows;

10.3. Information on the borrowing requirements and funding structure of the issuer;

10.4. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.

10.5. Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3. and 8.1.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities.

12. TREND INFORMATION

12.1. The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the prospectus.

12.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

13. PROFIT FORECASTS OR ESTIMATES

If an issuer chooses to include a profit forecast or a profit estimate the prospectus must contain the information items 13.1 and 13.2:

13.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.

There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.

13.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:

(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;

(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;

(c) this financial information has not been audited.

13.3. The profit forecast or estimate prepared on a basis comparable with the historical financial information.

13.4. If the issuer has published a profit forecast in a prospectus which is still outstanding, provide a statement setting out whether or not that forecast is still correct as at the time of the prospectus, and an explanation of why such forecast is no longer valid if that is the case.

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1. Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:

(a) members of the administrative, management or supervisory bodies;

(b) partners with unlimited liability, in the case of a limited partnership with a share capital;

(c) founders, if the issuer has been established for fewer than five years;

(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

The nature of any family relationship between any of those persons.

In the case of each member of the administrative, management or supervisory bodies of the issuer and person described in points (b) and (d) of the first sub-paragraph, details of that person's relevant management expertise and experience and the following information:

(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;

(b) any convictions in relation to fraudulent offences for at least the previous five years;

(c) details of any bankruptcies, receiverships or liquidations with which a person described in points (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in points (a) and (d) of the first subparagraph member of the administrative, management or supervisory bodies was associated for at least the previous five years;

(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

If there is no such information to be disclosed, a statement to that effect must be made.

14.2. Potential conflicts of interests between any duties to the issuer of the persons referred to in the first sub-paragraph of item 14.1. and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in the first sub-paragraph of item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year for those persons referred to in points (a) and (d) of the first sub-paragraph of item 14.1:

15.1. The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted, to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.

This information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.

15.2. The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.

16. BOARD PRACTICES

In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 14.1.

16.1. Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.

16.2. Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.

16.3. Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.

16.4. A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect together with an explanation regarding why the issuer does not comply with such regime.

17. EMPLOYEES

17.1. Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the prospectus (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.

17.2. With respect to each person referred to in points (a) and (b) of the first subparagraph of item 14.1., provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.

17.3. Description of any arrangements for involving the employees in the capital of the issuer.

18. MAJOR SHAREHOLDERS

18.1. In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest notifiable under the issuer's national law in the issuer's capital or voting rights, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.

18.2. Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.

18.3. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.

18.4. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.

19. RELATED PARTY TRANSACTIONS

Details of related party transactions (which for these purposes are those set out in the Standards adopted according to Regulation (EC) No 1606/2002), that the issuer has entered into during the period covered by the historical financial information and up to the date of the prospectus must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.

If such standards do not apply to the issuer the following information must be disclosed:

(a) The nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length.

In the case of outstanding loans including guarantees of any kind indicate the amount outstanding.

(b) The amount or the percentage to which related party transactions form part of the turnover of the issuer.

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1. Audited historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

The last two years audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under Regulation (EC) No 1606/2002, or if not applicable to a Member State's national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

(a) the balance sheet;

(b) the income statement;

(c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;

(d) the cash flow statement;

(e) the accounting policies and explanatory notes.

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the prospectus, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

20.1.bis This paragraph may be used only for issues of depository receipts having a denomination per unit of at least EUR 100 000 .

Audited historical financial information covering the latest 3 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002 , or if not applicable to a Member State's national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. Otherwise, the following information must be included in the prospectus:

(a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;

(b) immediately following the historical financial information a narrative description of the differences between the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and the accounting principles adopted by the issuer in preparing its annual financial statements.

The last two years audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having

regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

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

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the prospectus, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the prospectus:

- (a) a prominent statement disclosing which auditing standards have been applied;
- (b) an explanation of any significant departures from International Standards on Auditing.

20.2. If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the prospectus.

20.3.

20.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

20.3.2. Indication of other information in the prospectus which has been audited by the auditors.

20.3.3. Where financial data in the prospectus is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

20.4.

20.4.1. The last year of audited financial information may not be older than:

(a) 18 months from the date of the prospectus if the issuer includes audited interim financial statements in the prospectus;

(b) 15 months from the date of the prospectus if the issuer includes unaudited interim financial statements in the prospectus.

20.5.

20.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the prospectus. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed, state that fact.

20.5.2. If the prospectus is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact shall be stated) covering at least the first six months of the financial year.

The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.

20.6. A description of the issuer's policy on dividend distributions and any restrictions thereon.

20.6.1. The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.

20.7. Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

20.8. A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

21. ADDITIONAL INFORMATION

21.1. The following information as of the date of the most recent balance sheet included in the historical financial information:

- 21.1.1. The amount of issued capital, and for each class of share capital:**
- (a) the number of shares authorised;**
 - (b) the number of shares issued and fully paid and issued but not fully paid;**
 - (c) the par value per share, or that the shares have no par value;**
 - (d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.**
- 21.1.2. If there are shares not representing capital, state the number and main characteristics of such shares.**
- 21.1.3. The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.**
- 21.1.4. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.**
- 21.1.5. Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.**
- 21.1.6. Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.**
- 21.1.7. A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.**
- 21.2.**
- 21.2.1. A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.**
- 21.2.2. A summary of any provisions of the issuer's articles of association, statutes or charter and bylaws with respect to the members of the administrative, management and supervisory bodies.**
- 21.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares.**
- 21.2.4. A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.**
- 21.2.5. A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.**

- 21.2.6.** A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.
- 21.2.7.** An indication of the articles of association, statutes, charter or bylaws provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.
- 21.2.8.** A description of the conditions imposed by the memorandum and articles of association, statutes, charter or bylaws governing changes in the capital, where such conditions are more stringent than is required by law.

22. MATERIAL CONTRACTS

A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the prospectus.

A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the prospectus.

23. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

23.1 Where a statement or report attributed to a person as an expert is included in the prospectus provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the prospectus.

23.2 Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.

24. DOCUMENTS ON DISPLAY

A statement that for the life of the prospectus the following documents (or copies thereof), where applicable, may be inspected:

- (a) the memorandum and articles of association of the issuer;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the prospectus;
- (c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the prospectus.

An indication of where the documents on display may be inspected, by physical or electronic means.

25. INFORMATION ON HOLDINGS

25.1. Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

26.

26.1. Name, registered office and principal administrative establishment if different from the registered office.

26.2. Date of incorporation and length of life of the issuer, except where indefinite.

26.3. Legislation under which the issuer operates and legal form which it has adopted under that legislation.

27.

27.1. A description of the type and the class of the underlying shares, including the ISIN (International Security Identification Number) or other such security identification code.

27.2. Legislation under which the underlying shares have been created.

27.3. An indication whether the underlying shares are in registered form or bearer form and whether the underlying shares are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

27.4. Currency of the underlying shares.

27.5. A description of the rights, including any limitations of these, attached to the underlying shares and procedure for the exercise of said rights.

- 27.6. Dividend rights:**
- (a) Fixed date(s) on which the entitlement arises,**
 - (b) Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,**
 - (c) Dividend restrictions and procedures for non resident holders,**
 - (d) Rate of dividend or method of its calculation, periodicity and cumulative or non cumulative nature of payments.**
- 27.7. Voting rights.**
- Pre-emption rights in offers for subscription of securities of the same class.**
- Right to share in the issuer's profits.**
- Rights to share in any surplus in the event of liquidation.**
- Redemption provisions.**
- Conversion provisions.**
- 27.8. The issue date of the underlying shares if new underlying shares are being created for the issue of the depository receipts and they are not in existence at the time of issue of the depository receipts.**
- 27.9. If new underlying shares are being created for the issue of the depository receipts, state the resolutions, authorisations and approvals by virtue of which the new underlying shares have been or will be created and/or issued.**
- 27.10. A description of any restrictions on the free transferability of the underlying shares.**
- 27.11. In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:**
- (a) information on taxes on the income from the underlying shares withheld at source**
 - (b) indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.**
- 27.12. An indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the underlying shares.**
- 27.13. An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and**

the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

27.14. Lock up agreements:

the parties involved;

content and exceptions of the agreement;

indication of the period of the lock up.

27.15.

27.15.1 Name and business address of the person or entity offering to sell the underlying shares, the nature of any position office or other material relationship that the selling persons has had within the past three years with the issuer of the underlying shares or any of its predecessors or affiliates.

27.16.

27.16.1 Amount and percentage of immediate dilution resulting from the offer of the depository receipts.

27.16.2 In the case of a subscription offer of the depository receipts to existing shareholders, disclose the amount and percentage of immediate dilutions if they do not subscribe to the offer of depository receipts.

27.17.

27.17.1 If simultaneously or almost simultaneously with the creation of the depository receipts for which admission to a regulated market is being sought underlying shares of the same class as those over which the depository receipts are being issued are subscribed for or placed privately, details are to be given of the nature of such operations and of the number and characteristics of the underlying shares to which they relate.

27.17.2 Disclose all regulated markets or equivalent markets on which, to the knowledge of the issuer of the depository receipts, underlying shares of the same class of those over which the depository receipts are being issued are offered or admitted to trading.

27.17.3 To the extent known to the issuer of the depository receipts, indicate whether major shareholders, members of the administrative, management or supervisory bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.

28.

28.1. A description of the type and class of depository receipts being offered and/or admitted to trading.

28.2. Legislation under which the depository receipts have been created.

28.3. An indication whether the depository receipts are in registered or bearer form and whether the depository receipts are in certificated or

- book-entry form. In the latter case, include the name and address of the entity in charge of keeping the records.
- 28.4. **Currency of the depository receipts.**
- 28.5. **Describe the rights attaching to the depository receipts, including any limitations of these attached to the depository receipts and the procedure if any for the exercise of these rights.**
- 28.6. **If the dividend rights attaching to depository receipts are different from the dividend rights disclosed in relation to the underlying disclose the following about the dividend rights:**
- (a) **Fixed date(s) on which the entitlement arises,**
 - (b) **Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,**
 - (c) **Dividend restrictions and procedures for non resident holders,**
 - (d) **Rate of dividend or method of its calculation, periodicity and cumulative or non cumulative nature of payments.**
- 28.7. **If the voting rights attaching to the depository receipts are different from the voting rights disclosed in relation to the underlying shares disclose the following about those rights:**
- Voting rights.**
- Pre-emption rights in offers for subscription of securities of the same class.**
- Right to share in the issuer's profits.**
- Rights to share in any surplus in the event of liquidation.**
- Redemption provisions.**
- Conversion provisions.**
- 28.8. **Describe the exercise of and benefit from the rights attaching to the underlying shares, in particular voting rights, the conditions on which the issuer of the depository receipts may exercise such rights, and measures envisaged to obtain the instructions of the depository receipt holders - and the right to share in profits and any liquidation surplus which are not passed on to the holder of the depository receipt.**
- 28.9. **The expected issue date of the depository receipts.**
- 28.10. **A description of any restrictions on the free transferability of the depository receipts.**

28.11. In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:

(a) information on taxes on the income from the depository receipts withheld at source

(b) indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.

28.12. Bank or other guarantees attached to the depository receipts and intended to underwrite the issuer's obligations.

28.13. Possibility of obtaining the delivery of the depository receipts into original shares and procedure for such delivery.

29. INFORMATION ABOUT THE TERMS AND CONDITIONS OF THE OFFER OF THE DEPOSITORY RECEIPTS

29.1.

29.1.1. Total amount of the issue/offer, distinguishing the securities offered for sale and those offered for subscription; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer.

29.1.2. The time period, including any possible amendments, during which the offer will be open and description of the application process.

29.1.3. An indication of when, and under what circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.

29.1.4. A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.

29.1.5. Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).

29.1.6. An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.

29.1.7. Method and time limits for paying up the securities and for delivery of the securities.

29.1.8. A full description of the manner and date in which results of the offer are to be made public.

29.1.9. The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

29.2.

29.2.1. The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two

- or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.
- 29.2.2. To the extent known to the issuer, indicate whether major shareholders or members of the issuer's management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.
- 29.2.3. Pre-allotment Disclosure:
- 29.2.3.1. The division into tranches of the offer including the institutional, retail and issuer's employee tranches and any other tranches;
- 29.2.3.2. The conditions under which the claw-back may be used, the maximum size of such claw-back and any applicable minimum percentages for individual tranches;
- 29.2.3.3. The allotment method or methods to be used for the retail and issuer's employee tranche in the event of an over-subscription of these tranches;
- 29.2.3.4. A description of any pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups (including friends and family programmes) in the allotment, the percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such classes or groups.
- 29.2.3.5. Whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on the basis of which firm they are made through or by;
- 29.2.3.6. A target minimum individual allotment if any within the retail tranche;
- 29.2.3.7. The conditions for the closing of the offer as well as the date on which the offer may be closed at the earliest;
- 29.2.3.8. Whether or not multiple subscriptions are admitted, and where they are not, how any multiple subscriptions will be handled.
- 29.2.3.9. Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.
- 29.2.4. Over-allotment and 'green shoe':
- 29.2.4.1. The existence and size of any over-allotment facility and / or 'green shoe'.
- 29.2.4.2. The existence period of the over-allotment facility and / or 'green shoe'.
- 29.2.4.3. Any conditions for the use of the over-allotment facility or exercise of the 'green shoe'.
- 29.3.
- 29.3.1. An indication of the price at which the securities will be offered. When the price is not known or when there is not an established and/or liquid market for the securities, indicate the method for determination of the offer price, including who has set the criteria or is formally responsible for its determination. Indication of the amount of any expenses and taxes specifically charged to the subscriber or purchaser.

- 29.3.2. Process for the disclosure of the offer price.**
- 29.3.3 Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year, or which they have the right to acquire, include a comparison of the public contribution in the proposed public offer and the effective cash contributions of such persons.**
- 29.4.**
- 29.4.1. Name and address of the co-coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer, of the placers in the various countries where the offer takes place.**
- 29.4.2. Name and address of any paying agents and depository agents in each country.**
- 29.4.3. Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.**
- 29.4.4. When the underwriting agreement has been or will be reached.**
- 30. ADMISSION TO TRADING AND DEALING ARRANGEMENTS IN THE DEPOSITORY RECEIPTS**
- 30.1. An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading necessarily will be approved. If known, the earliest dates on which the securities will be admitted to trading must be given.**
- 30.2. All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.**
- 30.3. If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, details must be given of the nature of such operations and of the number and characteristics of the securities to which they relate.**
- 30.4. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.**

- 30.5. Stabilisation: where an issuer or a selling shareholder has granted an over-allotment option or it is otherwise proposed that price stabilising activities may be entered into in connection with an offer:**
- 30.6. The fact that stabilisation may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time,**
- 30.7. The beginning and the end of the period during which stabilisation may occur,**
- 30.8. The identity of the stabilisation manager for each relevant jurisdiction unless this is not known at the time of publication,**
- 30.9. The fact that stabilisation transactions may result in a market price that is higher than would otherwise prevail.**
- 31. ESSENTIAL INFORMATION ABOUT THE ISSUE OF THE DEPOSITORY RECEIPTS**
- 31.1.**
- 31.1.1. Reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed. Details must be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.**
- 31.2.**
- 31.2.1. A description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.**
- 31.3.**
- 31.3.1. Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".**
- 32. EXPENSE OF THE ISSUE/OFFER OF THE DEPOSITORY RECEIPTS**
- 32.1. The total net proceeds and an estimate of the total expenses of the issue/offer.**

ANNEX XI

Minimum Disclosure Requirements for the Banks Registration Document (schedule)

- 1. PERSONS RESPONSIBLE**
- 1.1. All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the**

latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

- 1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

- 2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).
- 2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.

3. RISK FACTORS

- 3.1. Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".

4. INFORMATION ABOUT THE ISSUER

- 4.1.
- 4.1.1. the legal and commercial name of the issuer;
- 4.1.2. the place of registration of the issuer and its registration number;
- 4.1.3. the date of incorporation and the length of life of the issuer, except where indefinite;
- 4.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);
- 4.1.5. Any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.

5. BUSINESS OVERVIEW

- 5.1.
- 5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;
- 5.1.2. An indication of any significant new products and/or activities.

5.1.3. A brief description of the principal markets in which the issuer competes.

5.1.4. The basis for any statements in the registration document made by the issuer regarding its competitive position.

6. ORGANISATIONAL STRUCTURE

6.1. If the issuer is part of a group, a brief description of the group and of the issuer's position within it.

6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.

7. TREND INFORMATION

7.1. Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements.

In the event that the issuer is unable to make such a statement, provide details of this material adverse change.

7.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

8. PROFIT FORECASTS OR ESTIMATES

If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information items 8.1 and 8.2:

8.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.

There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.

8.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:

- (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;
- (b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;
- (c) this financial information has not been audited.
- 8.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES
- 9.1. Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:
- (a) members of the administrative, management or supervisory bodies;
- (b) partners with unlimited liability, in the case of a limited partnership with a share capital.
- 9.2. Administrative, Management, and Supervisory bodies conflicts of interests
- Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.
10. MAJOR SHAREHOLDERS
- 10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.
- 10.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES
- 11.1. :
- Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover

at least 24 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

The most recent year's audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited. If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

- (a) the balance sheet;
- (b) the income statement;
- (c) in the case of an admission of securities to trading on a regulated market only, a cash flow statement;
- (d) the accounting policies and explanatory notes.

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

- 11.2. If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

11.3.

- 11.3.1.** A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.
- 11.3.2.** An indication of other information in the registration document which has been audited by the auditors.
- 11.3.3.** Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

11.4.

- 11.4.1.** The last year of audited financial information may not be older than 18 months from the date of the registration document.

11.5.

- 11.5.1** If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.
- 11.5.2.** If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is unaudited state that fact.

The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.

- 11.6.** Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.
- 11.7.** A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.
- 12.** A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.

13 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

13.1 Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.

13.2 Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the issuer shall identify the source(s) of the information.

14. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) The memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX XII

Minimum Disclosure Requirements for the Securities Note for derivative securities (schedule)

1 PERSONS RESPONSIBLE

1.1. All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

1.2. A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 RISK FACTORS

Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "risk factors". This must include a risk warning to the effect that investors may lose the value of their entire investment or part of it, as the case may be, and/or, if the investor's liability is not limited to the value of his investment, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect.

3 ESSENTIAL INFORMATION

3.1. A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest.

3.2. when different from making profit and/or hedging certain risks.

If reasons for the offer and use of proceeds are disclosed provide the total net proceeds and an estimate of the total expenses of the issue/offer.

4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING

4.1

4.1.1. A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.

4.1.2 A clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument (s), especially under the circumstances when the risks are most evident unless the securities have a denomination per unit of at least EUR 100 000 or can only be acquired for at least EUR 100 000 per security.

4.1.3 Legislation under which the securities have been created.

4.1.4 An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

- 4.1.5** Currency of the securities issue.
- 4.1.6** Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.
- 4.1.7** A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.
- 4.1.8** In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.
- 4.1.9** The issue date of the securities.
- 4.1.10** A description of any restrictions on the free transferability of the securities.
- 4.1.11** - The expiration or maturity date of the derivative securities
- The exercise date or final reference date
- 4.1.12** A description of the settlement procedure of the derivative securities.
- 4.1.13** A description of how any return on derivative securities takes place, the payment or delivery date, and the way it is calculated.
- 4.1.14** In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:
- (a) Information on taxes on the income from the securities withheld at source,
- (b) Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.
- 4.2**
- 4.2.1** The exercise price or the final reference price of the underlying.

4.2.2 A statement setting out the type of the underlying and details of where information on the underlying can be obtained

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained

- where the underlying is a security:

- the name of the issuer of the security**
- the ISIN (International Security Identification Number) or other such security identification code**

- where the underlying is an index:

- the name of the index .**
- a description of the index if it is composed by the issuer or by any legal entity belonging to the same group.**
- a description of the index provided by a legal entity or a natural person acting in association with, or on behalf of, the issuer, unless the prospectus contains the following statements:**

- the complete set of rules of the index and information on the performance of the index are freely accessible on the issuer's or on the index provider's website;

and

- the governing rules (including methodology of the index for the selection and the re-balancing of the components of the index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria.

If the index is not composed by the issuer, where information about the index can be obtained. • a description of the index provided by a legal entity or a natural person acting in association with, or on behalf of, the issuer, unless the prospectus contains the following statements:

- where the underlying is an interest rate:

- a description of the interest rate**

- others

Where the underlying does not fall within the categories specified above the securities note shall contain equivalent information.

- where the underlying is a basket of underlyings:
 - disclosure of the relevant weightings of each underlying in the basket
- 4.2.3 A description of any market disruption or settlement disruption events that affect the underlying.
- 4.2.4 Adjustment rules with relation to events concerning the underlying.
- 5. **TERMS AND CONDITIONS OF THE OFFER**
 - 5.1
 - 5.1.1 Conditions to which the offer is subject.
 - 5.1.2 Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the amount of the offer.
 - 5.1.3 The time period, including any possible amendments, during which the offer will be open and description of the application process.
 - 5.1.4 Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest).
 - 5.1.5 Method and time limits for paying up the securities and for delivery of the securities.
 - 5.1.6 A full description of the manner and date in which results of the offer are to be made public.
 - 5.2
 - 5.2.1 The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.
 - 5.2.2 Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.
 - 5.3. Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.
 - 5.4.
 - 5.4.1 Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.
 - 5.4.2 Name and address of any paying agents and depository agents in each country.
 - 5.4.3 Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Where not all of the issue is underwritten, a statement of the portion not covered.

- 5.4.4. When the underwriting agreement has been or will be reached.
- 5.4.5 Name and address of a calculation agent.
- 6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**
- 6.1 An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance shall be mentioned, without creating the impression that the admission to trading necessarily will be approved. If known, the earliest dates on which the securities will be admitted to trading shall be given.
- 6.2 All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.
- 6.3 Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.
- 7. ADDITIONAL INFORMATION**
- 7.1. If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.
- 7.2. An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.
- 7.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest, if any, in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note.
- 7.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.
- 7.5. An indication in the prospectus whether or not the issuer intends to provide post issuance information. Where the issuer has indicated that it intends to report such information, the issuer shall specify in the prospectus what information will be reported and where such information can be obtained.

ANNEX XIII

Minimum Disclosure Requirements for the Securities Note for debt securities
with a denomination per unit of at least EUR 100 000

(Schedule)

1 PERSONS RESPONSIBLE

1.1 All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

1.2 A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 RISK FACTORS

Prominent disclosure of risk factors that are material to the securities admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".

3. ESSENTIAL INFORMATION

A description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest.

4 INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

4.1 Total amount of securities being admitted to trading.

4.2 A description of the type and the class of the securities being admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.

4.3 Legislation under which the securities have been created.

4.4 An indication of whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

4.5 Currency of the securities issue.

4.6 Ranking of the securities being admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.

- 4.7** A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.
- 4.8** The nominal interest rate and provisions relating to interest payable:
- the date from which interest becomes payable and the due dates for interest,
 - the time limit on the validity of claims to interest and repayment of principal.
- Where the rate is not fixed, a statement setting out the type of underlying and a description of the underlying on which it is based and of the method used to relate the underlying and the rate:
- a description of any market disruption or settlement disruption events that affect the underlying,
 - adjustment rules with relation to events concerning the underlying,
 - name of the calculation agent.
- 4.9** Maturity date and arrangements for the amortization of the loan, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it must be described, stipulating amortization terms and conditions.
- 4.10** An indication of yield.
- 4.11** Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where investors may have access to the contracts relating to these forms of representation.
- 4.12** A statement of the resolutions, authorisations and approvals by virtue of which the securities have been created and/or issued.
- 4.13** The issue date of the securities.
- 4.14** A description of any restrictions on the free transferability of the securities.
- 5** **ADMISSION TO TRADING AND DEALING ARRANGEMENTS**
- 5.1** Indication of the market where the securities will be traded and for which prospectus has been published. If known, give the earliest dates on which the securities will be admitted to trading.
- 5.2** Name and address of any paying agents and depository agents in each country.
- 6** **EXPENSE OF THE ADMISSION TO TRADING**
- An estimate of the total expenses related to the admission to trading.
- 7** **ADDITIONAL INFORMATION**

- 7.1** If advisors are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.
- 7.2** An indication of other information in the Securities Note which has been audited or reviewed by auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.
- 7.3** Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note.
- 7.4** Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
- 7.5** Credit ratings assigned to an issuer or its debt securities at the request or with the co-operation of the issuer in the rating process.

ANNEX XIV

Additional information building block on underlying share for some equity securities

- 1.** Description of the underlying share
- 1.1** Describe the type and the class of the shares
- 1.2** Legislation under which the shares have been or will be created
- 1.3** Indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records
- 1.4** Indication of the currency of the shares issue

- 1.5** A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of those rights
- Dividend rights:
 - Fixed date(s) on which the entitlement arises,
 - Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,
 - Dividend restrictions and procedures for non resident holders,
 - Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.
 - Voting rights.
 - Pre-emption rights in offers for subscription of securities of the same class.
 - Right to share in the issuer's profits.
 - Rights to share in any surplus in the event of liquidation.
 - Redemption provisions
 - Conversion provisions
- 1.6** In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the shares have been or will be created and/or issued and indication of the issue date
- 1.7** Where and when the shares will be or have been admitted to trading
- 1.8** Description of any restrictions on the free transferability of the shares
- 1.9** Indication of the existence of any mandatory takeover bids/or squeeze-out and sell-out rules in relation to the shares
- 1.10** Indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated
- 1.11** Impact on the issuer of the underlying share of the exercise of the right and potential dilution effect for the shareholders
- 2.** When the issuer of the underlying is an entity belonging to the same group, the information to provide on this issuer is the one required by the share Registration Document schedule.

Minimum disclosure requirements for the registration document for securities issued by collective investment undertakings of the closed-end type (schedule)

In addition to the information required in this schedule, the collective investment undertaking must provide the following information as required under paragraphs and items 1, 2, 3, 4, 5.1, 7, 9.1, 9.2.1, 9.2.3, 10.4, 13, 14, 15, 16, 17.2, 18, 19, 20, 21, 22, 23, 24, 25 in annex I (minimum disclosure requirements for the share Registration Document schedule).

1.0 Investment Objective and Policy

1.1. A detailed description of the investment objective and policy which the collective investment undertaking will pursue and a description of how that investment objective and policy may be varied including any circumstances in which such variation requires the approval of investors. A description of any techniques and instruments that may be used in the management of the collective investment undertaking.

1.2 The borrowing and/or leverage limits of the collective investment undertaking. If there are no such limits, include a statement to that effect.

1.3 The regulatory status of the collective investment undertaking together with the name of any regulator in its country of incorporation.

1.4 The profile of a typical investor for whom the collective investment undertaking is designed.

2. Investment Restrictions

2.1 A statement of the investment restrictions which apply to the collective investment undertaking, if any, and an indication of how the holders of securities will be informed of the actions that the investment manager will take in the event of a breach.

2.2 Where more than 20% of the gross assets of any collective investment undertaking (except where items 2.3 or 2.5 apply) may be:

(a) invested in, either directly or indirectly, or lent to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates); or

(b) invested in one or more collective investment undertakings which may invest in excess of 20% of its gross assets in other collective investment undertakings (open-end and/or closed-end type); or

(c) exposed to the creditworthiness or solvency of any one counterparty (including its subsidiaries or affiliates);

the following information must be disclosed:

(i) information relating to each underlying issuer/collective investment undertaking/counterparty as if it were an issuer for the purposes of the minimum disclosure requirements for the share Registration Document schedule (in the case of (a)) or minimum disclosure requirements for the

registration document schedule for securities issued by collective investment undertaking of the closed-end type (in the case of (b)) or the minimum disclosure requirements for the debt and derivative securities with an individual denomination per unit of at least EUR 100 000 Registration Document schedule (in the case of (c)); or

(ii) if the securities issued by the underlying issuer/collective investment undertaking/counterparty have already been admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.

This requirement shall not apply where the 20% is exceeded due to appreciations or depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, provided the investment manager has regard to the threshold when considering changes in the investment portfolio.

2.3 Where a collective investment undertaking may invest in excess of 20% of its gross assets in other collective investment undertakings (open ended and/or closed ended), a description of if and how risk is spread in relation to those investments. In addition, item 2.2 shall apply, in aggregate, to its underlying investments as if those investments had been made directly.

2.4. With reference to point (c) of item 2.2 , if collateral is advanced to cover that portion of the exposure to any one counterparty in excess of 20% of the gross assets of the collective investment undertaking, details of such collateral arrangements.

2.5 Where a collective investment undertaking may invest in excess of 40% of its gross assets in another collective investment undertaking either of the following must be disclosed:

(a) information relating to each underlying collective investment undertaking as if it were an issuer under minimum disclosure requirements for the registration document schedule for securities issued by collective investment undertaking of the closed-end type;

(b) if securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.

2.6 Physical Commodities

Where a collective investment undertaking invests directly in physical commodities a disclosure of that fact and the percentage that will be so invested.

2.7. Property Collective investment undertakings.

Where a collective investment undertaking is a property collective investment undertaking, disclosure of that fact, the percentage of the portfolio that is to be invested in the property, as well as a description of the property and any material costs relating to the acquisition and holding of such property. In addition, a valuation report relating to the properties must be included.

Disclosure of item 4.1. applies to:

(a) the valuation entity;

(b) any other entity responsible for the administration of the property.

2.8 Derivatives Financial instruments/Money Market Instruments/Currencies

Where a collective investment undertaking invests in derivatives financial instruments, money market instruments or currencies other than for the purposes of efficient portfolio management (i.e. solely for the purpose of reducing, transferring or eliminating investment risk in the underlying investments of a collective investment undertaking, including any technique or instrument used to provide protection against exchange and credit risks), a statement whether those investments are used for hedging or for investment purposes, and a description of if and how risk is spread in relation to those investments.

2.9. Item 2.2 does not apply to investment in securities issued or guaranteed by a government, government agency or instrumentality of any Member State, its regional or local authorities, or OECD Member State.

2.10. Point (a) of item 2.2 does not apply to a collective investment undertaking whose investment objective is to track, without material modification, that of a broadly based and recognised published index. A statement setting out details of where information about the index can be obtained shall be included .

3 The applicant's service providers

3.1. The actual or estimated maximum amount of all material fees payable directly or indirectly by the collective investment undertaking for any services under arrangements entered into on or prior to the date of the registration document and a description of how these fees are calculated.

3.2. A description of any fee payable directly or indirectly by the collective investment undertaking which cannot be quantified under item 3.1 and which is or may be material.

- 3.3.** If any service provider to the collective investment undertaking is in receipt of any benefits from third parties (other than the collective investment undertaking) by virtue of providing any services to the collective investment undertaking, and those benefits may not accrue to the collective investment undertaking, a statement of that fact, the name of that third party, if available, and a description of the nature of the benefits.
- 3.4.** The name of the service provider which is responsible for the determination and calculation of the net asset value of the collective investment undertaking.
- 3.5.** A description of any material potential conflicts of interest which any of the service providers to the collective investment undertaking may have as between their duty to the collective investment undertaking and duties owed by them to third parties and their other interests. A description of any arrangements which are in place to address such potential conflicts.
- 4.** Investment Manager/ Advisers
- 4.1.** In respect of any Investment Manager such information as is required to be disclosed under items 5.1.1 to 5.1.4 and, if material, under item 5.1.5 of Annex I together with a description of its regulatory status and experience.
- 4.2.** In respect of any entity providing investment advice in relation to the assets of the collective investment undertaking, the name and a brief description of such entity.
- 5.** Custody
- 5.1.** A full description of how the assets of the collective investment undertaking will be held and by whom and any fiduciary or similar relationship between the collective investment undertaking and any third party in relation to custody:
- Where a custodian, trustee, or other fiduciary is appointed**
- (a)** such information as is required to be disclosed under items 5.1.1 to 5.1.4 and, if material, under item 5.1.5 of Annex I;
- (b)** a description of the obligations of such party under the custody or similar agreement;
- (c)** any delegated custody arrangements;
- (d)** the regulatory status of such party and delegates.
- 5.2.** Where any entity other than those entities mentioned in item 5.1, holds any assets of the collective investment undertaking, a description of how these assets are held together with a description of any additional risks.
- 6.** Valuation

- 6.1.** A description of how often, and the valuation principles and the method by which, the net asset value of the collective investment undertaking will be determined, distinguishing between categories of investments and a statement of how such net asset value will be communicated to investors.
- 6.2.** Details of all circumstances in which valuations may be suspended and a statement of how such suspension will be communicated or made available to investors.
- 7** Cross Liabilities
- 7.1.** In the case of an umbrella collective investment undertaking, a statement of any cross liability that may occur between classes or investments in other collective investment undertakings and any action taken to limit such liability.
- 8.** Financial Information
- 8.1.** Where, since the date of incorporation or establishment, a collective investment undertaking has not commenced operations and no financial statements have been made up as at the date of the registration document, a statement to that effect.
- Where a collective investment undertaking has commenced operations, the provisions of item 20 of Annex I on the Minimum Disclosure Requirements for the share Registration Document apply.
- 8.2.** A comprehensive and meaningful analysis of the collective investment undertaking's portfolio (if un-audited, clearly marked as such).
- 8.3.** An indication of the most recent net asset value per security must be included in the securities note schedule (and, if un-audited, clearly marked as such).

ANNEX XVI

Minimum Disclosure Requirements for the Registration Document for securities issued by Member States, third countries and their regional and local authorities (schedule)

- 1.** PERSONS RESPONSIBLE
- 1.1** All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
- 1.2** A declaration by those responsible for the Registration Document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible

for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 RISK FACTORS

Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".

3. INFORMATION ABOUT THE ISSUER

3.1. the legal name of the issuer and a brief description of the issuer's position within the national governmental framework

3.2. the domicile or geographical location and legal form of the issuer and its contact address and telephone number;

3.3. any recent events relevant to the evaluation of the issuer's solvency.

3.4. a description of the issuer's economy including:

(a) the structure of the economy with details of the main sectors of the economy,

(b) gross domestic product with a breakdown by the issuer's economic sectors over for the previous two fiscal years.

3.5. a general description of the issuer's political system and government including details of the governing body of the issuer.

4. PUBLIC FINANCE AND TRADE

Information on the following for the two fiscal years prior to the date of the registration document:

(a) the tax and budgetary systems,

(b) gross public debt including a summary of the debt, the maturity structure of outstanding debt (particularly noting debt with a residual maturity of less than one year) and debt payment record, and of the parts of debt denominated in the domestic currency of the issuer and in foreign currencies,

(c) foreign trade and balance of payment figures,

(d) foreign exchange reserves including any potential encumbrances to such foreign exchange reserves as forward contracts or derivatives,

(e) financial position and resources including liquid deposits available in domestic currency,

(f) income and expenditure figures,

Description of any auditing or independent review procedures on the accounts of the issuer.

5. SIGNIFICANT CHANGE

5.1. Details of any significant changes to the information provided pursuant to item 4 which have occurred since the end of the last fiscal year, or an appropriate negative statement.

6. LEGAL AND ARBITRATION PROCEEDINGS

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer financial position, or provide an appropriate negative statement.

6.2 Information on any immunity the issuer may have from legal proceedings.

7. STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address and qualifications. If the report has been produced at the issuer's request a statement to that effect, that such statement or report is included, in the form and context in which it is included, with the consent of that person, who has authorised the contents of that part of the registration document.

To the extent known to the issuer, provide information in respect of any interest relating to such expert which may have an effect on the independence of the expert in the preparation of the report.

8. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) financial and audit reports for the issuer covering the last two fiscal years and the budget for the current fiscal year;

(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX XVII

Minimum Disclosure Requirements for the Registration Document for securities issued by Public International Bodies and for debt securities guaranteed by a member state of the OECD (schedule)

1. PERSONS RESPONSIBLE

- 1.1 All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts.**

In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

- 1.2 A declaration by those responsible for the Registration Document, that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to materially affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.**

2. RISK FACTORS

Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".

3. INFORMATION ABOUT THE ISSUER

- 3.1 The legal name of the issuer and a brief description of the issuer's legal status;**
- 3.2 the location of the principal office and the legal form of the issuer and its contact address and telephone number;**
- 3.3 details of the governing body of the issuer and a description of its governance arrangements, if any;**
- 3.4 a brief description of the issuer's purpose and functions;**
- 3.5 the sources of funding, guarantees and other obligations owed to the issuer by its members;**
- 3.6 any recent events relevant to the evaluation of the issuer's solvency;**
- 3.7 a list of the issuer's members.**

4. FINANCIAL INFORMATION

- 4.1 The two most recently published audited annual financial statements prepared in accordance with the accounting and auditing principles**

adopted by the issuer, and a brief description of those accounting and auditing principles.

Details of any significant changes to the issuer's financial position which has occurred since the end of the latest published audited annual financial statement, or an appropriate negative statement.

5. LEGAL AND ARBITRATION PROCEEDINGS

5.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which are likely to have, or have had in the recent past, significant effects on the issuer's financial position, or provide an appropriate negative statement.

5.2 Information on any immunity the issuer may have from legal proceedings pursuant to its constituent document.

6. STATEMENT BY EXPERTS AND DECLARATION OF ANY INTERESTS

Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address and qualifications. If the report has been produced at the issuer's request a statement to that effect, that such statement or report is included, in the form and context in which it is included, with the consent of that person.

To the extent known to the issuer, provide information in respect of any conflict of interests relating to such expert which may have an effect on the independence of the expert in the preparation of the report.

7. DOCUMENTS ON DISPLAY

A statement that for the life of the Registration Document the following documents (or copies thereof), where applicable, will be made available on request:

(a) annual and audit reports of the issuer for each of the last two financial years prepared in accordance with the accounting and auditing principles adopted by the issuer;

(b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;

(c) the issuer's constituent document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX XVIII

Table of combinations

ANNEX XVIII	REGISTRATION DOCUMENT					
	Schedules					Build- ing block
TYPES OF SECURITIES	SHARE	DEBT AND DERIVA- TIVE (EUR 100 000)	DEBT AND DERIVA- TIVE (EUR 100 000)	ASSET BACKED SEC.	BANKS DEBT AND DERIVA- TIVE	PUB FOR- MA IN- FOR- MA- TION
Shares (preference shares, redeemable shares, shares with preferential subscription rights; etc...)						
Bonds (vanilla bonds, income bonds, structured bonds, etc...) with a denomination of less than EUR 100 000		OR			OR	
Bonds (vanilla bonds, income bonds, structured bonds, etc...) with a denomination of at least EUR 100 000			OR		OR	
Debt securities guaranteed by a third party		OR	OR		OR	
Derivative sec. guaranteed by a third party		OR	OR		OR	
Asset backed securities						

ANNEX XVIII	REGISTRATION DOCUMENT					
	Schedules					Build- ing block
TYPES OF SECURITIES	SHARE	DEBT AND DERIVATIVE (< EUR 100 000)	DEBT AND DERIVATIVE (> OR = EUR 100 000)	ASSET BACKED SEC.	BANKS DEBT AND DERIVATIVE	PUB FOR-MA IN-FOR-MATION
Bonds exchangeable or convertible into third party shares or issuers' or group shares which are admitted on a regulated market		OR	OR		OR	
Bonds exchangeable or convertible into the issuer's shares not admitted on a regulated market						
Bonds exchangeable or convertible into group's shares not admitted on a regulated market		OR	OR		OR	
Bonds with warrants to acquire the issuer's shares not admitted to trading on a regulated market						
Shares with warrants to acquire the issuer's shares not admitted to trading on a regulated market						

ANNEX XVIII	REGISTRATION DOCUMENT					
	Schedules					Build- ing block
TYPES OF SECURITIES	SHARE	DEBT AND DERIVATIVE (< EUR 100 000)	DEBT AND DERIVATIVE (> OR = EUR 100 000)	ASSET BACKED SEC.	BANKS DEBT AND DERIVATIVE	PUB FOR-MA IN-FOR-MA-TION
Derivatives sec. giving the right to subscribe or to acquire the issuer's shares not admitted on a regulated market						
Derivatives sec. giving the right to acquire group's shares not admitted on a regulated market		OR	OR		OR	
Derivatives sec. giving the right to subscribe or to acquire issuer's or group shares which are admitted on a regulated market and derivatives sec. linked to any other underlying than issuer's or group shares which are not admitted on a regulated market (including any derivatives sec. entitling to cash settlement)		OR	OR		OR	

ANNEX XVIII	REGISTRATION DOCUMENT		
	SCHEDULES		
TYPES OF SECURITIES	COLLECTIVE INVESTMENT UNDERTAKING OF THE CLOSED-END TYPE	STATES AND THEIR REGIONAL AND LOCAL AUTHORITIES	PUBLIC INTERNATIONAL BODIES/Debt securities guaranteed by a member state of the OECD
Shares (preference shares, redeemable shares, shares with preferential subscription rights; etc...)			
Bonds (vanilla bonds, income bonds, structured bonds, etc with a denomination of less than EUR 100 000			
Bonds (vanilla bonds, income bonds, structured bonds, etc) with a denomination of at least EUR 100 000			
Debt securities guaranteed by a third party			
Derivative sec. guaranteed by a third party			
Asset backed securities			
Bonds exchangeable or convertible into third party shares or issuers' or group shares which are admitted on a regulated market			
Bonds exchangeable or convertible into the issuer's shares not admitted on a regulated market			

ANNEX XVIII	REGISTRATION DOCUMENT		
	SCHEDULES		
TYPES OF SECURITIES	COLLECTIVE INVESTMENT UNDERTAKING OF THE CLOSED-END TYPE	STATES AND THEIR REGIONAL AND LOCAL AUTHORITIES	PUBLIC INTERNATIONAL BODIES/Debt securities guaranteed by a member state of the OECD
Bonds exchangeable or convertible into group's shares not admitted on a regulated market			
Bonds with warrants to acquire the issuer's shares not admitted to trading on a regulated market			
Shares with warrants to acquire the issuer's shares not admitted to trading on a regulated market			
Derivatives sec. giving the right to subscribe or to acquire the issuer's shares not admitted on a regulated market			
Derivatives sec. giving the right to acquire group's shares not admitted on a regulated market			
Derivatives sec. giving the right to subscribe or to acquire issuer's or group shares which are admitted on a regulated market and derivatives sec. linked			

ANNEX XVIII	REGISTRATION DOCUMENT		
	SCHEDULES		
TYPES OF SECURITIES	COLLECTIVE INVESTMENT UNDERTAKING OF THE CLOSED-END TYPE	STATES AND THEIR REGIONAL AND LOCAL AUTHORITIES	PUBLIC INTERNATIONAL BODIES/Debt securities guaranteed by a member state of the OECD
to any other underlying than issuer's or group shares which are not admitted on a regulated market (including any derivatives sec. entitling to cash settlement)			

ANNEX XVIII	SECURITIES NOTE						
	SCHEDULES				ADDITIONAL BUILDING BLOCKS		
TYPES OF SECURITIES	SHARE	DEBT (< EUR 100 000)	DEBT (> or = EUR 100 000)	DERIVATIVES SEC.	GUARANTEES	ASSET BACKED SEC.	UNDERLYING SHARE
Shares (preference shares, redeemable shares, shares with preferential subscription rights; etc...)							
Bonds (vanilla bonds, income bonds, structured bonds, etc with a denomination of							

ANNEX XVIII	SECURITIES NOTE						
	SCHEDULES				ADDITIONAL BUILDING BLOCKS		
TYPES OF SECURITIES	SHARE	DEBT (< EUR 100 000)	DEBT (> or = EUR 100 000)	DERIVATIVES SEC.	GUARANTEES	ASSET BACKED SEC.	UNDERLYING SHARE
less than EUR 100 000							
Bonds (vanilla bonds, income bonds, structured bonds, etc) with a denomination of at least EUR 100 000							
Debt securities guaranteed by a third party		OR	OR				
Derivative sec. guaranteed by a third party							
Asset backed securities		OR	OR				
Bonds exchangeable or convertible into third party shares or issuers' or group shares which are admitted on a regulated market		OR	OR	only item 4.2.2			
Bonds exchangeable or convertible into the issuer's		OR	OR				

ANNEX XVIII	SECURITIES NOTE						
	SCHEDULES				ADDITIONAL BUILD- ING BLOCKS		
TYPES OF SECURITIES	SHARE	DEBT (EUR 100 000)	DEBT (> or = EUR 100 000)	DERIVA- TIVES SEC.	GUAR- AN- TEES	AS- SET BACKED SEC.	UN- DER- LY- ING SHARE
shares not ad- mitted on a regulated market							
Bonds ex- changeable or convertible in- to group's shares not ad- mitted on a regulated market		OR	OR				
Bonds with warrants to acquire the is- suer's shares not admitted to trading on a regulated market		OR	OR	AND except item 4.2.2			
Shares with warrants to acquire the is- suer's shares not admitted to trading on a regulated market				AND except item 4.2.2			
Derivatives sec. giving the right to sub- scribe or to ac- quire the is- suer's shares				except item 4.2.2			

ANNEX XVIII	SECURITIES NOTE						
	SCHEDULES				ADDITIONAL BUILDING BLOCKS		
TYPES OF SECURITIES	SHARE	DEBT (< EUR 100 000)	DEBT (> or = EUR 100 000)	DERIVATIVES SEC.	GUARANTEES	ASSET BACKED SEC.	UNDERLYING SHARE
not admitted on a regulated market							
Derivatives sec. giving the right to acquire group's shares not admitted on a regulated market				except item 4.2.2			
Derivatives sec. giving the right to subscribe or to acquire issuer's or group shares which are admitted on a regulated market and derivatives sec. linked to any other underlying than issuer's or group shares which are not admitted on a regulated market (including any derivatives sec. entitling to cash settlement)							

ANNEX XIX LIST OF SPECIALIST ISSUERS

- Property companies
- Mineral companies
- Investment companies
- Scientific research based companies
- Companies with less than three years of existence (start-up companies)
- Shipping companies.

ANNEX XX

List of securities note schedules and building block(s)

	ANNEX V	INSTRUCTIONS
1.	PERSONS RESPONSIBLE	
1.1.	All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	Category A
1.2.	A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	Category A
2.	RISK FACTORS	
2.1.	Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed 'Risk Factors'.	Category A
3.	ESSENTIAL INFORMATION	
3.1.	Interest of natural and legal persons involved in the issue/offer	

	A description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.	Category C
3.2.	Reasons for the offer and use of proceeds	
	Reasons for the offer if different from making profit and/or hedging certain risks. Where applicable, disclosure of the estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds shall be broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed.	Category C
4.	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING	
4.1.	(i) A description of the type and the class of the securities being offered and/or admitted to trading,	Category B
	(ii) the ISIN (International Security Identification Number) or other such security identification code.	Category C
4.2.	Legislation under which the securities have been created	Category A
4.3.	(i) An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form.	Category A
	(ii) In the latter case, name and address of the entity in charge of keeping the records.	Category C
4.4.	Currency of the securities issue	Category C
4.5.	Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.	Category A
4.6.	A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.	Category B
4.7.	(i) Nominal interest rate	Category C
	(ii) Provisions relating to interest payable	Category B
	(iii) The date from which interest becomes payable	Category C
	(iv) The due dates for interest	Category C

	(v) The time limit on the validity of claims to interest and repayment of principal	Category B
	Where the rate is not fixed,	
	(vi) statement setting out the type of underlying	Category A
	(vii) description of the underlying on which it is based	Category C
	(viii) and of the method used to relate the two	Category B
	(ix) an indication where information about the past and the further performance of the underlying and its volatility can be obtained	Category C
	(x) Description of any market disruption or settlement disruption events that affect the underlying	Category B
	(xi) Adjustment rules with relation to events concerning the underlying	Category B
	(xii) Name of the calculation agent	Category C
	(xiii) If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.	Category B
4.8.	(i) maturity date	Category C
	(ii) arrangements for the amortisation of the loan, including the repayment procedures. Where advance amortisation is contemplated, on the initiative of the issuer or of the holder, it shall be described, stipulating amortisation terms and conditions	Category B
4.9.	(i) An indication of yield	Category C
	(ii) Describe the method whereby that yield is calculated in summary form.	Category B
4.10.	Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation.	Category B
4.11.	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.	Category C

- 4.12. In the case of new issues, the expected issue date of the securities. **Category C**
- 4.13. A description of any restrictions on the free transferability **Category A**
- 4.14. In respect of the country of registered office of the issuer and the country(ies) where the offer being made or admission to trading is being sought: **Category A**
- information on taxes on the income from the securities withheld at source
 - indication as to whether the issuer assumes responsibility for the withholding of taxes at source
5. **TERMS AND CONDITIONS OF THE OFFER**
- 5.1. Conditions, offer statistics, expected timetable and action required to apply for the offer
- 5.1.1. Conditions to which the offer is subject **Category C**
- 5.1.2. Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer. **Category C**
- 5.1.3. (i) The time period, including any possible amendments, during which the offer will be open **Category C**
- Category C**
- (ii) description of the application process.
- 5.1.4. A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants. **Category C**
- 5.1.5. Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest) **Category C**
- 5.1.6. Method and time limits for paying up the securities and for delivery of the securities **Category C**
- 5.1.7. A full description of the manner and date in which results of the offer are to be made public. **Category C**
- 5.1.8. The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised **Category C**
- 5.2. Plan of distribution and allotment
- 5.2.1. (i) The various categories of potential investors to which the securities are offered **Category A**
- (ii) If the offer is being made simultaneously in the markets of two or more countries and if a tranche **Category C**

- has been or is being reserved for certain of these, indicate any such tranche.
- 5.2.2. **Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made** Category C
- 5.3. **Pricing**
- 5.3.1. (i) **An indication of the expected price at which the securities will be offered or** Category C
- (ii) **the method of determining the price and the process for its disclosure** Category B
- (iii) **Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.** Category C
- 5.4. **Placing and Underwriting**
- 5.4.1. **Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.** Category C
- 5.4.2. **Name and address of any paying agents and depository agents in each country** Category C
- 5.4.3. **Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.** Category C
- 5.4.4. **When the underwriting agreement has been or will be reached.** Category C
6. **ADMISSION TO TRADING AND DEALING ARRANGEMENTS**
- 6.1. (i) **An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved.** Category B
- (ii) **If known, give the earliest dates on which the securities will be admitted to trading** Category C

- 6.2. All regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading **Category C**
- 6.3. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment. **Category C**
7. **ADDITIONAL INFORMATION**
- 7.1. If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted. **Category C**
- 7.2. An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report **Category A**
- 7.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note. **Category A**
- 7.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information. **Category C**
- 7.5. (i) Credit ratings assigned to an issuer at the request or with the co-operation of the issuer in the rating process and brief explanation of the meaning of the rating if this has previously been published by the rating provider **Category A**
- (ii) Credit ratings assigned to securities at the request or with the co-operation of the issuer in the rating process and brief explanation of the meaning **Category C**

of the rating if this has previously been published by the rating provider

ANNEX XII

INSTRUCTIONS

1. **PERSONS RESPONSIBLE**
 - 1.1. All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office. **Category A**
 - 1.2. A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. **Category A**
2. **RISK FACTORS**
 - 2.1. Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed 'risk factors'. This must include a risk warning to the effect that investors may lose the value of their entire investment or part of it, as the case may be, and/or, if the investor's liability is not limited to the value of his investment, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect **Category A**
3. **ESSENTIAL INFORMATION**
 - 3.1. Interest of natural and legal persons involved in the issue/offer

A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest **Category C**

- 3.2. Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks**
- If reasons for the offer and use of proceeds are disclosed provide the total net proceeds and an estimate of the total expenses of the issue/offer. **Category C**
- 4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING**
- 4.1. Information concerning the securities**
- 4.1.1. (i) A description of the type and the class of the securities being offered and/or admitted to trading, (ii) the ISIN (International Security Identification Number) or other such security identification code.** **Category B**
- 4.1.2. A clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident unless the securities have a denomination per unit of at least EUR 100 000 or can only be acquired for at least EUR 100 000 per security.** **Category B**
- 4.1.3. Legislation under which the securities have been created.** **Category A**
- 4.1.4. (i) An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form.** **Category A**
- (ii) In the latter case, name and address of the entity in charge of keeping the records.** **Category C**
- 4.1.5. Currency of the securities issue** **Category C**
- 4.1.6. Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.** **Category A**
- 4.1.7. A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of said rights.** **Category B**
- 4.1.8. In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.** **Category C**

4.1.9.	The issue date of the securities	Category C
4.1.10	A description of any restrictions on the free transferability of the securities	Category A
4.1.11	(i) The expiration date of the derivative securities	Category C
	(ii) The exercise date or final reference date	Category C
4.1.12.	A description of the settlement procedure of the derivative securities	Category B
4.1.13.	(i) A description of how any return on derivative securities takes place [see footnote in Regulation (EU) No. 486/2012]	Category B Category C
	(ii) the payment or delivery date	Category B
	(iii) the way it is calculated	
4.1.14	In respect of the country of registered office of the issuer and the country(ies) where the offer being made or admission to trading is being sought:	Category A
	• information on taxes on the income from the securities withheld at source	
	• indication as to whether the issuer assumes responsibility for the withholding of taxes at source	
4.2.	Information concerning the underlying	
4.2.1.	The exercise price or the final reference price of the underlying	Category C
4.2.2	A statement setting out the type of the underlying	Category A
	an indication where information about the past and the further performance of the underlying and its volatility can be obtained	Category C
	(i) where the underlying is a security	
	• the name of the issuer of the security	Category C
	• the ISIN (international security identification number) or other such security identification code	Category C
	(ii) where the underlying is an index:	
	• the name of the index.	Category C
	• a description of the index if it is composed by the issuer or by any legal entity belonging to the same group .	Category A
	• a description of the index provided by a legal entity or a natural person acting in association with, or	Category A

on behalf of, the issuer, unless the prospectus contains the following statements:

- the complete set of rules of the index and information on the performance of the index are freely accessible on the issuer's or on the index provider's website;

and

- the governing rules (including methodology of the index for the selection and the re-balancing of the components of the index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria.

• if the index is not composed by the issuer, an indication of where to obtain information about the index. **Category C**

(iii) where the underlying is an interest rate

• a description of the interest rate **Category C**

(iv) others

• Where the underlying does not fall within the categories specified above the securities note shall contain equivalent information. **Category C**

(v) where the underlying is a basket of underlyings

• disclosure of the relevant weightings of each underlying in the basket **Category C**

4.2.3. A description of any market disruption or settlement disruption events that affect the underlying **Category B**

4.2.4. Adjustment rules with relation to events concerning the underlying. **Category B**

5. TERMS AND CONDITIONS OF THE OFFER

5.1. Conditions, offer statistics, expected timetable and action required to apply for the offer

5.1.1. Conditions to which the offer is subject **Category C**

5.1.2. Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer. **Category C**

5.1.3. (i) The time period, including any possible amendments, during which the offer will be open **Category C**

(ii) description of the application process. **Category C**

- 3
- 5.1.4. Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest) Category C
- 5.1.5. Method and time limits for paying up the securities and for delivery of the securities Category C
- 5.1.6. A full description of the manner and date in which results of the offer are to be made public. Category C
- 5.2. Plan of distribution and allotment
- 5.2.1. (i) The various categories of potential investors to which the securities are offered Category A
- (ii) If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche. Category C
- 5.2.2. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made Category C
- 5.3. Pricing
- 5.3.1. (i) An indication of the expected price at which the securities will be offered or Category C
- (ii) the method of determining the price and the process for its disclosure Category B
- (iii) indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser. Category C
- 5.4. Placing and Underwriting
- 5.4.1. Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place. Category C
- 5.4.2. Name and address of any paying agents and depository agents in each country Category C
- 5.4.3. Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Where not all of the issue is underwritten, a statement of the portion not covered Category C
- 5.4.4. When the underwriting agreement has been or will be reached. Category C
- 5.4.5. Name and address of a calculation agent. Category C
6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

- 6.1. (i) An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance shall be mentioned, without creating the impression that the admission to trading necessarily will be approved. **Category B**
- (ii) If known, give the earliest dates on which the securities will be admitted to trading **Category C**
- 6.2. All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading **Category C**
- 6.3. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment. **Category C**
7. **ADDITIONAL INFORMATION**
- 7.1. If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted. **Category C**
- 7.2. An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report. **Category A**
- 7.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest, if any, in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note. **Category A**
- 7.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In **Category C**

addition, the issuer shall identify the source(s) of the information

- 7.5. An indication in the prospectus whether or not the issuer intends to provide post-issuance information. Where the issuer has indicated that it intends to report such information, the issuer shall specify in the prospectus what information will be reported and where such information can be obtained.** **Category C**

ANNEX XIII

1. PERSONS RESPONSIBLE

- 1.1. All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.** **Category A**

- 1.2. A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.** **Category A**

2. RISK FACTORS

Prominent disclosure of risk factors that are material to the securities admitted to trading in order to assess the market risk associated with these securities in a section headed 'Risk factors'. **Category A**

3. ESSENTIAL INFORMATION

Interest of natural and legal persons involved in the issue

A description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. **Category C**

4. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

4.1.	Total amount of securities being admitted to trading.	Category C
4.2.	(i) A description of the type and the class of the securities being offered and/or admitted to trading,	Category B
	(ii) the ISIN (International Security Identification Number) or other such security identification code.	Category C
4.3.	Legislation under which the securities have been created	Category A
4.4.	(i) An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form.	Category A
	(ii) In the latter case, name and address of the entity in charge of keeping the records.	Category C
4.5.	Currency of the securities issue	Category C
4.6.	Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.	Category A
4.7.	A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.	Category B
4.8.	(i) Nominal interest rate	Category C
	(ii) Provisions relating to interest payable	Category B
	(iii) The date from which interest becomes payable	Category C
	(iv) The due dates for interest	Category C
	(v) The time limit on the validity of claims to interest and repayment of principal	Category B
	Where the rate is not fixed	
	(vi) Statement setting out the type of the underlying	Category A
	(vii) description of the underlying on which it is based	Category C
	(viii) and of the method used to relate the two	Category B
	(ix) Description of any market disruption or settlement disruption events that affect the underlying	Category B
	(x) Adjustment rules with relation to events concerning the underlying	Category B
	(xi) Name of the calculation agent	Category C

4.9.	(i) maturity date	Category C
	(ii) arrangements for the amortisation of the loan, including the repayment procedures. Where advance amortisation is contemplated, on the initiative of the issuer or of the holder, it shall be described, stipulating amortisation terms and conditions	Category B
4.10.	(i) An indication of yield	Category C
4.11.	Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation.	Category B
4.12.	A statement of the resolutions, authorisations and approvals by virtue of which the securities have been created and/or issued.	Category C
4.13.	The issue date of the securities	Category C
4.14.	A description of any restrictions on the free transferability of the securities	Category A
5.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS	
5.1.	(i) Indication of the market where the securities will be traded and for which prospectus has been published.	Category B Category C
	(ii) If known, give the earliest dates on which the securities will be admitted to trading.	
5.2.	Name and address of any paying agents and depository agents in each country.	Category C
6.	EXPENSE OF THE ADMISSION TO TRADING	
	An estimate of the total expenses related to the admission to trading	Category C
7.	ADDITIONAL INFORMATION	
7.1.	If advisors are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Category C
7.2.	An indication of other information in the Securities Note which has been audited or reviewed by auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.	Category A

- 7.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note. **Category A**
- 7.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information **Category C**
- 7.5. (i) Credit ratings assigned to an issuer at the request or with the co-operation of the issuer in the rating process **Category A**
- (ii) Credit ratings assigned to securities at the request or with the co-operation of the issuer in the rating process **Category C**

ANNEX VIII

INSTRUCTIONS

1. THE SECURITIES
- 1.1. The minimum denomination of an issue. **Category C**
- 1.2. Where information is disclosed about an undertaking/obligor which is not involved in the issue, provide a confirmation that the information relating to the undertaking/obligor has been accurately reproduced from information published by the undertaking/obligor. So far as the issuer is aware and is able to ascertain from information published by the undertaking/obligor no facts have been omitted which would render the reproduced information misleading. **Category C**
- In addition, identify the source(s) of information in the Securities Note that has been reproduced from information published by an undertaking/obligor.
2. THE UNDERLYING ASSETS
- 2.1. Confirmation that the securitised assets backing the issue have characteristics that demonstrate ca- **Category A**

	capacity to produce funds to service any payments due and payable on the securities.	
2.2.	In respect of a pool of discrete assets backing the issue:	
2.2.1.	The legal jurisdiction by which the pool of assets is governed	Category C
2.2.2.	(a) In the case of a small number of easily identifiable obligors, a general description of each obligor	Category A
	(b) In all other cases, a description of: the general characteristics of the obligors; and the economic environment,	Category B
	as well as global statistical data referred to the securitised assets.	Category C
2.2.3.	the legal nature of the assets	Category C
2.2.4.	the expiry or maturity date(s) of the assets	Category C
2.2.5.	the amount of the assets	Category C
2.2.6.	loan to value ratio or level of collateralisation	Category C
2.2.7.	the method of origination or creation of the assets, and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances	Category B
2.2.8.	an indication of significant representations and collaterals given to the issuer relating to the assets	Category C
2.2.9.	any rights to substitute the assets and a description of the manner in which and the type of assets which may be so substituted; if there is any capacity to substitute assets with a different class or quality of assets a statement to that effect together with a description of the impact of such substitution	Category B
2.2.10.	a description of any relevant insurance policies relating to the assets. Any concentration with one insurer must be disclosed if it is material to the transaction	Category B
2.2.11.	Where the assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20 % or more of the assets, or where an obligor accounts for a material portion of the assets, so far as the issuer is aware and/or is able to ascertain from information published by the obligor(s) indicate either of the following:	

- (a) information relating to each obligor as if it were an issuer drafting a registration document for debt and derivative securities with an individual denomination of at least EUR 100 000 **Category A**
- (b) if an obligor or guarantor has securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted. **Category C**
- 2.2.12. If a relationship exists that is material to the issue, between the issuer, guarantor and obligor, details of the principal terms of that relationship **Category C**
- 2.2.13. Where the assets comprise obligations that are not traded on a regulated or equivalent market, a description of the principal terms and conditions of the obligations **Category B**
- 2.2.14. Where the assets comprise equity securities that are admitted to trading on a regulated or equivalent market indicate the following:
- (a) a description of the securities **Category C**
- (b) a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority **Category C**
- (c) the frequency with which prices of the relevant securities, are published. **Category C**
- 2.2.15. Where more than ten (10) per cent of the assets comprise equity securities that are not traded on a regulated or equivalent market, a description of those equity securities and equivalent information to that contained in the schedule for share registration document in respect of each issuer of those securities **Category A**
- 2.2.16. Where a material portion of the assets are secured on or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow/income streams. Compliance with this disclosure is not required if the issue is of securities backed by mortgage loans with property as security, where there has been no revaluation of the properties for the purpose of the **Category A**

- issue, and it is clearly stated that the valuations quoted are as at the date of the original initial mortgage loan origination
- 2.3. In respect of an actively managed pool of assets backing the issue
- 2.3.1. equivalent information to that contained in items 2.1 and 2.2 to allow an assessment of the type, quality, sufficiency and liquidity of the asset types in the portfolio which will secure the issue see items 2.1 and 2.2
- 2.3.2. the parameters within which investments can be made, the name and description of the entity responsible for such management including a description of that entity's expertise and experience, a summary of the provisions relating to the termination of the appointment of such entity and the appointment of an alternative management entity, and a description of that entity's relationship with any other parties to the issue Category B
- 2.4. Where an issuer proposes to issue further securities backed by the same assets, a prominent statement to that effect and unless those further securities are fungible with or are subordinated to those classes of existing debt, a description of how the holders of that class will be informed Category C
3. STRUCTURE AND CASH FLOW
- 3.1. Description of the structure of the transaction, including, if necessary, a structure diagram Category A
- 3.2. Description of the entities participating in the issue and description of the functions to be performed by them Category A
- 3.3. Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer or, where applicable, the manner and time period in which the proceeds from the issue will be fully invested by the issuer Category B
- 3.4. An explanation of the flow of funds including:
- 3.4.1. how the cash flow from the assets will meet the issuer's obligations to holders of the securities, including, if necessary, a financial service table and a description of the assumptions used in developing the table Category B
- 3.4.2. information on any credit enhancements, an indication of where material potential liquidity shortfalls may occur and the availability of any liquidity Category B

	supports and indication of provisions designed to cover interest/principal shortfall risks	
3.4.3.	without prejudice to item 3.4.2, details of any subordinated debt finance	Category C
3.4.4.	an indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment	Category B
3.4.5.	how payments are collected in respect of the assets	Category B
3.4.6.	the order of priority of payments made by the issuer to the holders of the class of securities in question	Category A
3.4.7.	details of any other arrangements upon which payments of interest and principal to investors are dependent	Category A
3.5.	the name, address and significant business activities of the originators of the securitised assets	Category C
3.6.	Where the return on, and/or repayment of the security is linked to the performance or credit of other assets which are not assets of the issuer, items 2.2 and 2.3 are necessary	See items 2.2 and 2.3
3.7.	the name, address and significant business activities of the administrator, calculation agent or equivalent, together with a summary of the administrator's/calculation agents responsibilities, their relationship with the originator or the creator of the assets and a summary of the provisions relating to the termination of the appointment of the administrator/calculation agent and the appointment of an alternative administrator/calculation agent	Category C
3.8.	the names and addresses and brief description of:	
	(a) any swap counterparties and any providers of other material forms of credit/liquidity enhancement	Category A
	(b) the banks with which the main accounts relating to the transaction are held.	Category C
4.	POST ISSUANCE REPORTING	
4.1.	Indication in the prospectus whether or not it intends to provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral. Where the issuer has indicated that it intends to report such information, specify in the prospectus what information will be reported, where such in-	Category C

formation can be obtained, and the frequency with which such information will be reported

	ANNEX XIV	INSTRUCTIONS
1.	Description of the underlying share	
1.1.	Describe the type and the class of the shares	Category A
1.2.	Legislation under which the shares have been or will be created	Category A
1.3.	Indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records	Category A
1.4.	Indication of the currency of the shares issue	Category A
1.5.	A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of those rights:	Category A
	- Dividend rights:	
	- fixed date(s) on which the entitlement arises,	
	- time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,	
	- dividend restrictions and procedures for non resident holders,	
	- rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.	
	- Voting rights.	
	- Pre-emption rights in offers for subscription of securities of the same class.	
	- Right to share in the issuer's profits.	
	- Rights to share in any surplus in the event of liquidation.	
	- Redemption provisions.	
	- Conversion provisions.	

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| 1.6. | In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the shares have been or will be created and/or issued and indication of the issue date. | Category C |
| 1.7. | Where and when the shares will be or have been admitted to trading | Category C |
| 1.8. | Description of any restrictions on the free transferability of the shares | Category A |
| 1.9. | Indication of the existence of any mandatory takeover bids/or squeeze-out and sell-out rules in relation to the shares | Category A |
| 1.10. | Indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated | Category A |
| 1.11. | Impact on the issuer of the underlying share of the exercise of the right and potential dilution effect for the shareholders. | Category C |
| 2. | When the issuer of the underlying is an entity belonging to the same group, the information to provide on this issuer is the one required by the share registration document schedule | Category A |

ANNEX VI

INSTRUCTIONS

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|----|---|------------|
| 1. | Nature of the Guarantee | |
| | A description of any arrangement intended to ensure that any obligation material to the issue will be duly serviced, whether in the form of guarantee, surety, Keep well Agreement, Mono-line Insurance policy or other equivalent commitment (hereafter referred to generically as 'guarantees' and their provider as 'guarantor' for convenience). | Category B |
| | Without prejudice to the generality of the foregoing, such arrangements encompass commitments to ensure obligations to repay debt securities and/or the payment of interest and the description shall set out how the arrangement is intended to ensure that the guaranteed payments will be duly serviced. | |
| 2. | Scope of the Guarantee | |
| | Details shall be disclosed about the terms and conditions and scope of the guarantee. Without prejudice to the generality of the foregoing, these details should cover any conditionality on the application | Category B |

of the guarantee in the event of any default under the terms of the security and the material terms of any mono-line insurance or keep well agreement between the issuer and the guarantor. Details must also be disclosed of any guarantor's power of veto in relation to changes to the security holder's rights, such as is often found in Mono-line Insurance.

3. **Information to be disclosed about the guarantor**
The guarantor must disclose information about itself as if it were the issuer of that same type of security that is the subject of the guarantee. **Category A**
4. **Documents on display**
Indication of the places where the public may have access to the material contracts and other documents relating to the guarantee. **Category A**

ANNEX XXX

1. **Information to be provided regarding consent by the issuer or person responsible for drawing up the prospectus**
- 1.1 **Express consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus and statement that it accepts responsibility for the content of the prospectus also with respect to subsequent resale or final placement of securities by any financial intermediary which was given consent to use the prospectus.** **Category A**
- 1.2 **Indication of the period for which consent to use the prospectus is given.** **Category A**
- 1.3 **Indication of the offer period upon which subsequent resale or final placement of securities by financial intermediaries can be made.** **Category C**
- 1.4 **Indication of the Member States in which financial intermediaries may use the prospectus for subsequent resale or final placement of securities.** **Category A**
- 1.5 **Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus.** **Category C**
- 1.6 **Notice in bold informing investors that, in the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.** **Category A**

2A	Additional information to be provided where a consent is given to one or more specified financial intermediaries	
2A.1	List and identity (name and address) of the financial intermediary or intermediaries that are allowed to use the prospectus.	Category C
2A.2	Indication how any new information with respect to financial intermediaries unknown at the time of the approval of the prospectus, the base prospectus or the filing of the final terms, as the case may be, is to be published and where it can be found.	Category A
2B	Additional information to be provided where a consent is given to all financial intermediaries	
2B.1	Notice in bold informing investors that any financial intermediary using the prospectus has to state on its website that it uses the prospectus in accordance with the consent and the conditions attached thereto.	Category A

ANNEX XXI**List of additional information in final terms****ADDITIONAL INFORMATION**

Example(s) of complex derivatives securities as referred to in recital 18 of the Prospectus Regulation

Additional provisions, not required by the relevant securities note, relating to the underlying

Country(ies) where the offer(s) to the public takes place

Country(ies) where admission to trading on the regulated market(s) is being sought

Country(ies) into which the relevant base prospectus has been notified

Series Number

Tranche Number

ANNEX XXII**Disclosure requirements in summaries****Guide to using the Tables:**

1. Summaries are constructed on a modular basis according to the Annexes from this Regulation on which the prospectus has been based. For example, the summary for a share prospectus would disclosure the information required for the Elements for Annexes I and III.

2. Each summary will be made up of five tables as detailed below.

- 3
3. The order of the sections A-E is mandatory. Within each of the sections the elements shall be disclosed in the order they appear in the Tables.
 4. Where an element is not applicable to a prospectus the element should appear in the summary with the mention "*not applicable*".
 5. To the extent required by an element, descriptions should be brief.
 6. Summaries should not contain cross-references to specific parts of the prospectus.
 7. Where a prospectus relates to the admission to trading on a regulated market of non-equity securities having a denomination of at least EUR 100 000 in accordance with either or both of Annexes IX or XIII and a summary is required by a Member State in accordance with Articles 5(2) and 19(4) of Directive 2003/71/EC, or is produced on a voluntary basis, the disclosure requirements for the summary in relation to Annexes IX and XIII are as set out in the Tables. Where an issuer is not under an obligation to include a summary in a prospectus but wishes to produce some overview section in the prospectus, it should ensure that it is not titled "*summary*" unless it complies with all the disclosure requirements for summaries.

Section A - Introduction and warnings

Annexes	Element	Disclosure requirement
All	A.1	<p>Warning that:</p> <ul style="list-style-type: none"> • [this] summary should be read as introduction to the prospectus; • any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor; • where a claim relating to the information contained in [the] prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

All	A.2	<ul style="list-style-type: none"> • Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries. • Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the prospectus is given. • Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus. • Notice in bold informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.
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Section B -Issuer and any guarantor

Annexes	Element	Disclosure requirement
1, 4, 7, 9, 11	B.1	The legal and commercial name of the issuer.
1, 4, 7, 9, 11	B.2	The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.
1	B.3	A description of, and key factors relating to, the nature of the issuer's current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes.
1	B.4a	A description of the most significant recent trends affecting the issuer and the industries in which it operates.
4, 11	B.4b	A description of any known trends affecting the issuer and the industries in which it operates.
1, 4, 9, 11	B.5	If the issuer is part of a group, a description of the group and the issuer's position within the group.
1	B.6	<p>In so far as is known to the issuer, the name of any person who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest.</p> <p>Whether the issuer's major shareholders have different voting rights if any.</p>

		To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.
1	B.7	Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.
		This should be accompanied by a narrative description of significant change to the issuer's financial condition and operating results during or subsequent to the period covered by the historical key financial information.
1, 2	B.8	Selected key pro forma financial information, identified as such.
		The selected key pro forma financial information must clearly state the fact that because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.
1, 4, 9, 11	B.9	Where a profit forecast or estimate is made, state the figure.
1, 4, 9, 11	B.10	A description of the nature of any qualifications in the audit report on the historical financial information.
3	B.11	If the issuer's working capital is not sufficient for the issuer's present requirements an explanation should be included.
4, 9, 11	B.12	Use only the first paragraph of B.7, plus:
		• A statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change.
		• A description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.
4, 9, 11	B.13	A description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.

4, 9, 11	B.14	B.5 plus: "If the issuer is dependent upon other entities within the group, this must be clearly stated."
4, 9, 11	B.15	A description of the issuer's principal activities.
4, 7, 9, 11	B.16	Use only the final paragraph of B.6
5, 13	B.17	Credit ratings assigned to an issuer or its debt securities at the request or with the co-operation of the issuer in the rating process.
6	B.18	A description of the nature and scope of the guarantee.
6	B.19	Section B information about the guarantor as if it were the issuer of the same type of security that is the subject of the guarantee. Therefore provide such information as required for a summary for the relevant annex.
7	B.20	A statement whether the issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.
7	B.21	A description of the issuer's principal activities including a global overview of the parties to the securitisation program including information on the direct or indirect ownership or control between those parties.
7	B.22	Where, since the date of incorporation or establishment, an issuer has not commenced operations and no financial statements have been made up as at the date of the registration document, a statement to that effect.
7	B.23	Use only the first paragraph of B.7
7	B.24	A description of any material adverse change in the prospects of the issuer since the date of its last published audited financial statements.
8	B.25	A description of the underlying assets including: <ul style="list-style-type: none"> • confirmation that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the securities • a description of the general characteristics of the obligors and in the case of a small number of easily identifiable obligors, a general description of each obligor • a description of the legal nature of the assets • loan to value ratio or level of collateralisation

		<ul style="list-style-type: none"> • Where a valuation report relating to real property is included in the prospectus, a description of the valuation.
8	B.26	In respect of an actively managed pool of assets backing the issue a description of the parameters within which investments can be made, the name and description of the entity responsible for such management including a brief description of that entity's relationship with any other parties to the issue.
8	B.27	Where an issuer proposes to issue further securities backed by the same assets a statement to that effect.
8	B.28	A description of the structure of the transaction, including, if necessary, a structure diagram.
8	B.29	A description of the flow of funds including information on swap counterparties and any other material forms of credit/liquidity enhancements and the providers thereof.
8	B.30	The name and a description of the originators of the securitised assets.
10	B.31	<p>Information about the issuer of the underlying shares:</p> <ul style="list-style-type: none"> • B.1 • B.2 • B.3 • B.4 • B.5 • B.6 • B.7 • B.9 • B.10 • D.4
10	B.32	<p>Information about the issuer of the depository receipts:</p> <ul style="list-style-type: none"> • "Name and registered office of the issuer of the depository receipts." • "Legislation under which the issuer of the depository receipts operates and legal form which it has adopted under the legislation."

15	B.33	<p>The following information from Annex 1:</p> <ul style="list-style-type: none"> • B.1 • B.2 • B.5 • B.6 • B.7 • B.8 • B.9 • B.10 • C.3 • C.7 • D.2
15	B.34	A description of the investment objective and policy, including any investment restrictions, which the collective investment undertaking will pursue with a description of the instruments used.
15	B.35	The borrowing and/or leverage limits of the collective investment undertaking. If there are no such limits, include a statement to that effect.
15	B.36	A description of the regulatory status of the collective investment undertaking together with the name of any regulator in its country of incorporation.
15	B.37	A brief profile of a typical investor for whom the collective investment undertaking is designed.

15	B.38	<p>Where the main body of the prospectus discloses that more than 20% of the gross assets of the collective investment undertaking may be:</p> <p>(a) invested, directly or indirectly, in a single underlying asset, or</p> <p>(b) invested in one or more collective investment undertakings which may in turn invest more than 20% of gross assets in other collective investment undertakings, or</p> <p>(c) exposed to the creditworthiness or solvency of any one counterparty</p> <p>the identity of the entity should be disclosed together with a description of the exposure (e.g. counter-party) as well as information on the market in which its securities are admitted.</p>
15	B.39	<p>Where a collective investment undertaking may invest in excess of 40% of its gross assets in another collective investment undertaking the summary should briefly explain either:</p> <p>(a) the exposure, the identity of the underlying collective investment undertaking, and provide such information as would be required in a summary note by that collective investment undertaking; or</p> <p>(b) where the securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market, the identity of the underlying collective investment undertaking.</p>
15	B.40	<p>A description of the applicant's service providers including the maximum fees payable.</p>
15	B.41	<p>The identity and regulatory status of any investment manager, investment advisor, custodian, trustee or fiduciary (including and delegated custody arrangements).</p>
15	B.42	<p>A description of how often the net asset value of the collective investment undertaking will be determined and how such net asset value will be communicated to investors.</p>
15	B.43	<p>In the case of an umbrella collective investment undertaking, a statement of any cross liability that may occur between classes or investment in other collective investment undertaking.</p>

15	B.44	<p>B.7 plus:</p> <ul style="list-style-type: none"> • "Where a collective investment undertaking has not commenced operations and no financial statements have been made up as at the date of the registration document, a statement to that effect."
15	B.45	A description of the collective investment undertaking's portfolio.
15	B.46	An indication of the most recent net asset value per security (if applicable).
16	B.47	<p>A description of the issuer, including:</p> <ul style="list-style-type: none"> • The legal name of the issuer and a description of the issuer's position within the national government framework. • The legal form of the issuer. • Any recent events relevant to the evaluation of the issuer's solvency. • A description of the issuer's economy including its structure with details of its main sectors.
16	B.48	A description/the key facts of public finance and trade information for the two fiscal years prior to the date of the prospectus. With a description of any significant changes to that information since the end of the last fiscal year.
17	B.49	<p>A description of the issuer, including:</p> <ul style="list-style-type: none"> • The legal name of the issuer and a description of the issuer's legal status. • The legal form of the issuer. • A description of the issuer's purpose and functions. • The sources of funding, guarantees and other obligations owed to the issuer by its members. • Any recent events relevant to the evaluation of the issuer's solvency.
17	B.50	Selected key historical financial information covering the latest two financial years. This should be accompanied by a description of any significant changes to the issuer's financial position since the last audited financial information.

Section C - Securities

Annexes	Element	Disclosure requirement
3, 5, 12, 13	C.1	A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.
3, 5, 12, 13	C.2	Currency of the securities issue.
1	C.3	The number of shares issued and fully paid and issued but not fully paid. The par value per share, or that the shares have not par value.
3	C.4	A description of the rights attached to the securities.
3, 5, 12, 13	C.5	A description of any restrictions on the free transferability of the securities.
3	C.6	An indication as to whether the securities offered are or will be the object of an application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are or are to be traded.
1	C.7	A description of dividend policy.
5, 12, 13	C.8	C.4 plus: <ul style="list-style-type: none"> • "including ranking" • "including limitations to those rights"
5, 13	C.9	C.8 plus: <ul style="list-style-type: none"> • "the nominal interest rate" • "the date from which interest becomes payable and the due dates for interest" • "where the rate is not fixed, description of the underlying on which it is based" • "maturity date and arrangements for the amortisation of the loan, including the repayment procedures" • "an indication of yield" • "name of representative of debt security holders"

5	C.10	C.9 plus: • "if the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident"
5, 12	C.11	An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.
8	C.12	The minimum denomination of an issue.
10	C.13	Information about the underlying shares: C.1 C.2 C.3 C.4 C.5 C.6 C.7
10	C.14	Information about the depository receipts: C.1 C.2 C.4 C.5 • "Describe the exercise of and benefit from the rights attaching to the underlying shares, in particular voting rights, the conditions on which the issuer of the depository receipts may exercise such rights, and measures envisaged to obtain the instructions of the depository receipt holders - and the right to share in profits and any liquidations surplus which are not passed on to the holder of the depository receipt."

		<ul style="list-style-type: none"> • "Description of the bank or other guarantee attached to the depository receipt and intended to underwrite the issuer's obligations."
12	C.15	A description of how the value of the investment is affected by the value of the underlying instrument(s), unless the securities have a denomination of at least EUR 100 000.
12	C.16	The expiration or maturity date of the derivative securities - the exercise date or final reference date.
12	C.17	A description of the settlement procedure of the derivative securities.
12	C.18	A description of how the return on derivative securities takes place.
12	C.19	The exercise price or the final reference price of the underlying.
12	C.20	A description of the type of the underlying and where the information on the underlying can be found.
13	C.21	Indication of the market where the securities will be traded and for which prospectus has been published.
14	C.22	<p>Information about the underlying share:</p> <ul style="list-style-type: none"> • "A description of the underlying share." • C.2 • C.4 plus the words "..... and procedure for the exercise of those rights". • "Where and when the shares will be or have been admitted to trading." • C.5 • "Where the issuer of the underlying is an entity belonging to the same group, the information to provide on this issuer is the information required by the share registration document. Therefore provide such information required for a summary for Annex 1."

Section D - Risks

Annexes	Element	Disclosure requirement
1	D.1	Key information on the key risks that are specific to the issuer or its industry

4, 7, 9, 11, 16, 17	D.2	Key information on the key risks that are specific to the issuer.
3, 5, 13	D.3	Key information on the key risks that are specific to the securities.
10	D.4	Information about the issuer of the underlying shares: • D.2
10	D.5	Information about the depository receipts: • D.3
12	D.6	D.3 plus: • "This must include a risk warning to the effect that investors may lose the value of their entire investment or part of it, as the case may be, and/or, if the investor's liability is not limited to the value of his investment, a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect."

Section E - Offer

Annexes	Element	Disclosure requirement
3, 10	E.1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror.
3, 10	E.2a	Reasons for the offer, use of proceeds, estimated net amount of the proceeds.
5, 12	E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.
3, 5, 10, 12	E.3	A description of the terms and conditions of the offer.
3, 5, 10, 12, 13	E.4	A description of any interest that is material to the issue/offer including conflicting interests.
3, 10	E.5	Name of the person or entity offering to sell the security. Lock-up agreements: the parties involved; and indication of the period of the lock up.
3, 10	E.6	The amount and percentage of immediate dilution resulting from the offer. In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.

All	E.7	Estimated expenses charged to the investor by the issuer or the offeror.
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ANNEX XXIII

Proportionate Schedule for Minimum Disclosure Requirements for the Share Registration Document for Rights Issues

1.	PERSONS RESPONSIBLE
1.1.	All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.
2.	STATUTORY AUDITORS
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.
3.	RISK FACTORS Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".
4.	INFORMATION ABOUT THE ISSUER
4.1.	The legal and commercial name of the issuer
4.2.	Investments
4.2.1.	A description, (including the amount) of the principal investments made since the end of the period covered by the latest published audited financial statements and up to the date of the registration document.

4.2.2. A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external)

4.2.3. Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments.

5. BUSINESS OVERVIEW

5.1. Principal Activities

A brief description of the issuer's operations and principal activities and of any significant changes impacting these operations and activities since the end of the period covered by the latest published audited financial statements, including an indication of any significant new products and services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, the status of development.

5.2. Principal Markets

A brief description of the principal markets in which the issuer competes and of any significant changes impacting these markets since the end of period covered by the the latest published audited financial statements.

5.3. Where the information given pursuant to items 5.1. and 5.2. has been influenced by extraordinary factors since the end of period covered by the the latest published audited financial statements, mention that fact.

5.4. If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.

5.5. The basis for any statements made by the issuer regarding its competitive position.

6. ORGANISATIONAL STRUCTURE

6.1. If the issuer is part of a group, a brief description of the group and the issuer's position within the group.

7. TREND INFORMATION

7.1. The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.

7.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

8. PROFIT FORECASTS OR ESTIMATES

If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in items 8.1 and 8.2:

- 8.1.** A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.

There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.

- 8.2.** A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:

(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;

(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;

(c) this financial information has not been audited.

- 8.3.** The profit forecast or estimate must be prepared on a basis comparable with the historical financial information

- 8.4.** If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.

- 9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**

9.1. Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:

(a) members of the administrative, management or supervisory bodies;

(b) partners with unlimited liability, in the case of a limited partnership with a share capital;

(c) founders, if the issuer has been established for fewer than five years; and

(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

The nature of any family relationship between any of those persons.

In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:

(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;

(b) any convictions in relation to fraudulent offences for at least the previous five years;

(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;

(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

If there is no such information to be disclosed, a statement to that effect is to be made.

9.2. Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests

Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1., and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 9.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Details of any restrictions agreed by the persons referred to in item 9.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

10. REMUNERATION AND BENEFITS

In case of issuers not listed on a regulated market and in relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 9.1.

10.1. The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.

That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country or when the issuer has already publicly disclosed that information.

10.2. The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.

11. BOARD PRACTICES

In case of issuers not listed on a regulated market and in relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of 9.1.

11.1. Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.

11.2. Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.

- 11.3.** Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
- 11.4.** A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.
- 12.** **EMPLOYEES**
- 12.1.** Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 9.1. provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.
- 12.2.** Description of any arrangements for involving the employees in the capital of the issuer.
- 13.** **MAJOR SHAREHOLDERS**
- 13.1.** In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.
- 13.2.** Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.
- 13.3.** To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.
- 13.4.** A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
- 14.** **RELATED PARTY TRANSACTIONS**
- If International Financial Reporting Standards adopted according to the Regulation (EC) No 1606/2002 do not apply to the issuer, the following information must be disclosed for the period covered by the historical financial information and up to the date of the registration document:
- (a) The nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding.

(b) The amount or the percentage to which related party transactions form part of the turnover of the issuer.

If international Financial Reporting Standards adopted according to the Regulation (EC) No 1606/200 apply to the issuer, the above information must be disclosed only for the transactions occurred since the end of the last financial period for which audited financial information have been published.

15. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

15.1. Historical Financial Information

Audited historical financial information covering the last financial year (or such shorter period that the issuer has been in operation and the audit report. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 12 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the European Union.

For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.

The audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

If the issuer has been operating in its current area of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the European Union. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting

standards equivalent to these standards. This historical financial information must be audited.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:(a) balance sheet;

(b) income statement;

(c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;

(d) cash flow statement;

(e) accounting policies and explanatory notes

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

15.2. Pro forma financial information

In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported.

This requirement will normally be satisfied by the inclusion of pro forma financial information.

This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein.

Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.

15.3. Financial statements

If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the registration document.

15.4. Auditing of historical annual financial information

15.4.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or

- disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.
- 15.4.2. Indication of other information in the registration document which has been audited by the auditors.
- 15.4.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.
- 15.5. Age of latest financial information
- 15.5.1. The last year of audited financial information may not be older than one of the following:
- (a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;
- (b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.
- 15.6. Interim and other financial information
- 15.6.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.
- 15.6.2. If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.
- The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.
- 15.7. Dividend policy
- A description of the issuer's policy on dividend distributions and any restrictions thereon.
- 15.7.1. The amount of the dividend per share for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.

15.8. Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

15.9. Significant change in the issuer's financial or trading position

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

16. ADDITIONAL INFORMATION**16.1. Share Capital**

The following information as of the date of the most recent balance sheet included in the historical financial information:

16.1.1. The amount of issued capital, and for each class of share capital:

(a) the number of shares authorised;

(b) the number of shares issued and fully paid and issued but not fully paid;

(c) the par value per share, or that the shares have no par value; and

(d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.

16.1.2. If there are shares not representing capital, state the number and main characteristics of such shares.**16.1.3. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.****16.1.4. Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.****16.1.5. Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put**

under option and details of such options including those persons to whom such options relate.

17. MATERIAL CONTRACTS

A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the last year immediately preceding publication of the registration document.

A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.

18. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

18.1. Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Registration Document.

18.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

19. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) the memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

ANNEX XXIV

Proportionate Schedule for Minimum Disclosure Requirements for the Share Securities Note for Rights Issues**1. PERSONS RESPONSIBLE**

- 1.1.** All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
- 1.2.** A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. RISK FACTORS

Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".

3. ESSENTIAL INFORMATION**3.1. Working capital Statement**

Statement by the issuer that, in its opinion, the working capital is sufficient for the issuer's present requirements or, if not, how it proposes to provide the additional working capital needed.

3.2. Capitalisation and indebtedness

A statement of capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. Indebtedness also includes indirect and contingent indebtedness.

3.3. Interest of natural and legal persons involved in the issue/offer

A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest.

3.4. Reasons for the offer and use of proceeds

Reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the

amount and sources of other funds needed. Details must be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING

- 4.1. A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.**
- 4.2. Legislation under which the securities have been created.**
- 4.3. An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.**
- 4.4. Currency of the securities issue.**
- 4.5. A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.**

Dividend rights:

- Fixed date(s) on which the entitlement arises,
- Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates,
- Dividend restrictions and procedures for non-resident holders,
- Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.

Voting rights.

Pre-emption rights in offers for subscription of securities of the same class.

Right to share in the issuer's profits.

Rights to share in any surplus in the event of liquidation.

Redemption provisions.

Conversion provisions.

- 4.6. A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.**
- 4.7. The expected issue date of the securities**

- 4.8. A description of any restrictions on the free transferability of the securities**
- 4.9. In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:**
- Information on taxes on the income from the securities withheld at source,**
 - Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.**
- 5. TERMS AND CONDITIONS OF THE OFFER**
- 5.1. Conditions, offer statistics, expected timetable and action required to apply for the offer**
- 5.1.1. Conditions to which the offer is subject.**
 - 5.1.2. Total amount of the issue/offer.**
 - 5.1.3. The time period, including any possible amendments, during which the offer will be open and description of the application process.**
 - 5.1.4. An indication of when, and under which circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.**
 - 5.1.5. A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.**
 - 5.1.6. Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).**
 - 5.1.7. An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.**
 - 5.1.8. Method and time limits for paying up the securities and for delivery of the securities.**
 - 5.1.9. A full description of the manner and date in which results of the offer are to be made public.**
 - 5.1.10. The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.**
- 5.2. Allotment**
- 5.2.1. To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.**
 - 5.2.2. Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.**

5.3. Pricing

- 5.3.1. An indication of the price at which the securities will be offered. If the price is not known or if there is no established and/or liquid market for the securities, indicate the method for determining the offer price, including a statement as to who has set the criteria or is formally responsible for the determination. Indication of the amount of any expenses and taxes specifically charged to the subscriber or purchaser.**
- 5.3.2. Process for the disclosure of the offer price.**
- 5.3.3. If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn, indication of the basis for the issue price if the issue is for cash, together with the reasons for and beneficiaries of such restriction or withdrawal.**

5.4. Placing and Underwriting

- 5.4.1. Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place**
- 5.4.2. Name and address of any paying agents and depository agents in each country.**
- 5.4.3. Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.**
- 5.4.4. When the underwriting agreement has been or will be reached.**

6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

- 6.1. An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.**
- 6.2. All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.**
- 6.3. If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought, securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate.**

- 6.4. Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.**
- 7. LOCK-UP AGREEMENTS**
- 7.1. Lock-up agreements**
- The parties involved.**
- Content and exceptions of the agreement.**
- Indication of the period of the lock up.**
- 8. EXPENSE OF THE ISSUE/OFFER**
- 8.1. The total net proceeds and an estimate of the total expenses of the issue/offer.**
- 9. DILUTION**
- 9.1. The amount and percentage of immediate dilution resulting from the issue/offer.**
- 9.2. The amount and percentage of immediate dilution if they do not subscribe to the new offer.**
- 10. ADDITIONAL INFORMATION**
- 10.1 If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.**
- 10.2 An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.**
- 10.3 Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Securities Note.**
- 10.4 Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.**

Proportionate Schedule for Minimum Disclosure Requirements for the Share Registration Document for SMEs and companies with reduced market capitalisation

1. PERSONS RESPONSIBLE

1.1. All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.

3. SELECTED FINANCIAL INFORMATION

3.1. Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.

The selected historical financial information must provide the key figures that summarise the financial condition of the issuer.

3.2. If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.

4. RISK FACTORS

4.1. Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".

5. INFORMATION ABOUT THE ISSUER

- 5.1. History and Development of the Issuer**
 - 5.1.1. the legal and commercial name of the issuer;**
 - 5.1.2. the place of registration of the issuer and its registration number;**
 - 5.1.3. the date of incorporation and the length of life of the issuer, except where indefinite**
 - 5.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);**
 - 5.1.5. the important events in the development of the issuer's business.**
- 5.2. Investments**
 - 5.2.1 A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the registration document.**
 - 5.2.2. A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).**
 - 5.2.3. Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments and the anticipated sources of funds needed to fulfill these commitments.**
- 6. BUSINESS OVERVIEW**
 - 6.1. Principal Activities**

A brief description of the issuer's operations and principal activities and of any significant changes impacting these operations and activities since latest two published audited financial statements, including an indication of any significant new products and services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, the status of development.
 - 6.2. Principal Markets**

A brief description of the principal markets in which the issuer competes and of any significant changes impacting these markets since latest two published audited financial statements.
 - 6.3. Where the information given pursuant to items 6.1. and 6.2. has been influenced by extraordinary factors, mention that fact.**
 - 6.4. If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.**
 - 6.5. The basis for any statements made by the issuer regarding its competitive position.**
- 7. ORGANISATIONAL STRUCTURE**

- 7.1** If the issuer is part of a group, a brief description of the group and the issuer's position within the group.
- 7.2** If not included in the financial statements, a list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.
- 8. PROPERTY, PLANTS AND EQUIPMENT**
- 8.1.** A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.
- 9. OPERATING AND FINANCIAL REVIEW**
- The issuer must disclose the following information if the Annual Reports, presented and prepared in accordance with Article 46 of Directive 78/660/EEC and Article 36 of Directive 83/349/EEC for the periods covered by the historical financial information, are not included in or annexed to the prospectus:
- 9.1. Financial Condition**
- To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.
- 9.2. Operating Results**
- 9.2.1.** Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.
- 9.2.2.** Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.
- 9.2.3.** Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.
- 10. CAPITAL RESOURCES**
- 10.1.** An explanation of the sources and amounts of and a narrative description of the issuer's cash flows;
- 10.2.** Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.
- 11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**
- Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the

historical financial information, including the amount spent on issuer-sponsored research and development activities.

12. TREND INFORMATION

12.1 The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.

12.2 Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

13. PROFIT FORECASTS OR ESTIMATES

If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in items 13.1 and 13.2:

13.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.

There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.

13.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:

(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;

(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;

(c) this financial information has not been audited.

13.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information

13.4. If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1. Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:

(a) members of the administrative, management or supervisory bodies;

(b) partners with unlimited liability, in the case of a limited partnership with a share capital;

(c) founders, if the issuer has been established for fewer than five years; and

(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

The nature of any family relationship between any of those persons.

In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:

(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;

(b) any convictions in relation to fraudulent offences for at least the previous five years;

(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;

(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

If there is no such information to be disclosed, a statement to that effect is to be made.

14.2. Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests

Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 14.1., and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1.

15.1. The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.

That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country or when the issuer has already publicly disclosed that information.

15.2. The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.

16. BOARD PRACTICES

In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 14.1.

16.1. Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.

- 16.2.** Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.
- 16.3.** Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
- 16.4.** A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.
- 17. EMPLOYEES**
- 17.1.** Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.
- 17.2.** Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1. provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.
- 17.3.** Description of any arrangements for involving the employees in the capital of the issuer.
- 18. MAJOR SHAREHOLDERS**
- 18.1.** In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.
- 18.2.** Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.
- 18.3.** To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.
- 18.4.** A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
- 19. RELATED PARTY TRANSACTIONS**

If International Financial Reporting Standards adopted according to the Regulation (EC) No 1606/2002 do not apply to the issuer, the following information must be disclosed for the period covered by the historical financial information and up to the date of the registration document:

(a) The nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding.

(b) The amount or the percentage to which related party transactions form part of the turnover of the issuer.

If international Financial Reporting Standards adopted according to the Regulation (EC) No 1606/2002 apply to the issuer, the above information must be disclosed only for the transactions occurred since the end of the last financial period for which audited financial information have been published.

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1. Historical Financial Information

A statement that audited historical financial information covering the latest two financial years (or such shorter period that the issuer has been in operation) have been prepared according to Regulation (EC) No 1606/2002, or, if not applicable, to a Member State national accounting standards for issuers from the European Union, and where own and consolidated financial statements as the case may be can be obtained.

The audit report in respect of each year must be included.

For third country issuers, a statement that such financial information have been prepared and audited according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards, and where it can be obtained. If such financial information is not equivalent to these standards, a statement that it has been prepared in the form of restated financial statements, and where it can be obtained.

20.2. Pro forma financial information

In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported.

This requirement will normally be satisfied by the inclusion of pro forma financial information.

This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein.

Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.

20.3. Auditing of historical annual financial information

20.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

20.3.2. Indication of other information in the registration document which has been audited by the auditors.

20.3.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

20.4. Age of latest financial information

20.4.1. The last year of audited financial information may not be older than one of the following:

(a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;

(b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.

20.5. Interim and other financial information

20.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, a statement in that respect must be included in the registration document, and where it can be obtained. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

20.6. Dividend policy

A description of the issuer's policy on dividend distributions and any restrictions thereon.

20.6.1. The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.

20.7. Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

20.8. Significant change in the issuer's financial or trading position

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

21. ADDITIONAL INFORMATION**21.1. Share Capital**

The following information as of the date of the most recent balance sheet included in the historical financial information:

21.1.1. The amount of issued capital, and for each class of share capital:

(a) the number of shares authorised;

(b) the number of shares issued and fully paid and issued but not fully paid;

(c) the par value per share, or that the shares have no par value; and

(d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.

21.1.2. If there are shares not representing capital, state the number and main characteristics of such shares.**21.1.3. The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.****21.1.4. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.****21.1.5. Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.****21.1.6. Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option**

and details of such options including those persons to whom such options relate.

21.1.7. A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.

21.2. Memorandum and Articles of Association

21.2.1. A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.

21.2.2. A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.

21.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares.

21.2.4. A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.

21.2.5. A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.

21.2.6. A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.

21.2.7. An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.

21.2.8. A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.

22. MATERIAL CONTRACTS

A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.

A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.

23. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

23.1. Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the

- report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Registration Document.
- 23.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
24. **DOCUMENTS ON DISPLAY**
- A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:
- (a) the memorandum and articles of association of the issuer;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;
- (c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.
- An indication of where the documents on display may be inspected, by physical or electronic means.
25. **INFORMATION ON HOLDINGS**
- Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses

ANNEX XXVI

Proportionate Schedule for Minimum Disclosure Requirements for the Debt and Derivative Securities <100 000 EUR Registration Document for SMEs and companies with reduced market capitalisation [see footnote in Regulation (EU) No 486/2012]

1. **PERSONS RESPONSIBLE**
2. **STATUTORY AUDITORS**
3. **SELECTED FINANCIAL INFORMATION**
4. **RISK FACTORS**
5. **INFORMATION ABOUT THE ISSUER**

6. BUSINESS OVERVIEW
7. ORGANISATIONAL STRUCTURE
8. TREND INFORMATION
9. PROFIT FORECASTS OR ESTIMATES
10. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES
11. BOARD PRACTICES
12. MAJOR SHAREHOLDERS
13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES
- 13.1. Historical Financial Information

A statement that audited historical financial information covering the last financial year (or such shorter period that the issuer has been in operation) have been prepared according to Regulation (EC) No 1606/2002, or, if not applicable, to a Member State national accounting standards for issuers from the European Union, and where own and consolidated financial statements as the case may be can be obtained.

The audit report must be included.

For third country issuers, a statement that such financial information have been prepared and audited according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards, and where it can be obtained. If such financial information is not equivalent to these standards, a statement that it has been prepared in the form of restated financial statements, and where it can be obtained.

- 13.2. Auditing of historical annual financial information
- 13.2.1. **A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.**
- 13.2.2. **Indication of other information in the registration document which has been audited by the auditors.**
- 13.2.3. **Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.**
- 13.3. Interim and other financial information

If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, a statement in that

respect must be included in the registration document and where it can be obtained. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

13.4. Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

13.5. Significant change in the issuer's financial or trading position

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

14. ADDITIONAL INFORMATION

15. MATERIAL CONTRACTS

16. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

17. DOCUMENTS ON DISPLAY

ANNEX XXVII

Proportionate Schedule for Minimum Disclosure Requirements for the Debt and Derivative Securities $\geq 100\,000$ EUR Registration Document for SMEs and companies with reduced market capitalisation (schedule) [see footnote in Regulation (EU) No 486/2012]

1. PERSONS RESPONSIBLE

2. STATUTORY AUDITORS

3. RISK FACTORS

4. INFORMATION ABOUT THE ISSUER

5. BUSINESS OVERVIEW

6. ORGANISATIONAL STRUCTURE

7. TREND INFORMATION

8. PROFIT FORECASTS OR ESTIMATES

9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

10. MAJOR SHAREHOLDERS

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**11.1. Historical Financial Information**

A statement that audited historical financial information covering the last financial year (or such shorter period that the issuer has been in operation) have been prepared according to Regulation (EC) No 1606/2002, or, if not applicable, to a Member State national accounting standards for issuers from the European Union, and where own and consolidated financial statements as the case may be can be obtained.

The audit report must be included.

For third country issuers, a statement that such financial information have been prepared and audited according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards, and where it can be obtained. If such financial information is not equivalent to these standards, a statement that it has been prepared in the form of restated financial statements, and where it can be obtained.

11.2. Auditing of historical annual financial information

11.2.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

11.2.2. Indication of other information in the registration document which has been audited by the auditors.

11.2.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

11.3. Interim and other financial information

If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, a statement in that respect must be included in the registration document and where it can be obtained. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

11.4. Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which

the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

11.5. Significant change in the issuer's financial or trading position

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

12. MATERIAL CONTRACTS

13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

14. DOCUMENTS ON DISPLAY

ANNEX XXVIII

Proportionate Schedule for Minimum Disclosure Requirements for the Depositary Receipts issued over shares for SMEs and companies with reduced market capitalisation [see footnote in Regulation (EU) No 486/2012]

1. PERSONS RESPONSIBLE

1.1. All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.

3. SELECTED FINANCIAL INFORMATION

- 3.1. Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.**

The selected historical financial information must provide the key figures that summarise the financial condition of the issuer.

- 3.2. If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year shall also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.**

4. RISK FACTORS

Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".

5. INFORMATION ABOUT THE ISSUER**5.1. History and Development of the Issuer**

- 5.1.1. the legal and commercial name of the issuer;**
- 5.1.2. the place of registration of the issuer and its registration number;**
- 5.1.3. the date of incorporation and the length of life of the issuer, except where indefinite**
- 5.1.4. the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);**
- 5.1.5. the important events in the development of the issuer's business.**

5.2. Investments

- 5.2.1. A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the prospectus.**
- 5.2.2. A description of the issuer's principal investments that are currently in progress, including the distribution of these investments geographically (home and abroad) and the method of financing (internal or external);**
- 5.2.3. "Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments and the anticipated sources of funds needed to fulfill these commitments."**

6. BUSINESS OVERVIEW**6.1. Principal Activities**

- 6.1.1. A brief description of the issuer's operations and principal activities and of any significant changes impacting these operations and activities since latest two published audited financial statements, including an indication**

of any significant new products and services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, the status of development.

6.2. Principal Markets

A brief description of the principal markets in which the issuer competes and of any significant changes impacting these markets since latest two published audited financial statements.

6.3. Where the information given pursuant to items 6.1. and 6.2. has been influenced by extraordinary factors, mention that fact.

6.4. If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.

6.5. The basis for any statements made by the issuer regarding its competitive position.

7. ORGANISATIONAL STRUCTURE

7.1. If the issuer is part of a group, a brief description of the group and the issuer's position within the group.

8. PROPERTY, PLANTS AND EQUIPMENT

8.1. A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.

9. OPERATING AND FINANCIAL REVIEW

The issuer must disclose the following information if the Annual Reports, presented and prepared in accordance with Article 46 of Directive 78/660/EEC and Article 36 of Directive 83/349/EEC for the periods covered by the historical financial information, are not included in or annexed to the prospectus:

9.1. Financial Condition

To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.

9.2. Operating Results

9.2.1. Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.

9.2.2. Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.

- 9.2.3. Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.**
- 10. CAPITAL RESOURCES**
- 10.1. An explanation of the sources and amounts of and a narrative description of the issuer's cash flows;**
- 10.2. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.**
- 11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**
- Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities.**
- 12. TREND INFORMATION**
- 12.1. The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.**
- 12.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.**
- 13. PROFIT FORECASTS OR ESTIMATES**
- If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in items 13.1 and 13.2:**
- 13.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.**
- There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.**
- 13.2. A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.**
- Where financial information relates to the previous financial year and only contains non misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information**

necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements:

(a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information;

(b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements;

(c) this financial information has not been audited.

13.3. The profit forecast or estimate must be prepared on a basis comparable with the historical financial information

13.4. If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.

14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1 Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:

(a) members of the administrative, management or supervisory bodies;

(b) partners with unlimited liability, in the case of a limited partnership with a share capital;

(c) founders, if the issuer has been established for fewer than five years; and

(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

The nature of any family relationship between any of those persons.

In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:

(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative,

management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;

(b) any convictions in relation to fraudulent offences for at least the previous five years;

(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;

(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

If there is no such information to be disclosed, a statement to that effect is to be made.

14.2. Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests

Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 14.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

15. REMUNERATION AND BENEFITS

In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1.

15.1. The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.

This information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country or when the issuer has already publicly disclosed that information.

15.2. The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.

16. BOARD PRACTICES

- In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 14.1:
- 16.1. Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.
 - 16.2. Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.
 - 16.3. Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
 - 16.4. A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.
17. EMPLOYEES
- 17.1. Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.
 - 17.2. Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1. provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.
 - 17.3. Description of any arrangements for involving the employees in the capital of the issuer.
18. MAJOR SHAREHOLDERS
- 18.1. In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.
 - 18.2. Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.
 - 18.3. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of

such control and describe the measures in place to ensure that such control is not abused.

- 18.4. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.

19. **RELATED PARTY TRANSACTIONS**

"If International Financial Reporting Standards adopted according to the Regulation (EC) No 1606/2002 do not apply to the issuer, the following information must be disclosed for the period covered by the historical financial information and up to the date of the registration document:

(a) The nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding.

(b) The amount or the percentage to which related party transactions form part of the turnover of the issuer."

If international Financial Reporting Standards adopted according to the Regulation (EC) N° 1606/200 apply to the issuer, the above information must be disclosed only for the transactions occurred since the end of the last financial period for which audited financial information have been published.

20. **FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

20.1. **Historical Financial Information**

A statement that audited historical financial information covering the latest two financial years (or such shorter period that the issuer has been in operation) have been prepared according to Regulation (EC) No 1606/2002, or, if not applicable, to a Member State national accounting standards for issuers from the European Union, and where own and consolidated financial statements as the case may be can be obtained.

The audit report in respect of each year must be included.

For third country issuers, a statement that such financial information have been prepared and audited according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards, and where it can be obtained. If such financial information is not equivalent to these standards, a

statement that it has been prepared in the form of restated financial statements, and where it can be obtained.

20.2. Auditing of historical annual financial information

20.2.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

20.2.2. Indication of other information in the registration document which has been audited by the auditors.

20.2.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

20.3. Age of latest financial information

20.3.1. The last year of audited financial information may not be older than one of the following:

(a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;

(b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.

20.4. Interim and other financial information

20.4.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, a statement in that respect must be included in the registration document and where it can be obtained. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

20.5. Dividend policy

A description of the issuer's policy on dividend distributions and any restrictions thereon.

20.5.1. The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.

20.6. Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects

on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

20.7. Significant change in the issuer's financial or trading position

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

21. ADDITIONAL INFORMATION

21.1. Share Capital

The following information as of the date of the most recent balance sheet included in the historical financial information:

21.1.1. The amount of issued capital, and for each class of share capital:

(a) the number of shares authorised;

(b) the number of shares issued and fully paid and issued but not fully paid;

(c) the par value per share, or that the shares have no par value; and

(d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.

21.1.2. If there are shares not representing capital, state the number and main characteristics of such shares.

21.1.3. The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.

21.1.4. The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.

21.1.5. Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.

21.1.6. Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.

21.1.7. A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.

21.2. Memorandum and Articles of Association

- 21.2.1. A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.
- 21.2.2. A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.
- 21.2.3. A description of the rights, preferences and restrictions attaching to each class of the existing shares.
- 21.2.4. A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.
- 21.2.5. A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.
- 21.2.6. A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.
- 21.2.7. An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.
- 21.2.8. A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.

22. MATERIAL CONTRACTS

A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.

A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.

23. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

- 23.1. Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Registration Document.
- 23.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and

that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

24. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) the memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

25. INFORMATION ON HOLDINGS

Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

26. INFORMATION ABOUT THE ISSUER OF THE DEPOSITARY RECEIPTS

27. INFORMATION ABOUT THE UNDERLYING SHARES

28. INFORMATION REGARDING THE DEPOSITARY RECEIPTS

29. INFORMATION ABOUT THE TERMS AND CONDITIONS OF THE OFFER OF THE DEPOSITARY RECEIPTS

30. ADMISSION TO TRADING AND DEALING ARRANGEMENTS IN THE DEPOSITARY RECEIPTS

31. ESSENTIAL INFORMATION ABOUT THE ISSUE OF THE DEPOSITARY RECEIPTS

32. EXPENSE OF THE ISSUE/OFFER OF THE DEPOSITARY RECEIPTS

ANNEX XXIX

Proportionate Schedule for Minimum Disclosure Requirements for Issues by Credit Institutions referred to in Article 1(2)(j) of Directive 2003/71/EC

Minimum Disclosure Requirements for issues by credit institutions referred to in Article 1(2)(j) of Directive 2003/71/EC [see footnote in Regulation (EU) No 486/2012]

1. **PERSONS RESPONSIBLE**
2. **STATUTORY AUDITORS**
3. **RISK FACTORS**
4. **INFORMATION ABOUT THE ISSUER**
5. **BUSINESS OVERVIEW**
6. **ORGANISATIONAL STRUCTURE**
7. **TREND INFORMATION**
8. **PROFIT FORECASTS OR ESTIMATES**
9. **ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**
10. **MAJOR SHAREHOLDERS**
11. **FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**
Audited historical financial information covering the last financial year (or such shorter period that the issuer has been in operation), and the audit report. If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 12 months, or the entire period for which the issuer has been in operation, whichever is the shorter. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the European Union.
12. **MATERIAL CONTRACTS**
13. **THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**
14. **DOCUMENTS ON DISPLAY**

ANNEX XXX

**Additional information regarding consent as referred to in Article 20a
(Additional building block)**

- 1 Information to be provided regarding consent by the issuer or person responsible for drawing up the prospectus**
 - 1.1 Express consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus and statement that it accepts responsibility for the content of the prospectus also with respect to subsequent resale or final placement of securities by any financial intermediary which was given consent to use the prospectus.**
 - 1.2 Indication of the period for which consent to use the prospectus is given.**
 - 1.3 Indication of the offer period upon which subsequent resale or final placement of securities by financial intermediaries can be made.**
 - 1.4 Indication of the Member States in which financial intermediaries may use the prospectus for subsequent resale or final placement of securities.**
 - 1.5 Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus.**
 - 1.6 Notice in bold informing investors that, in the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**
- 2A Additional information to be provided where a consent is given to one or more specified financial intermediaries**
 - 2A.1 List and identity (name and address) of the financial intermediary or intermediaries that are allowed to use the prospectus.**
 - 2A.2 Indication how any new information with respect to financial intermediaries unknown at the time of the approval of the prospectus, the base prospectus or the filing of the final terms, as the case may be, is to be published and where it can be found.**
- 2B Additional information to be provided where a consent is given to all financial intermediaries**
 - [2B.1] Notice in bold informing investors that any financial intermediary using the prospectus has to state on its website that it uses the prospectus in accordance with the consent and the conditions attached thereto.**

Prospectus Rules

PR TR Transitional Provisions

Transitional Provisions

FCA

(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>PR</i> provisions referring to Companies Acts 1985, 2006 or related provisions.	R	<p>(1) To the extent that the whole or part of a provision of the Companies Act 2006 is yet to come into force, any reference to that provision or part of it should be read as a reference to the corresponding provision of the Companies Act 1985 currently in force (subject to the application of any relevant transitional provisions in the Companies Act 2006 or the <i>rules</i>).</p> <p>(2) To the extent that the whole or part of a provision of the Companies Act 1985 is no longer in force it shall be read as a reference to the corresponding provision of the Companies Act 2006 or relevant <i>DTR rule</i> that has superseded it (subject to the application of any relevant transitional provisions).</p>	6 October 2007	20 January 2007

Prospectus Rules

Schedule 1 [to follow]

[to follow]

Prospectus Rules

Schedule 2 [to follow]

[to follow]

Prospectus Rules

Schedule 3 [to follow]

[to follow]

Prospectus Rules

Schedule 4 Powers exercised

Sch 4.1 G

The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the *rules* in *PR*:

Section 73A (Part 6 Rules)

Section 84 (Matters which may be dealt with by prospectus rules)

Sections 85 (Prohibition of dealing etc in transferable securities without approved prospectus)

Section 87 (Election to have prospectus)

Section 87A (Criteria for approval of prospectus by competent authority)

Section 87G (Supplementary prospectus)

Section 96 (Obligations of issuers of listed securities)

Section 99 (Fees)

Section 101 (Part 6 rules: general provisions)

Schedule 7 (The Authority as Competent Authority for Part VI)

Sch 4.2 G

The following power in the *Act* has been exercised by the *FSA* to give the *guidance* in *PR*:

Section 157(1) (Guidance)

Prospectus Rules

Schedule 5 [to follow]

[to follow]

Prospectus Rules

Schedule 6 Rules that can be waived

Sch 6.1G G

FCA

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) or section 248 (Scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.

Sch 6.2G G

FCA

In addition section 87B (Exemptions from disclosure) of the *Act* provides the *FCA* with discretion to authorise omissions from disclosure requirements derived from the *Prospectus Directive* in the circumstances specified in that section.

Disclosure Rules and Transparency Rules

Disclosure Rules and Transparency Rules

DTR 1	Introduction
1.1	Application and purpose (Disclosure rules)
1.2	Modifying rules and consulting the FCA
1.3	Information gathering and publication
1.4	Suspension of trading
1.5	Fees, market abuse safe harbours and sanctions
1 Annex 2	The provisions outlined in DTR 1 Annex 2 in relation to fees are set out in FEES 4 Annex 8R
DTR 1A	Introduction (Transparency rules)
1A.1	Application and purpose (Transparency rules)
1A.2	Modifying rules and consulting the FCA
1A.3	FCA may require the publication of information
1A.4	Fees
DTR 1B	Introduction (Corporate governance)
1B.1	Application and purpose (Corporate governance)
1B.2	Modifying rules and consulting the FCA
DTR 2	Disclosure and control of inside information by issuers
2.1	Introduction and purpose
2.2	Disclosure of inside information
2.3	Publication of information on internet site
2.4	Equivalent information
2.5	Delaying disclosure of inside information
2.6	Control of inside information
2.7	Dealing with rumours
2.8	Insider lists
DTR 3	Transactions by persons discharging managerial responsibilities and their connected persons
3.1	
DTR 4	Periodic Financial Reporting

4.1	Annual financial report
4.2	Half-yearly financial reports
4.3	Interim management statements
4.4	Exemptions
DTR 5	Vote Holder and Issuer Notification Rules
5.1	Notification of the acquisition or disposal of major shareholdings
5.2	Acquisition or disposal of major proportions of voting rights
5.3	Notification of voting rights arising from the holding of certain financial instruments
5.4	Aggregation of managed holdings
5.5	Acquisition or disposal by issuer of shares
5.6	Disclosures by issuers
5.7	Notification of combined holdings
5.8	Procedures for the notification and disclosure of major holdings
5.9	Filing of information with competent authority
5.10	Use of electronic means for notifications and filing
5.11	Non EEA State issuers
DTR 6	Continuing obligations and access to information
6.1	Information requirements for issuers of shares and debt securities
6.2	Filing information and use of language
6.3	Dissemination of information
6.4	Choice of Home State and notifications by third country issuers
DTR 7	Corporate governance
7.1	Audit committees
7.2	Corporate governance statements
	Transitional Provisions
TP 1	Disclosure and transparency rules
Sch 1	[to follow]
Sch 2	[to follow]
Sch 3	[to follow]
Sch 4	Powers Exercised
Sch 5	[to follow]
Sch 6	Rules that can be waived

Chapter 1

Introduction

1.1 Application and purpose (Disclosure rules)

1.1.1

FCA

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The *disclosure rules* apply as follows:

- (1) ■ DTR 1 and ■ DTR 2 apply to an *issuer* whose *financial instruments* are *admitted to trading* on a *regulated market* in the *United Kingdom* or for which a request for *admission to trading* on a *regulated market* in the *United Kingdom* has been made;
- (2) ■ DTR 3 applies to an *issuer* that is incorporated in the *United Kingdom*:
 - (a) whose *financial instruments* are *admitted to trading* on a *regulated market*; or
 - (b) for whose *financial instruments* a request for *admission to trading* on a *regulated market* in the *United Kingdom* has been made;
- (3) the following apply to *person discharging managerial responsibility*, including *directors*, and *connected persons*:
 - (a) ■ DTR 1.1 and ■ DTR 1.2;
 - (b) ■ DTR 1.3.1 R - ■ DTR 1.3.2 G and ■ DTR 1.3.8 R;
 - (c) ■ DTR 1.4;
 - (d) ■ DTR 1.5.3 G; and
 - (e) ■ DTR 3; and
- (4) ■ DTR 3 applies to a *non-EEA state issuer* with the *United Kingdom* as its *Home Member State*.

Purpose

The purpose of the *disclosure rules* is to implement:

- (1) Article 6 of the *Market Abuse Directive*;

1.1.2

FCA

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- (2) Articles 2 and 3 of Commission Directive 2003/124/EC; and
- (3) Articles 5 and 6 of Commission Directive 2004/72/EC.

FCA performing functions as competent authority

1.1.3

FCA

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Other relevant parts of Handbook

Note: Other parts of the *Handbook* that may also be relevant to *persons* to whom the *disclosure rules* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual) .

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

Note: A list of *regulated markets* can be found on the *FCA* website at the following address: www.fsa.gov.uk/register/exchanges.do

1.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

1.2.1

FCA

R

- (1) The *FCA* may dispense with, or modify, the *disclosure rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of directives and the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer*, *person discharging managerial responsibilities* or a *connected person* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FCA* may revoke or modify a dispensation or modification.

1.2.2

FCA

R

- (1) An application to the *FCA* to dispense with or modify, a *disclosure rule* must be in writing.
- (2) The application must:
 - (a) contain a clear explanation of why the dispensation or modification is requested;
 - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
 - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
 - (d) contain any statement or information that is required by the *disclosure rule* to be included for a specific type of dispensation or modification; and
 - (e) include copies of all documents relevant to the application.

1.2.3

FCA

G

An application to dispense with or modify a *disclosure rule* should ordinarily be made at least five *business days* before the proposed dispensation or modification is to take effect.

1.2.4

FCA

G

Early consultation with FCA

An *issuer, person discharging managerial responsibilities or connected person* should consult with the *FCA* at the earliest possible stage if they:

- (1) are in doubt about how the *disclosure rules* apply in a particular situation; or
- (2) consider that it may be necessary for the *FCA* to dispense with or modify a *disclosure rule*.

1.2.5

FCA

G

Where a *disclosure rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency.

Address for correspondence

Note: The *FCA*'s address for correspondence in relation to the *disclosure rules* is:

Primary Market Monitoring
Markets Division
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

1.3 Information gathering and publication

Information gathering

1.3.1
FCA

R An *issuer, person discharging managerial responsibilities or connected person* must provide to the *FCA* as soon as possible following a request:

- (1) any information that the *FCA* considers appropriate to protect investors or ensure the smooth operation of the market; and
- (2) any other information or explanation that the *FCA* may require to verify whether the *disclosure rules* are being and have been complied with.

1.3.2
FCA

G In gathering information under **■** DTR 1.3.1 R, the *FCA* may contact the *issuer, person discharging managerial responsibilities, connected person* or their adviser directly. Telephone calls to and from the *FCA* may be recorded for regulatory purposes. The *FCA* may also require the *issuer, person discharging managerial responsibilities, connected person* or their advisers to provide information in writing.

FCA may require the publication of information

1.3.3
FCA

- R**
- (1) The *FCA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market.
 - (2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published).

Misleading information not to be published

1.3.4
FCA

R An *issuer* must take all reasonable care to ensure that any information it notifies to a *RIS* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

1.3.5
FCA

R An *issuer* must not combine, in a manner likely to be misleading, a *RIS* announcement with the marketing of its activities. [Note: Article 2(1) 2003/124/EC]

1.3.6

FCA

R

Notification when a RIS is not open for business

If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business, it must distribute the information as soon as possible to:

- (1) not less than two national newspapers in the *United Kingdom*;
- (2) two newswire services operating in the *United Kingdom*; and
- (3) a *RIS* for release as soon as it opens.

1.3.7

FCA

G

The fact that a *RIS* is not open for business is not, in itself, sufficient grounds for delaying the disclosure or distribution of *inside information*.

English language

1.3.8

FCA

R

A notification to a *RIS* that is required under the *disclosure rules* must be in English.

1.4 Suspension of trading

- 1.4.1** **R** The *FCA* may require the suspension of trading of a *financial instrument* with effect from such time as it may determine if there are reasonable grounds to suspect non-compliance with the *disclosure rules*.
FCA
- 1.4.2** **R** If trading of an *issuer's financial instruments* is suspended, the *issuer*, any *persons discharging managerial responsibilities* and any *connected person* must continue to comply with all applicable *disclosure rules*.
FCA
- 1.4.3** **R** If the *FCA* has required the suspension of trading of any *financial instruments*, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.
FCA
- 1.4.4** **G** Examples of when the *FCA* may require the suspension of trading of a *financial instrument* include:
FCA
- (1) if an *issuer* fails to make a *RIS* announcement as required by the *disclosure rules* within the applicable time-limits which the *FCA* considers could affect the interests of investors or affect the smooth operation of the market; or
 - (2) if there is or there may be a leak of *inside information* and the *issuer* is unwilling or unable to issue an appropriate *RIS* announcement within a reasonable period of time.
- 1.4.5** **G** The decision-making procedures to be followed by the *FCA* when it:
FCA
- (1) requires the suspension of trading of a *financial instrument*; or
 - (2) refuses an application by an *issuer* to lift a suspension made under section 96C;
- are set out in *DEPP*.

1.5 Fees, market abuse safe harbours and sanctions

Fees

1.5.1

FCA

G

■ FEES 4 sets out the fees payable by an *issuer* to the *FCA* .

Market abuse safe harbours

1.5.2

FCA

R

Pursuant to section 118A(5) of the *Act*, behaviour conforming with the *disclosure rules* specified below does not amount to market abuse under section 118(1) of the *Act*:

- (1) ■ DTR 1.3.4 R (Misleading information not to be published);
- (2) ■ DTR 1.3.6 R (Notification when a *RIS* is not open for business);
- (3) ■ DTR 2.2.1 R (Requirement to disclose *inside information*); and
- (4) ■ DTR 2.5.1 R (Delaying disclosure).

Sanctions

1.5.3

FCA

G

- (1) If the *FCA* considers that an *issuer*, a *person discharging managerial responsibilities* or a *connected person* has breached any of the *disclosure rules* it may, subject to the provisions of the *Act*, impose on that *person* a financial penalty or publish a statement censuring that *person*.
- (2) If the *FCA* considers that a former *director* was knowingly concerned in a breach by an *issuer* it may, subject to the provisions of the *Act*, impose on that *person* a financial penalty.

The provisions outlined in DTR 1 Annex 2 in relation to fees are set out in FEES 4 Annex 8R

Chapter 1A

Introduction (Transparency rules)



1A.1 Application and purpose (Transparency rules)

1A.1.1
FCA

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The application of Chapters 4, 5 and 6 of *DTR* is set out at the beginning of each chapter and, where necessary, section.

1A.1.2
FCA

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- (1) Neither this chapter nor Chapters 4, 5 or 6 of *DTR* shall apply in relation to an undertaking that falls within paragraph (2) or units of such an undertaking that fall within paragraph (3). [Note: article 1.2 *TD*].
- (2) The exemption set out in paragraph (1) applies to an undertaking if it is a unit trust or investment company
 - (a) the object of which is the collective investment of capital provided by the public, and which operates on the principle of risk spreading; and
 - (b) the units of which are, at the request of the holder of such units, repurchased or redeemed, directly or indirectly, out of the assets of that undertaking. [Note: article 2.1(g) *TD*]
- (3) Units of an undertaking that falls within paragraph (2) are securities issued by such an undertaking and representing the rights of the participants in such an undertaking. [Note: article 2.1(h) *TD*]

Purpose

1A.1.3
FCA

G

The purpose of the *transparency rules* is to implement the *Transparency Directive* and to make other rules to ensure there is adequate transparency of and access to information in the UK financial markets.

1A.1.4

G

FCA performing functions as competent authority.....

Other relevant parts of Handbook

Note: Other parts of the *Handbook* that may also be relevant to persons to whom the *transparency rules* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual).

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

Note: A list of *regulated markets* can be found on the *FCA* website at the following address: www.fsa.gov.uk/register/exchanges.do

1A



1A.2 Modifying rules and consulting the FCA

Modifying or dispensing with rules

1A.2.1
FCA

R

- (1) The *FCA* may dispense with, or modify, the *transparency rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of directives and the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer*, or other *person* has applied for, or been granted, a dispensation or modification, it must notify the *FCA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FCA* may revoke or modify a dispensation or modification.

1A.2.2
FCA

R

- (1) An application to the *FCA* to dispense with or modify, a *transparency rule* must be in writing.
- (2) The application must:
 - (a) contain a clear explanation of why the dispensation or modification is requested;
 - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
 - (c) contain all relevant information that should reasonably be brought to the *FCA*'s attention;
 - (d) contain any statement or information that is required by the *transparency rules* to be included for a specific type of dispensation or modification; and
 - (e) include copies of all documents relevant to the application.

1A.2.3
FCA

G

An application to dispense with or modify a *transparency rule* should ordinarily be made at least five *business days* before the proposed dispensation or modification is to take effect.

Early consultation with FCA

1A.2.4
FCA

G

An *issuer* or other *person* should consult with the *FCA* at the earliest possible stage if they:

- (1) are in doubt about how the *transparency rules* apply in a particular situation; or
- (2) consider that it may be necessary for the *FCA* to dispense with or modify a *transparency rule*.

1A.2.5
FCA

G

Where a *transparency rule* refers to consultation with the *FCA*, submissions should be made in writing other than in circumstances of exceptional urgency.

Address for correspondence

Note: The *FCA*'s address for correspondence in relation to the *disclosure rules* is:

Primary Market Monitoring
Markets Division
The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS



1A.3 FCA may require the publication of information

1A.3.1
FCA

R

- (1) The *FCA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market.
- (2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FCA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published).

1A.3.2
FCA

R

Misleading information not to be published

An *issuer* must take all reasonable care to ensure that any information it notifies to a *RIS* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

1A.3.2A
FCA

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The duty imposed by **■ DTR 1A.3.2 R** does not apply to an *issuer's* obligation under **■ DTR 5.8.12 R** to make public the information contained in a voteholder notification made to it under **■ DTR 5.1.2 R**.

1A.3.3
FCA

R

Notification when a *RIS* is not open for business

If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business, it must distribute the information as soon as possible to:

- (1) not less than two national newspapers in the *United Kingdom*;
- (2) two newswire services operating in the *United Kingdom*; and
- (3) a *RIS* for release as soon as it opens.



1A.4 Fees

1A.4.1

FCA

R

An *issuer* must pay the fees set out in *DTR App 2R* to the *FCA* when they are due.

1A

Chapter 1B

Introduction (Corporate governance)



1B.1 Application and purpose (Corporate governance)

Purpose: Audit committees

1B.1.1
FCA

G

The purpose of the requirements in ■ DTR 7.1 is to implement parts of the *Audit Directive* which require *issuers* that are required to appoint a *statutory auditor* to appoint an audit committee or have a body performing equivalent functions.

Application: Audit committees

1B.1.2
FCA

R

Except as set out in ■ DTR 1B.1.3 R, ■ DTR 7.1 applies to an *issuer*:

- (1) whose *transferable securities* are *admitted to trading*; and
- (2) which is required to appoint a *statutory auditor*.

Exemptions

1B.1.3
FCA

R

■ DTR 7.1 does not apply to:

- (1) any *issuer* which is a *subsidiary undertaking* of a *parent undertaking* where the *parent undertaking* is subject to ■ DTR 7.1, or to requirements implementing Article 41 of the *Audit Directive* in any other *EEA State*;

[Note: Article 41.6(a) of the *Audit Directive*]

- (2) any *issuer* the sole business of which is to act as the issuer of *asset-backed securities* provided the entity makes a statement available to the public setting out the reasons for which it considers it is not appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee;

[Note: Article 41.6(c) of the *Audit Directive*]

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

- (a) the total nominal amount of all such *debt securities* remains below 100,000,000 Euros; and
- (b) the *credit institution* has not been subject to a requirement to publish a prospectus in accordance with section 85 of the *Act*.

[Note: Article 41.6(d) of the *Audit Directive*]

Purpose: Corporate governance statements

1B.1.4
FCA

G

The purpose of the requirements in ■ DTR 7.2 is to implement parts of the *Fourth Company Law Directive* and the *Seventh Company Law Directive* (including those Directives as applied to banking and insurance companies) which require companies to publish a corporate governance statement.

Application: Corporate governance statements

1B.1.5
FCA

R

Except as set out in ■ DTR 1B.1.6 R, ■ DTR 7.2 applies to an *issuer*:

- (1) whose *transferable securities* are *admitted to trading*; and
- (2) which is a company within the meaning of section 1(1) of the *Companies Act 2006*.

1B.1.5A
FCA

G

■ LR 9.8.7A R, ■ LR 14.3.24 R and ■ LR 18.4.3 R (2) extend the application of ■ DTR 7.2 (Corporate governance statements) for certain *overseas companies* which have *securities* admitted to the *official list* maintained by the *FCA* in accordance with section 74 (The official list) of the *Act*.

Exemption

1B.1.6
FCA

R

The *rules* in ■ DTR 7.2.2 R, ■ 7.2.3 R and ■ 7.2.7 R do not apply to an *issuer* which has not issued *shares* which are *admitted to trading* unless it has issued *shares* which are traded on an *MTF*.

[Note: Article 46a(3) of the *Fourth Company Law Directive*]



1B.2 Modifying rules and consulting the FCA

1B.2.1
FCA

R The *rules and guidance* provisions in ■ DTR 1A.2 are deemed to apply to *corporate governance rules* as they apply to *transparency rules*.

Chapter 2

Disclosure and control of inside information by issuers

2.1 Introduction and purpose

Introduction

2.1.1
FCA

G

An *issuer* should be aware that matters that fall within the scope of this chapter may also fall within the scope of:

- (1) the market abuse regime set out in section 118 of the *Act*;
- (2) Part 7 (Offences relating to Financial Services) of the Financial Services Act 2012 relating to misleading statements and practices;
- (3) Part V of the Criminal Justice Act 1993 relating to insider dealing; and
- (4) the *Takeover Code*.

2.1.2
FCA

R

If an *issuer* is involved in a matter which also falls within the scope of the *Takeover Code* it must nevertheless comply with its obligations under this chapter.

Purpose

2.1.3
FCA

G

The purpose of this chapter is to:

- (1) promote prompt and fair disclosure of relevant information to the market; and [Note: Recital 24 *Market Abuse Directive*]
- (2) set out specific circumstances when an *issuer* can delay public disclosure of *inside information* and requirements to ensure that such information is kept confidential in order to protect investors and prevent insider dealing. [Note: Recital 5 2003/124/EC]



2.2 Disclosure of inside information

Requirement to disclose inside information

2.2.1
FCA

R An *issuer* must notify a *RIS* as soon as possible of any *inside information* which directly concerns the *issuer* unless ■ DTR 2.5.1 R applies. [Note: Article 6(1) *Market Abuse Directive*]

2.2.2
FCA

R An *issuer* will be deemed to have complied with ■ DTR 2.2.1 R where, upon the coming into existence of a set of circumstances or the occurrence of an event, albeit not yet formalised, the *issuer* notified a *RIS* as soon as was possible. [Note: Article 2(2) 2003/124/EC]

Identifying inside information

2.2.3
FCA

G Information is *inside information* if each of the criteria in the definition of *inside information* is met.

2.2.4
FCA

- G**
- (1) In determining the likely price significance of the information an *issuer* should assess whether the information in question would be likely to be used by a reasonable investor as part of the basis of his investment decisions and would therefore be likely to have a significant effect on the price of the *issuer's financial instruments* (the reasonable investor test). [Note: Article 1(2) 2003/124/EC]
 - (2) In determining whether information would be likely to have a significant effect on the price of *financial instruments*, an *issuer* should be mindful that there is no figure (percentage change or otherwise) that can be set for any *issuer* when determining what constitutes a significant effect on the price of the *financial instruments* as this will vary from *issuer* to *issuer*.

2.2.5
FCA

- G** The reasonable investor test requires an *issuer*:
- (1) to take into account that the significance of the information in question will vary widely from *issuer* to *issuer*, depending on a variety of factors such as the *issuer's* size, recent developments and the market sentiment about the *issuer* and the sector in which it operates; and
 - (2) to assume that a reasonable investor will make investment decisions relating to the relevant *financial instrument* to maximise his economic self interest.

2.2.6
FCA

G

It is not possible to prescribe how the reasonable investor test will apply in all possible situations. Any assessment should take into consideration the anticipated impact of the information in light of the totality of the *issuer's* activities, the reliability of the source of the information and other market variables likely to affect the relevant *financial instrument* in the given circumstances. However, information which is likely to be considered relevant to a reasonable investor's decision includes information which affects:

- (1) the assets and liabilities of the *issuer*;
- (2) the performance, or the expectation of the performance, of the *issuer's* business;
- (3) the financial condition of the *issuer*;
- (4) the course of the *issuer's* business;
- (5) major new developments in the business of the *issuer*; or
- (6) information previously disclosed to the market. [Note: Recital 1 2003/124/EC]

2.2.7
FCA

G

An *issuer* and its advisers are best placed to make an initial assessment of whether particular information amounts to *inside information*. The decision as to whether a piece of information is *inside information* may be finely balanced and the *issuer* (with the help of its advisers) will need to exercise its judgement.

Note: ■ DTR 2.7 provides additional guidance on dealing with market rumour.

2.2.8
FCA

G

The *directors* of the *issuer* should carefully and continuously monitor whether changes in the circumstances of the *issuer* are such that an announcement obligation has arisen under this chapter.

When to disclose inside information

2.2.9
FCA

G

- (1) Subject to the limited ability to delay release of *inside information* to the public provided by ■ DTR 2.5.1 R, an *issuer* is required to notify, via a *RIS*, all *inside information* in its possession as soon as possible.
- (2) If an *issuer* is faced with an unexpected and significant event, a short delay may be acceptable if it is necessary to clarify the situation. In such situations a holding announcement should be used where an *issuer* believes that there is a danger of *inside information* leaking before the facts and their impact can be confirmed. The holding announcement should:
 - (a) detail as much of the subject matter as possible;
 - (b) set out the reasons why a fuller announcement cannot be made; and
 - (c) include an undertaking to announce further details as soon as possible.
- (3) If an *issuer* is unable, or unwilling to make a holding announcement it may be appropriate for the trading of its *financial instruments* to be suspended until the *issuer* is in a position to make an announcement.

- (4) An *issuer* that is in any doubt as to the timing of announcements required by this chapter should consult the *FCA* at the earliest opportunity.

Communication with third parties

2.2.10

FCA

G

The *FCA* is aware that many *issuers* provide unpublished information to third parties such as analysts, employees, credit rating agencies, finance providers and major shareholders, often in response to queries from such parties. The fact that information is unpublished does not in itself make it *inside information*. However, unpublished information which amounts to *inside information* is only permitted to be disclosed in accordance with the *disclosure rules* and an *issuer* must ensure that at all times it acts in compliance with this chapter.

2



2.3 Publication of information on internet site

- 2.3.1 FCA R ■ DTR 2.3.2 R - ■ DTR 2.3.5 R apply to an *issuer* that has an internet site.
- 2.3.2 FCA R *Inside information* announced via a *RIS* must be available on the *issuer's* internet site by the close of the *business day* following the day of the *RIS* announcement.
- 2.3.3 FCA R An *issuer* must ensure that *inside information* is notified to a *RIS* before, or simultaneously with, publication of such *inside information* on its internet site.
- 2.3.4 FCA G To ensure fast access and correct and timely assessment of the information by the public, an *issuer* should not publish *inside information* on its internet site as an alternative to its disclosure via a *RIS*.
- 2.3.5 FCA R An *issuer* must, for a period of one year following publication, post on its internet sites all *inside information* that it is required to disclose via a *RIS*. [Note: Article 6(1) *Market Abuse Directive*]



2.4 Equivalent information

2.4.1

FCA

R

Without prejudice to its obligations under ■ DTR 2.2.1 R , an *issuer* must take reasonable care to ensure that the disclosure of *inside information* to the public is synchronised as closely as possible in all jurisdictions in which it has:

- (1) *financial instruments admitted to trading on a regulated market;*
- (2) requested *admission to trading* of its *financial instruments* on a *regulated market*; or
- (3) *financial instruments* listed on any other *overseas* stock exchange.
[Note: Article 2(4) 2003/124/EC]

2.4.2

FCA

R

If the rules of another *regulated market* or *overseas* stock exchange require an *issuer* to disclose *inside information* at a time when a *RIS* is not open for business it should disclose the information in accordance with ■ DTR 1.3.6 R at the same time as it is released to the public in the other jurisdiction.

2.5 Delaying disclosure of inside information

Delaying disclosure

2.5.1
FCA

R

An *issuer* may, under its own responsibility, delay the public disclosure of *inside information*, such as not to prejudice its legitimate interests provided that:

- (1) such omission would not be likely to mislead the public;
- (2) any *person* receiving the information owes the *issuer* a duty of confidentiality, regardless of whether such duty is based on law, regulations, articles of association or contract; and
- (3) the *issuer* is able to ensure the confidentiality of that information. [Note: Article 6(2) and (3) *Market Abuse Directive*]

Legitimate interests and when delay will not mislead the public

2.5.2
FCA

G

- (1) Delaying disclosure of *inside information* will not always mislead the public, although a developing situation should be monitored so that if circumstances change an immediate disclosure can be made.
- (2) Investors understand that some information must be kept confidential until developments are at a stage when an announcement can be made without prejudicing the legitimate interests of the *issuer*.

2.5.3
FCA

R

For the purposes of applying ■ DTR 2.5.1 R, legitimate interests may, in particular, relate to the following non-exhaustive circumstances:

- (1) negotiations in course, or related elements where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the *issuer* is in grave and imminent danger, although not within the scope of the applicable insolvency law, public disclosure of information may be delayed for a limited period where such a public disclosure would seriously jeopardise the interest of existing and potential shareholders by undermining the conclusion of specific negotiations designed to ensure the long term financial recovery of the *issuer*; or

(2) decisions taken or contracts made by the management body of an *issuer* which need the approval of another body of the *issuer* in order to become effective, where the organisation of such an *issuer* requires the separation between these bodies, provided that a public disclosure of the information before such approval together with the simultaneous announcement that this approval is still pending would jeopardise the correct assessment of the information by the public. [Note: Article 3(1) 2003/124/EC]

2.5.4
FCA

G

- (1) ■ DTR 2.5.3 R (1) does not allow an *issuer* to delay public disclosure of the fact that it is in financial difficulty or of its worsening financial condition and is limited to the fact or substance of the negotiations to deal with such a situation. An *issuer* cannot delay disclosure of *inside information* on the basis that its position in subsequent negotiations to deal with the situation will be jeopardised by the disclosure of its financial condition.
- (2) The legitimate interest described in ■ DTR 2.5.3 R (2) refers to an *issuer* with a dual board structure (e.g. a management board and supervisory board if and to the extent that decisions of the management board require ratification by the supervisory board). An *issuer* with a unitary board structure would be unable to take advantage of ■ DTR 2.5.3 R (2) and, therefore, ■ DTR 2.5.3 R (2) should only be available to a very limited number of *issuers* in the *United Kingdom*.

2.5.5
FCA

G

An *issuer* should not be obliged to disclose impending developments that could be jeopardised by premature disclosure. Whether or not an *issuer* has a legitimate interest which would be prejudiced by the disclosure of certain *inside information* is an assessment which must be made by the *issuer* in the first instance. However, the *FCA* considers that, other than in relation to impending developments or matters described in ■ DTR 2.5.3 R or ■ DTR 2.5.5A R, there are unlikely to be other circumstances where delay would be justified.

2.5.5A
FCA

R

An *issuer* may have a legitimate interest to delay disclosing *inside information* concerning the provision of liquidity support by the Bank of England or by another central bank to it or to a member of the same *group* as the *issuer*.

Selective disclosure

2.5.6
FCA

R

Whenever an *issuer* or a person acting on his behalf or for his account discloses any *inside information* to any third party in the normal exercise of his employment, profession or duties, the *issuer* must make complete and effective public disclosure of that information via a *RIS*, simultaneously in the case of an intentional disclosure and as soon as possible in the case of a non-intentional disclosure, unless ■ DTR 2.5.1 R applies. [Note: Article 6(3) *Market Abuse Directive*]

PAGE
9

2.5.7
FCA

G

- (1) When an *issuer* is permitted to delay public disclosure of *inside information* in accordance with ■ DTR 2.5.1 R, it may selectively disclose that information to *persons* owing it a duty of confidentiality.

- (2) Such selective disclosure may be made to another *person* if it is in the normal course of the exercise of his employment, profession or duties. However, selective disclosure cannot be made to any *person* simply because they owe the *issuer* a duty of confidentiality. For example, an *issuer* contemplating a major transaction which requires shareholder support or which could significantly impact its lending arrangements or credit-rating may selectively disclose details of the proposed transaction to major shareholders, its lenders and/or credit-rating agency as long as the recipients are bound by a duty of confidentiality. An *issuer* may, depending on the circumstances, be justified in disclosing *inside information* to certain categories of recipient in addition to those employees of the *issuer* who require the information to perform their functions. The categories of recipient include, but are not limited to, the following:
- (a) the *issuer's* advisers and advisers of any other *persons* involved in the matter in question;
 - (b) *persons* with whom the *issuer* is negotiating, or intends to negotiate, any commercial financial or investment transaction (including prospective underwriters or placees of the *financial instruments* of the *issuer*);
 - (c) employee representatives or trade unions acting on their behalf;
 - (d) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority;
 - (e) major shareholders of the *issuer*;
 - (f) the *issuer's* lenders; and
 - (g) credit-rating agencies.

2.5.8
FCA

G Selective disclosure to any or all of the *persons* referred to in **■** DTR 2.5.7 G may not be justified in every circumstance where an *issuer* delays disclosure in accordance with **■** DTR 2.5.1 R .

2.5.9
FCA

G An *issuer* should bear in mind that the wider the group of recipients of *inside information* the greater the likelihood of a leak which will trigger full public disclosure of the information via a *RIS* under **■** DTR 2.6.2 R .



2.6 Control of inside information

Denying access to inside information

2.6.1
FCA

R An *issuer* must establish effective arrangements to deny access to *inside information* to *persons* other than those who require it for the exercise of their functions within the *issuer*. [Note: Article 3(2) 2003/124/EC]

Breach of confidentiality

2.6.2
FCA

R An *issuer* must have in place measures which enable public disclosure to be made via a *RIS* as soon as possible in case the *issuer* is not able to ensure the confidentiality of the relevant *inside information*. [Note: Article 3(2) 2003/124/EC]

2.6.3
FCA

G If an *issuer* is relying on **■** DTR 2.5.1 R to delay the disclosure of *inside information* it should prepare a holding announcement to be disclosed in the event of an actual or likely breach of confidence. Such a holding announcement should include the details set out in **■** DTR 2.2.9 G (2).

2.6.4
FCA

G We recognise that an *issuer* may not be responsible for breach of **■** DTR 2.5.1 R if a recipient of *inside information* under **■** DTR 2.5.1 R breaches his duty of confidentiality.

2.7 Dealing with rumours

2.7.1
FCA

G

Where there is press speculation or market rumour regarding an *issuer*, the *issuer* should assess whether a disclosure obligation arises under ■ DTR 2.2.1 R. To do this an *issuer* will need to carefully assess whether the speculation or rumour has given rise to a situation where the *issuer* has *inside information*.

2.7.2
FCA

G

- (1) Where press speculation or a market rumour is largely accurate and the information underlying the rumour is *inside information* then it is likely that the *issuer* can no longer delay disclosure in accordance with ■ DTR 2.5.1 R as it is no longer able to ensure the confidentiality of the *inside information*.
- (2) An *issuer* that finds itself in the circumstances described in paragraph (1) should disclose the *inside information* in accordance with ■ DTR 2.6.2 R as soon as possible.

2.7.3
FCA

G

The knowledge that press speculation or market rumour is false is not likely to amount to *inside information*. Even if it does amount to *inside information*, the *FCA* expects that in most of those cases an *issuer* would be able to delay disclosure (often indefinitely) in accordance with ■ DTR 2.5.1 R.

2.8 Insider lists

Requirement to draw up insider lists

2.8.1
FCA

R An *issuer* must ensure that it and *persons* acting on its behalf or on its account draw up a list of those *persons* working for them, under a contract of employment or otherwise, who have access to *inside information* relating directly or indirectly to the *issuer*, whether on a regular or occasional basis. [Note: Article 6(3) *Market Abuse Directive*]

Providing insider lists to the FCA on request

2.8.2
FCA

R If so requested, an *issuer* must provide to the *FCA* as soon as possible an *insider list* that has been drawn up in accordance with ■ DTR 2.8.1 R . [Note: Article 6(3) *Market Abuse Directive*]

Contents of insider lists

2.8.3
FCA

R Every *insider list* must contain the following information:

- (1) the identity of each *person* having access to *inside information*;
- (2) the reason why such *person* is on the *insider list*; and
- (3) the date on which the *insider list* was created and updated. [Note: Article 5(2) 2004/72/EC]

Maintenance of insider lists

2.8.4
FCA

R An *insider list* must be promptly updated:

- (1) when there is a change in the reason why a *person* is already on the list;
- (2) when any *person* who is not already on the list is provided with access to *inside information*; and
- (3) to indicate the date on which a *person* already on the list no longer has access to *inside information*. [Note: Article 5(3) 2004/72/EC]

2.8.5
FCA

R An *issuer* must ensure that every *insider list* prepared by it or by *persons* acting on its account or on its behalf is kept for at least five years from the

date on which it is drawn up or updated, whichever is the latest. [Note: Article 5(4) 2004/72/EC]

2.8.6
FCA

G

An *issuer* and not its advisers or agents is ultimately responsible for the maintenance of *insider lists*.

2.8.7
FCA

G

For the purposes of ■ DTR 2.8.1 R an *issuer* should maintain a list of:

- (1) its own employees that have access to *inside information*;
- (2) its principal contacts at any other firm or *company* acting on its behalf or on its account with whom it has had direct contact and who also have access to *inside information* about it.

2.8.8
FCA

G

For the purposes of ■ DTR 2.8.1 R it is not necessary for an *issuer* to maintain a list of all the individuals working for another firm or *company* acting on its behalf or its account where it has:

- (1) recorded the name of the principal contact(s) at that firm or *company*;
- (2) made effective arrangements, which are likely to be based in contract, for that firm or *company* to maintain (as set out in ■ DTR 2.8.1 R, ■ DTR 2.8.3 R - ■ DTR 2.8.5 R and ■ DTR 2.8.10 R) its own list of *persons* both acting on behalf of the *issuer* and with access to *inside information* on the *issuer*; and
- (3) made effective arrangements for that firm or *company* to provide a copy of its list to the *issuer* as soon as possible upon request.

Acknowledgement of legal and regulatory duties

2.8.9
FCA

R

An *issuer* must take the necessary measures to ensure that its employees with access to *inside information* acknowledge the legal and regulatory duties entailed (including dealing restrictions in relation to the *issuer's financial instruments*) and are aware of the sanctions attaching to the misuse or improper circulation of such information. [Note: Article 5(5) 2004/72/EC and Article 3(2) 2003/124/EC]

2.8.10
FCA

R

An *issuer* must ensure that any *person* that:

- (1) is acting on its behalf or on its account; and
- (2) has drawn up an *insider list* in accordance with ■ DTR 2.8.1 R;

has taken the necessary measures to ensure that every *person* whose name is on the *insider list* acknowledges the legal and regulatory duties entailed and is aware of the sanctions attaching to the misuse or improper circulation of such information. [Note: Article 5(5) 2004/72/EC]

Chapter 3

Transactions by persons discharging managerial responsibilities and their connected persons



3.1

Purpose

3.1.1
FCA

G

This chapter sets out the notification obligations of *issuers*, *persons discharging managerial responsibilities* and their *connected persons* in respect of transactions conducted on their own account in *shares* of the *issuer*, or derivatives or any other *financial instrument* relating to those *shares*.

Notification of transactions by persons discharging managerial responsibilities

3.1.2
FCA

R

Persons discharging managerial responsibilities and their *connected persons*, must notify the *issuer* in writing of the occurrence of all transactions conducted on their own account in the *shares* of the *issuer*, or derivatives or any other *financial instruments* relating to those *shares* within four *business days* of the day on which the transaction occurred. [Note: Article 6(4) *Market Abuse Directive* and Article 6(1) 2004/72/EC]

3.1.2A
FCA

G

- (1) The *Act* provides that an individual who is not a *director* can still be a *person discharging managerial responsibilities* in relation to an issuer if they are a "senior executive of such an issuer" and they meet the criteria set out in the *Act*.
- (2) An individual may be a "senior executive of such an issuer" irrespective of the nature of any contractual arrangements between the individual and the *issuer* and notwithstanding the absence of a contractual arrangement between the individual and the *issuer*, provided the individual has regular access to inside information relating, directly or indirectly, to the *issuer* and has power to make managerial decisions affecting the future development and business prospects of the *issuer*.

3.1.3
FCA

R

The notification required by ■ DTR 3.1.2 R must contain the following information:

- (1) the name of the *person discharging managerial responsibilities* within the *issuer*, or, where applicable, the name of the *person connected* with such a *person*;
- (2) the reason for responsibility to notify;

- (3) the name of the relevant *issuer*;
- (4) a description of the *financial instrument*;
- (5) the nature of the transaction (e.g. acquisition or disposal);
- (6) the date and place of the transaction; and
- (7) the price and volume of the transaction. [Note: Article 6(3) 2004/72/EC]

Notification of transactions by issuers to a RIS

3.1.4
FCA

R

- (1) An *issuer* must notify a *RIS* of any information notified to it in accordance with:
 - (a) ■ DTR 3.1.2 R (Notification of transactions by persons discharging managerial responsibilities);
 - (b) [deleted]
 - (c) section 793 of the Companies Act 2006 (Notice requiring information about interests in shares) to the extent that it relates to the interests of a *director* or, as far as the issuer is aware, any *connected person* ; and
 - (d) paragraph 26 of the *Model Code*.
- (2) The notification to a *RIS* described in paragraph (1) must be made as soon as possible, and in any event by no later than the end of the *business day* following the receipt of the information by the *issuer*.

3.1.5
FCA

R

The notification required by ■ DTR 3.1.4 R must include the information required by ■ DTR 3.1.3 R together with the date on which the notification was made to the *issuer*.

3.1.6
FCA

R

If an *issuer* makes the appropriate notification to the *RIS* under ■ DTR 3.1.4 R (1)(a) , a further notification to an *RIS* is not required in the event of it receiving information regarding the same dealing in a notification under section 793 of the Companies Act 2006 .

3.1.7
FCA

G

An *issuer* may use the form entitled Notification of Transactions of Directors, Persons Discharging Managerial Responsibility or Connected Persons to make the notification required by ■ DTR 3.1.4 R .

PAGE
3

3.1.8
FCA

R

An *issuer* with *financial instruments admitted to trading on a regulated market in the United Kingdom* that does not fall within) ■ DTR 1.1.1 R (2) or ■ DTR 1.1.1 R (4), must notify equivalent information to that required by ■ DTR 3.1.4 R and ■ DTR 3.1.5 R to a *RIS* as soon as possible after the *issuer* becomes aware of the information.

Chapter 4

Periodic Financial Reporting

4.1 Annual financial report

Application

4.1.1
FCA

R Subject to the exemptions set out in ■ DTR 4.4 (Exemptions) this section applies to an *issuer*:

- (1) whose *transferable securities* are admitted to trading; and
- (2) whose *Home State* is the *United Kingdom*.

Compliance with the Listing Rules

4.1.2
FCA

G An *issuer* that is also admitted to the *official list* should consider its obligations under the *Listing Rules* in addition to the requirements in these *rules*.

Publication of annual financial reports

4.1.3
FCA

R An *issuer* must make public its annual financial report at the latest four months after the end of each financial year.

[Note: article 4(1) of the *TD*]

4.1.4
FCA

R An *issuer* must ensure that its annual financial report remains publicly available for at least five years.

[Note: article 4(1) of the *TD*]

Content of annual financial reports

4.1.5
FCA

R The annual financial report must include:

- (1) the audited financial statements;
- (2) a management report; and
- (3) responsibility statements.

[Note: article 4(2) of the *TD*]

4.1.6

FCA

R

Audited financial statements

- (1) If an *issuer* is required to prepare consolidated accounts according to the Seventh Council Directive 83/349/EEC, the audited financial statements must comprise:
- (a) consolidated accounts prepared in accordance with *IFRS*, and
 - (b) accounts of the parent *company* prepared in accordance with the national law of the *EEA State* in which the parent *company* is incorporated.

[Note: article 4(3) of the *TD*]

- (2) If an *issuer* is not required to prepare consolidated accounts, the audited financial statements must comprise accounts prepared in accordance with the national law of the *EEA State* in which the *issuer* is incorporated.

[Note: article 4(3) of the *TD*]

Auditing of financial statements

4.1.7

FCA

R

- (1) If an *issuer* is required to prepare consolidated accounts, the financial statements must be audited in accordance with Article 37 of the Seventh Council Directive 83/349/EEC.
- (2) If an *issuer* is not required to prepare consolidated accounts the financial statements must be audited in accordance with Articles 51 and 51a of the Fourth Council Directive 78/660/EEC.
- (3) The audit report, signed by the person or persons responsible for auditing the financial statements must be disclosed in full to the public together with the annual financial report.

[Note: article 4(4) of the *TD*]

- (4) An *issuer* which is a UK-traded non-EEA company within the meaning of section 1241 of the Companies Act 2006 must ensure that the *person* who provides the audit report is:
- (a) on the register of third country auditors kept for the purposes of regulation 34 of the Statutory Auditors and Third Country Audit Regulations 2007 (SI 2007/3494); or
 - (b) eligible for appointment as a *statutory auditor* under section 1212 of the Companies Act 2006; or
 - (c) an EEA auditor within the meaning of section 1261 of the Companies Act 2006.

[Note: Article 45(4) of the *Audit Directive*]

Content of management report

4.1.8

FCA

R

The management report must contain:

- (1) a fair review of the *issuer's* business; and
- (2) a description of the principal risks and uncertainties facing the *issuer*.

4.1.9

FCA

R

The review required by ■ DTR 4.1.8 R must:

- (1) be a balanced and comprehensive analysis of:
 - (a) the development and performance of the *issuer's* business during the financial year; and
 - (b) the position of the *issuer's* business at the end of that year, consistent with the size and complexity of the business;
- (2) include, to the extent necessary for an understanding of the development, performance or position of the *issuer's* business:
 - (a) analysis using financial key performance indicators; and
 - (b) where appropriate, analysis using other key performance indicators including information relating to environmental matters and employee matters; and
- (3) include references to, and additional explanations of, amounts included in the *issuer's* annual financial statements, where appropriate.

4.1.10

FCA

G

In ■ DTR 4.1.9 R (2), key performance indicators are factors by reference to which the development, performance or position of the *issuer's* business can be measured effectively.

4.1.11

FCA

R

The management report required by ■ DTR 4.1.8 R must also give an indication of:

- (1) any important events that have occurred since the end of the financial year;
- (2) the *issuer's* likely future development;
- (3) activities in the field of research and development;
- (4) the information concerning acquisitions of own *shares* prescribed by Article 22 (2) of Directive 77/91/EEC;
- (5) the existence of branches of the *issuer*; and

- (6) in relation to the *issuer's* use of *financial instruments* and where material for the assessment of its assets, liabilities, financial position and profit or loss:
- (a) the *issuer's* financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used, and
 - (b) the *issuer's* exposure to price risk, credit risk, liquidity risk and cash flow risk.

Responsibility statements

4.1.12

FCA

R

- (1) Responsibility statements must be made by the *persons* responsible within the *issuer*.
- (2) The name and function of any *person* who makes a responsibility statement must be clearly indicated in the responsibility statement.
- (3) For each *person* making a responsibility statement, the statement must set out that to the best of his or her knowledge:
 - (a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer* and the undertakings included in the consolidation taken as a whole; and
 - (b) the management report includes a fair review of the development and performance of the business and the position of the *issuer* and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

[Note: article 4(2)(c) of the *TD*]

4.1.13

FCA

R

The *issuer* is responsible for all information drawn up and made public in accordance with this section.

4.2 Half-yearly financial reports

Application

4.2.1
FCA

R Subject to the exemptions set out in ■ DTR 4.4 (Exemptions) this section applies to an *issuer*:

- (1) whose *shares* or *debt securities* are *admitted to trading*; and
- (2) whose *Home State* is the *United Kingdom*.

Publication of half-yearly financial reports

4.2.2
FCA

- R**
- (1) An *issuer* must make public a half-yearly financial report covering the first six months of the financial year.
 - (2) The half-yearly financial report must be made public as soon as possible, but no later than two months, after the end of the period to which the report relates.
 - (3) An *issuer* must ensure that the half-yearly financial report remains available to the public for at least five years.

[Note: article 5(1) of the *TD*]

Content of half-yearly financial reports

4.2.3
FCA

R The half-yearly financial report must include:

- (1) a condensed set of financial statements;
- (2) an interim management report; and
- (3) responsibility statements.

[Note: article 5(2) of the *TD*]

Preparation and content of condensed set of financial statements

4.2.4
FCA

- R**
- (1) If an *issuer* is required to prepare consolidated accounts, the condensed set of financial statements must be prepared in accordance with *IAS 34*.

[Note: article 5(3) of the *TD*]

- (2) If an *issuer* is not required to prepare consolidated accounts, the condensed set of financial statements must contain, as a minimum the following:
 - (a) a condensed balance sheet;
 - (b) a condensed profit and loss account; and
 - (c) explanatory notes on these accounts.

[Note: article 5(3) of the *TD*]

- (1) This *rule* applies to an *issuer* that is not required to prepare consolidated accounts.
- (2) In preparing the condensed balance sheet and the condensed profit and loss account an *issuer* must follow the same principles for recognising and measuring as when preparing annual financial reports.

[Note: article 5(3) of the *TD*]

- (3) The balance sheet and the profit and loss account must show each of the headings and subtotals included in the most recent annual financial statements of the *issuer*. Additional line items must be included if, as a result of their omission, the half-yearly financial statements would give a misleading view of the assets, liabilities, financial position and profit or loss of the *issuer*.

[Note: article 3(2) of the *TD implementing Directive*]

- (4) The half-yearly financial information must include comparative information presented as follows:
 - (a) balance sheet as at the end of the first six months of the current financial year and comparative balance sheet as at the end of the immediate preceding financial year; and
 - (b) profit and loss account for the first six months of the current financial year with, from two years after 20 January 2007, comparative information for the comparable period for the preceding financial year.

[Note: article 3(2) of the *TD implementing Directive*]

- (5) The explanatory notes must include the following:
 - (a) sufficient information to ensure the comparability of the condensed half-yearly financial statements with the annual financial statements; and

4.2.5

FCA

R

4

- (b) sufficient information and explanations to ensure a users proper understanding of any material changes in amounts and of any developments in the half-year period concerned, which are reflected in the balance sheet and the profit and loss account.

[Note: article 3(3) of the *TD implementing Directive*]

4.2.6

FCA

R

The accounting policies and presentation applied to half-yearly figures must be consistent with those applied in the latest published annual accounts except where:

- (1) the accounting policies and presentation are to be changed in the subsequent annual financial statements, in which case the new accounting policies and presentation should be followed and the changes and the reasons for the changes should be disclosed in the half-yearly report; or
- (2) the *FCA* otherwise agrees.

Content of interim management report

4.2.7

FCA

R

The interim management report must include at least:

- (1) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and
- (2) a description of the principal risks and uncertainties for the remaining six months of the financial year.

[Note: article 5(4) of the *TD*]

4.2.8

FCA

R

- (1) In addition to the requirement set out in ■ DTR 4.2.7 R, an *issuer* of *shares* must disclose in the interim management report the following information, as a minimum:
 - (a) related parties transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
 - (b) any changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.
- (2) If an *issuer* of *shares* is not required to prepare consolidated accounts, it must disclose, as a minimum, any transactions which have been entered into with related parties by the *issuer*,

including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the *issuer*, if such transactions are material and have not been concluded under normal market conditions.

[Note: Article 43(1)(7b) of Directive 78/660/EC]

- (3) In relation to transactions described in paragraph (2) information about such transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the *issuer*.

[Note: Article 43(1)(7b) of Directive 78/660/EC]

Auditing of the condensed set of financial statements

4.2.9

FCA

R

- (1) If the half-yearly financial report has been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information, the audit report or review report must be reproduced in full.
- (2) If the half-yearly financial report has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information, an *issuer* must make a statement to this effect in its report.

[Note: article 5(5) of the TD]

Responsibility statements

4.2.10

FCA

R

- (1) Responsibility statements must be made by the *persons* responsible within the *issuer*.

[Note: article 5(2)(c) of the TD]

- (2) The name and function of any *person* who makes a responsibility statement must be clearly indicated in the responsibility statement.

[Note: article 5(2)(c) of the TD]

- (3) For each *person* making a responsibility statement, the statement must confirm that to the best of his or her knowledge:

- (a) the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer*, or the undertakings included in the consolidation as a whole as required by ■ DTR 4.2.4 R ;

- (b) the interim management report includes a fair review of the information required by ■ DTR 4.2.7 R; and
- (c) the interim management report includes a fair review of the information required by ■ DTR 4.2.8 R, in the case of an *issuer of shares*.

[Note: article 5(2)(c) of the *TD*]

- (4) A *person* making a responsibility statement will satisfy the requirement in (3) (a) above to confirm that the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the *issuer* (or the undertakings included in the consolidation as a whole) by including a statement that the condensed set of financial statements have been prepared in accordance with:
 - (a) *IAS 34*; or
 - (b) for *UK issuers* not using *IFRS*, pronouncements on interim reporting issued by the Accounting Standards Board; or
 - (c) for all other *issuers* not using *IFRS*, a national accounting standard relating to interim reporting,provided always that a *person* making such a statement has reasonable grounds to be satisfied that the condensed set of financial statements prepared in accordance with such a standard is not misleading.

4.2.11

FCA

R

The *issuer* is responsible for all information drawn up and made public in accordance with this section.

4.3 Interim management statements

Application

4.3.1

FCA

R

Subject to the exemptions set out in ■ DTR 4.4 (Exemptions) this section applies to an *issuer*:

- (1) whose *shares* are *admitted to trading*; and
- (2) whose *Home State* is the *United Kingdom*.

Publication of interim management statements

4.3.2

FCA

R

An *issuer* must make public a statement by its management during the first six-month period of the financial year and another statement by its management during the second six month period of the financial year.

[Note: article 6(1) of the *TD*]

4.3.3

FCA

R

The statement required by ■ DTR 4.3.2 R must be made in a period between ten weeks after the beginning, and six weeks before, the end of the relevant six-month period.

[Note: article 6(1) of the *TD*]

Content of interim management statements

4.3.4

FCA

R

The interim management statement must contain information that covers the period between the beginning of the relevant six-month period and the date of publication of the statement.

[Note: article 6(1) of the *TD*]

4.3.5

FCA

R

The interim management statement must provide:

- (1) an explanation of material events and transactions that have taken place during the relevant period and their impact on the financial position of the *issuer* and its *controlled undertakings*, and

- (2) a general description of the financial position and performance of the *issuer* and its *controlled undertakings* during the relevant period.

[Note: article 6(1) of the *TD*]

4.3.6

FCA

R An *issuer* which publishes quarterly financial reports:

- (1) in accordance with national legislation; or
- (2) in accordance with the rules of the *regulated market*; or
- (3) of its own initiative,

will be taken as satisfying the requirement to make public the statements required by ■ DTR 4.3.2 R.

[Note: article 6(2) of the *TD*]

4.4 Exemptions

Public sector issuers

4.4.1

FCA

R

The *rules* on annual financial reports (■ DTR 4.1), half-yearly financial reports (■ DTR 4.2) and interim management statements (■ DTR 4.3) do not apply to a state, a regional or local authority of a state, a public international body of which are least one *EEA State* is a member, the ECB and *EEA States'* national central banks.

[Note: article 8(1)(a) of the *TD*]

Debt issuers

4.4.2

FCA

R

The *rules* on annual financial reports in ■ DTR 4.1 (including ■ DTR 4.1.7R (4)), half-yearly financial reports (■ DTR 4.2) and interim management statements (■ DTR 4.3) do not apply to an *issuer* that issues exclusively *debt securities admitted to trading* the denomination per unit of which is 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*]

4.4.3

FCA

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:

- (1) the total nominal amount of all such *debt securities* remains below 100,000,000 Euros; and
- (2) the *credit institution* has not published a prospectus in accordance with the *prospectus directive*.

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

4.4.4

FCA

R

The *rules* on half-yearly financial reports do not apply to an *issuer* already existing on 31 December 2003 which exclusively issue *debt securities* unconditionally and irrevocably guaranteed by the *issuer's Home Member State* or by a regional or local authority of that state, on a *regulated market*.

[Note: article 8(3) of the *TD*]

Issuers of convertible securities

4.4.5
FCA

R The *rules* on half-yearly financial reports (■ DTR 4.2) and Interim management statements (■ DTR 4.3) do not apply to an *issuer* of *transferable securities* convertible into *shares*.

Issuers of preference shares

4.4.6
FCA

R The *rules* on interim management statements (■ DTR 4.3) do not apply to an *issuer* of *preference shares*.

Issuers of depository receipts

4.4.7
FCA

R The *rules* on half-yearly financial reports (■ DTR 4.2) and interim management statements (■ DTR 4.3) do not apply to an *issuer* of depository receipts.

Non-EEA States - Equivalence

4.4.8
FCA

R An *issuer* whose registered office is in a *non-EEA State* whose relevant laws are considered equivalent by the *FCA* is exempted from the *rules* on annual financial reports in ■ DTR 4.1 (other than ■ DTR 4.1.7R (4) which continues to apply), half-yearly financial reports (■ DTR 4.2) and interim management statements (■ DTR 4.3).

4.4.9
FCA

G The *FCA* maintains a published list of *non-EEA States* which, for the purpose of article 23.1 of the *TD*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this chapter. Such *issuers* remain subject to the following requirements of ■ DTR 6:

- (1) the filing of information with the *FCA*;
- (2) the language provisions; and
- (3) the dissemination of information provisions.

Chapter 5

Vote Holder and Issuer Notification Rules

5.1.1

FCA

R

In this chapter:

- (1) references to an "*issuer*", in relation to *shares* admitted to trading on a *regulated market*, are to an *issuer* whose *Home State* is the *United Kingdom*;
- (2) references to a "*non-UK issuer*" are to an *issuer* whose *shares* are admitted to trading on a *regulated market* and whose *Home State* is the *United Kingdom* other than:
 - (a) a public company within the meaning of section 4(2) of the Companies Act 2006 ; and
 - (b) a company which is otherwise incorporated in, and whose principal place of business is in, the *UK* ;
- (3) references to "*shares*" are to *shares* which are:
 - (a) already issued and carry rights to vote which are exercisable in all circumstances at general meetings of the *issuer* including *shares* (such as preference *shares*) which, following the exercise of an option for their conversion, event of default or otherwise, have become fully enfranchised for voting purposes; and
 - (b) admitted to trading on a *regulated* or *prescribed market*;
- (4) an acquisition or disposal of *shares* is to be regarded as effective when the relevant transaction is executed unless the transaction provides for settlement to be subject to conditions which are beyond the control of the parties in which case the acquisition or disposal is to be regarded as effective on the settlement of the transaction;
- (5) a stock-lending agreement which provides for the outright transfer of securities and which provides the lender with a right to call for re-delivery of the lent stock (or its equivalent) is not

(as respects the lender) to be taken as involving a disposal of any *shares* which may be the subject of the stock loan; and

- (6) for the purposes of calculating whether any percentage threshold is reached, exceeded or fallen below and in any resulting notification, the proportion of voting rights held shall if necessary be rounded down to the next whole number.

5.1.2
FCA

R

Subject to the exemption for certain third country *issuers* (■ DTR 5.11.6 R), a *person* must notify the *issuer* of the percentage of its voting rights he holds as *shareholder* or holds or is deemed to hold through his direct or indirect holding of *financial instruments* falling within ■ DTR 5.3.1R (1), subject to the exemption in ■ DTR 5.3.1R(2), and ■ DTR 5.3.1R (2A), (or a combination of such holdings) if the percentage of those voting rights :

- (1) reaches, exceeds or falls below 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and each 1% threshold thereafter up to 100% (or in the case of a non-UK *issuer* on the basis of thresholds at 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%) as a result of an acquisition or disposal of *shares* or *financial instruments* falling within ■ DTR 5.3.1 R; or
- (2) reaches, exceeds or falls below an applicable threshold in (1) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the issuer in accordance with ■ DTR 5.6.1 R and ■ DTR 5.6.1A R;

and in the case of an issuer which is not incorporated in an EEA State a notification under (2) must be made on the basis of equivalent events and disclosed information.

[Note: articles 9(1) and 9(2) of the *TD*]

Certain voting rights to be disregarded

5.1.3
FCA

R

Voting rights attaching to the following *shares* are to be disregarded for the purposes of determining whether a person has a notification obligation in accordance with the thresholds in ■ DTR 5.1.2 R:

- (1) *shares* acquired for the sole purpose of clearing and settlement within a settlement cycle not exceeding the period beginning with the transaction and ending at the close of the third *trading day* following the day of the execution of the transaction (irrespective of whether the transaction is conducted on-exchange);
- (2) *shares* held by a custodian (or nominee) in its custodian (or nominee) capacity (whether operating from an establishment in the UK or elsewhere) provided such a *person* can only exercise the voting rights attached to such *shares* under instructions given in writing or by *electronic means*;

5

- (3) *shares* held by a *market maker* acting in that capacity subject to the percentage of such *shares* not being equal to or in excess of 10% and subject to the *market maker* satisfying the criteria and complying with the conditions and operating requirements set out in ■ DTR 5.1.4 R;
- (4) (a) *shares* held; or
- (b) *shares* underlying *financial instruments* within ■ DTR 5.3.1 R to the extent that such *financial instruments* are held;
- by a *credit institution* or *investment firm* provided that:
- (i) the *shares*, or *financial instruments*, are held within the trading book of the *credit institution* or *investment firm*;
- (ii) the voting rights attached to such *shares* do not exceed 5%; and
- (iii) the *credit institution*, or *investment firm*, ensures that the voting rights attached to *shares* in, or related to *financial instruments* in, the trading book are not exercised or otherwise used to intervene in the management of the *issuer*.
- (5) *shares* held by a collateral taker under a collateral transaction which involves the outright transfer of *securities* provided the collateral taker does not declare any intention of exercising (and does not exercise) the voting rights attaching to such *shares*.
- (6) *shares* acquired by a borrower under a stock lending agreement provided:
- (a) such *shares* (or equivalent stock) are on-lent or otherwise disposed of by the borrower by not later than close of business on the next *trading day*; and
- (b) the borrower does not declare any intention of exercising (and does not exercise) the voting rights attaching to the *shares*.

[Note: articles 9(4), 9(5), 9(6) and 10(c) of the TD]

5.1.4
FCA

R

- (1) References to a *market maker* are to a *market maker* which:
- (a) (subject to (3) below) is authorised by its *Home State* under *MiFID*;
- (b) does not intervene in the management of the *issuer* concerned; and

PAGE
4

- (c) does not exert any influence on the *issuer* to buy such *shares* or back the *share* price.

[Note: articles 9(5) and 9(6) of the *TD*]

- (2) A *market maker* relying upon the exemption for *shares* held by it in that capacity must notify the *competent authority* of the *Home Member State* of the issuer, at the latest within the time limit provided for by ■ **DTR 5.8.3 R**, that it conducts or intends to conduct market making activities on a particular issuer (and shall equally make such a notification if it ceases such activity).

[Note: article 6(1) of the *TD implementing Directive*]

- (3) References to a *market maker* also include a *third country investment firm* and a *credit institution* when acting as a *market maker* and which, in relation to that activity, is subject to regulatory supervision under the laws of an *EEA State*.

Certain voting rights to be disregarded (except at 5% 10% and higher thresholds)

5.1.5

FCA

R

- (1) The following are to be disregarded for the purposes of determining whether a *person* has a notification obligation in accordance with the thresholds in ■ **DTR 5.1.2 R** except at the thresholds of 5% and 10% and above:
 - (a) voting rights attaching to *shares* forming part of property belonging to another which that *person* lawfully manages under an agreement in, or evidenced in, writing;
 - (b) voting rights attaching to *shares* which may be exercisable by a *person* in his capacity as the operator of:
 - (i) an *authorised unit trust scheme*;
 - (ii) a *recognised scheme*; or
 - (iii) a *UCITS scheme*;
 - (c) voting rights attaching to *shares* which may be exercisable by an *ICVC*;
 - (d) voting rights attaching to *shares* which may be exercised by a category of investment entity which for this purpose is prescribed by the *FCA*.
- (2) For the purposes of ■ **DTR 5.1.5 R (1)(a)**, a *person* ("A") may lawfully manage *investments* belonging to another if:
 - (a) A can manage those *investments* in accordance with a *Part 4A permission*;

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- (b) *A* is an *EEA* firm other than one mentioned in sub-paragraphs (c) or (e) of paragraph 5 of Schedule 3 to the *Act* and can manage those *investments* in accordance with its *EEA* authorisation;
- (c) *A* can, in accordance with section 327 of the *Act*, manage those *investments* without contravening the prohibition contained in section 19 of the *Act*;
- (d) *A* can lawfully manage those *investments* in another *EEA State* and would, if he were to manage those *investments* in the *UK*, require a *Part 4A permission*; or
- (e) *A* is a category of investment manager prescribed for this purpose by the *FCA*.



5.2 Acquisition or disposal of major proportions of voting rights

5.2.1
FCA

R

A *person* is an indirect holder of *shares* for the purpose of the applicable definition of *shareholder* to the extent that he is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

Case	
(a)	voting rights held by a third party with whom that <i>person</i> has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the <i>issuer</i> in question;
(b)	voting rights held by a third party under an agreement concluded with that <i>person</i> providing for the temporary transfer for consideration of the voting rights in question;
(c)	voting rights attaching to <i>shares</i> which are lodged as collateral with that <i>person</i> provided that <i>person</i> controls the voting rights and declares its intention of exercising them;
(d)	voting rights attaching to <i>shares</i> in which that <i>person</i> has the life interest;
(e)	voting rights which are held, or may be exercised within the meaning of points (a) to (d) or, in cases (f) and (h) by a <i>person</i> undertaking investment management, or by a <i>management company</i> , by an undertaking controlled by that <i>person</i> ;

5

Case	
(f)	voting rights attaching to <i>shares</i> deposited with that <i>person</i> which the <i>person</i> can exercise at its discretion in the absence of specific instructions from the <i>shareholders</i>;
(g)	voting rights held by a third party in his own name on behalf of that <i>person</i>;
(h)	voting rights which that <i>person</i> may exercise as a proxy where that <i>person</i> can exercise the voting rights at his discretion in the absence of specific instructions from the <i>shareholders</i>.

[Note: article 10 of the *TD*]

5.2.2
FCA

G

Cases (a) to (h) in ■ DTR 5.2.1 R identify situations where a *person* may be able to control the manner in which voting rights are exercised and where, (taking account of any aggregation with other holdings) a notification to the *issuer* may need to be made. In the *FCA*'s view:

- (1) Case (e) produces the result that it is always necessary for the *parent undertaking* of a *controlled undertaking* to aggregate its holding with any holding of the *controlled undertaking* (subject to the exemptions implicit in Case (e) and others in ■ DTR 5.4);
- (2) Case (f) includes a *person* carrying on investment management and which is also the custodian of *shares* to which voting rights are attached;
- (3) Case (g) does not result in a unit holder in a *collective investment scheme* or other investment entity being treated as the holder of voting rights in the scheme property (provided always such persons do not have any entitlement to exercise, or control the exercise of, such voting rights); neither are such persons to be regarded as holding *shares* "indirectly";
- (4) Case (h), although referring to proxies, also describes and applies to a *person* undertaking investment management, and to a *management company*, and which is able effectively to determine the manner in which voting rights attached to *shares* under its control are exercised (for example through instructions given directly or indirectly to a nominee or independent custodian). Case (e) provides for the voting rights which are under the control of such a *person* to be aggregated with those of its *parent undertaking*.

5.2.3
FCA

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A *person* falling within Cases (a) to (h) is an indirect holder of *shares* for the purpose of the definition of *shareholder*. These indirect holdings have to be aggregated, but also separately identified in a notification to the *issuer*. Apart from those identified in the Cases (a) to (h), the *FCA* does not expect any other significant category "indirect shareholder" to be identified. Cases (a) to (h) are also relevant in determining whether

a *person* is an indirect holder of qualifying *financial instruments* which result in an entitlement to acquire *shares*.

5.2.4

FCA

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■ DTR 5.1.2 R and case (c) of ■ DTR 5.2.1 R do not apply in respect of voting rights attaching to *shares* provided to or by a member of the European System of Central Banks in carrying out their functions as monetary authorities, including *shares* provided to or by any such member under a pledge or repurchase of similar agreement for liquidity granted for monetary policy purposes or within a payments system provided:

- (1) this shall apply only for a short period following the provision of the *shares*; and
- (2) the voting rights attached to the shares during this period are not exercised.

[Note: article 11 of the *TD*.]

5.2.5

FCA

R

- (1) A *person* who is required to make a notification may, without affecting their responsibility, appoint another *person* to make the notification on his behalf.
- (2) Where two or more *persons* are required to make a notification such *persons* may, without affecting their responsibility, arrange for a single notification to be made.

[Note: article 8(3) of the *TD implementing Directive*.]

5.3.1

FCA

R



5.3 Notification of voting rights arising from the holding of certain financial instruments

- (1) A *person* must make a notification in accordance with the applicable thresholds in ■ DTR 5.1.2R in respect of any *financial instruments* which they hold, directly or indirectly, which:
 - (a) are qualifying *financial instruments* within ■ DTR 5.3.2R; or
 - (b) unless (2) or (2A) applies:
 - (i) are referenced to the *shares* of an *issuer*, other than a non-UK *issuer*; and
 - (ii) have similar economic effects to (but which are not) qualifying *financial instruments* within ■ DTR 5.3.2R.
- (2) Paragraph (1)(b) does not apply to *financial instruments* held by a client-serving intermediary:
 - (a) acting in a client-serving capacity; and
 - (b) satisfying the conditions in (3) and the continuing obligations in (4).
- (2A) Paragraph (1)(b) does not apply to:
 - (a) *financial instruments* being nil-paid rights received from an *issuer* during a *rights issue*, but only if the *person* receiving those instruments does not, during the *rights issue* period, dispose of any of them, or acquire or dispose of a holding in a *financial instrument* within the scope of ■ DTR 5 relating to the *issuer*; or
 - (b) *financial instruments* being rights to apply for *open offer shares*, but only if the *person* receiving the offer:
 - (i) chooses to purchase the full amount of *shares* offered to him in that *open offer*; and
 - (ii) does not, during the *open offer* period acquire, or dispose of, a holding in a *financial instrument* within

the scope of ■ DTR 5 relating to the *issuer* making the *open offer*.

- (3) For the purposes of (2) a client-serving intermediary is a *person* satisfying the following conditions:
- (a) (i) it is authorised by its *Home State* under *MiFID* or the *BCD*, or, subject to (iii), as a *third country investment firm*, to deal as principal, in a client-serving capacity, in *financial instruments* falling within (1)(b), and to carry on any relevant business connected to such dealing; or
 - (ii) (A) it is a *person* which would be an *investment firm* or *credit institution* if it carried on relevant business, and had its head office, in the *EEA*;
(B) it is in the same *group* as a *person* in (a)(i); and
(C) it has equivalent authorisation from its home state regulator to that set out in (a)(i); and
 - (iii) references to a *third country investment firm* in (i) are limited to relevant business carried on by such *firms* which is subject to regulatory supervision under the laws of an *EEA State*;
- (b) it has appropriate systems and controls in order to identify, distinguish between and monitor its client-serving dealings and interests and its proprietary trading dealing and interests;
- (c) when acting in a client-serving capacity it does not:
- (i) intervene, nor does it attempt to intervene, in;
 - (ii) exert, nor purport to exert, influence on;
- the management of the *issuer* concerned;
- (d) (i) it has certified in writing to the *FCA* that it considers itself to qualify for client-serving intermediary status and that it satisfies the conditions in (a) to (c);
- (ii) for a *person* falling into (a)(ii)(A) a further certification in writing to the *FCA* of the matters in (d)(i) must have been made in relation to that *person* by the *person* in its *group* falling into (a)(i), and
 - (iii) the certificates in (i) and (ii) must have been:
 - (A) signed by a relevant *person* of at least *director* level; and

(B) made and sent to the *FCA* in the preceding 12 month period.

(4) A client-serving intermediary must:

- (a) inform the *FCA* as soon as it becomes aware that it no longer satisfies the conditions in (3); and
- (b) provide the *FCA*, on request, with information relevant to its status or operation as a client-serving intermediary.

(5) For the purposes of (2) and (3), acting in a client-serving capacity means:

- (a) fulfilling orders received from *clients* otherwise than on a proprietary basis;
- (b) responding to a *client's* requests to trade otherwise than on a proprietary basis; or
- (c) hedging positions arising out of dealings in (a) or (b).

5.3.1A

FCA

G

If the exemption in ■ DTR 5.3.1R (2A) is not available in relation to any of the nil-paid rights, the *person* receiving them should aggregate the voting rights attached to the *shares* to be allotted under any nil-paid rights retained or to the *shares* offered which he chooses to purchase under the *open offer*, as the case may be, with all existing holdings in the *issuer*, in order to calculate whether a new disclosure is required in accordance with relevant thresholds in ■ DTR 5.1.2 R.

5.3.2

FCA

R

For the purposes of ■ DTR 5.3.1 R (1)(a):

- (1) *transferable securities* and *options, futures, swaps, forward rate agreements* and any other *derivative* contracts, as referred to in Section C of Annex 1 of *MiFID*, shall be considered to be *qualifying financial instruments* provided that they result in an entitlement to acquire, on the holder's own initiative alone, under a formal agreement, *shares* to which voting rights are attached, already issued of an *issuer* whose shares are admitted to trading on a *regulated market* or a *UK prescribed market*;
- (2) the *instrument* holder must enjoy, on maturity, either the unconditional right to acquire the underlying *shares* or the discretion as to his right to acquire such *shares* or not;
- (3) a "formal agreement" means an agreement which is binding under applicable law.

[Note: Article 13(1) of the TD and Article 11(1) of the TD implementing Directive]

5.3.3

FCA

G

- (1) For the purposes of ■ DTR 5.3.1R (1)(a) and to give effect to Directive 2004/109/EC (TD), qualifying *financial instruments* should be taken into account in the context of notifying major holdings, to the extent that such instruments give the holder an unconditional right to acquire the underlying shares or cash on maturity. Consequently, qualifying *financial instruments* should not be considered to include instruments entitling the holder to receive shares depending on the price of the underlying share reaching a certain level at a certain moment in time. Nor should they be considered to cover those instruments that allow the instrument issuer or a third party to give shares or cash to the instrument holder on maturity.

[Note: Recital 13 of the *TD implementing Directive*]

- (2) For the purposes of ■ DTR 5.3.1 R (1)(b), in the FCA's view:
- (a) a *financial instrument* has a similar economic effect to a qualifying *financial instrument* in ■ DTR 5.3.1 R (1)(a), if its terms are referenced, in whole or in part, to an *issuer's shares* and, generally, the holder of the *financial instrument* has, in effect, a long position on the economic performance of the *shares*, whether the instrument is settled physically in *shares* or in cash. This is because such an instrument may give the holder the potential to gain an economic advantage in acquiring, or gaining access to, the underlying *shares*. For example, that result may occur because of the likelihood that the counterparty will have hedged with the underlying *shares* or with an instrument which may provide access to such *shares*. The holder may then be in a more advantageous position, compared to other market users (i.e. other potential purchasers of the *shares*), to gain access to those *shares*, either directly from the counterparty, or indirectly, for example in the market following sale by the counterparty;
 - (b) 'long' derivative *financial instruments* not having a linear, symmetric pay-off profile in line with the underlying *share* (that is, instruments not having a 'delta 1' profile, for example cash-settled *options*) should be considered to have an economic effect, in relation to the underlying *shares* represented, similar to that of a qualifying *financial instrument*, only in the proportion which is equal to the delta of the instrument at any particular point in time. So, for an instrument with a delta of 0.5 on a particular day, the instrument will provide a 'similar economic effect' in half of the underlying *shares* represented. This will mean that holders may need to monitor delta changes at the end of each trading day in order to determine whether a disclosure is required;
 - (c) a *financial instrument* referenced to a basket or index of *shares* will not have similar economic effects to a qualifying *financial instrument* unless:
 - (i) the *shares* in the basket represent 1% or more of the class in issue or 20% or more of the value of the securities in the basket or index, or both; or
 - (ii) use of the *financial instrument* is connected to the avoidance of notification;
 - (d) a *financial instrument* held by a *person* within a *group*, where the following conditions are satisfied, will not be considered to have economic effects similar to a qualifying *financial instrument*:
 - (i) it is held by that *person* solely for tax or accounting reasons relating to the *group* and not for reasons connected to the avoidance of notification; and

- (ii) another *person* in the *group* has made, or is, and continues to be, exempt from making, a notification under ■ DTR 5.3.1 R in respect of the position represented by that *financial instrument*.

5.3.4

FCA

R

The holder of qualifying *financial instruments* , and, to the extent relevant, *financial instruments* with similar economic effects, is required to aggregate and, if necessary, notify all such instruments as relate to the same underlying *issuer*.

[Note: article 11(2) of the *TD implementing Directive* in respect of qualifying *financial instruments*]

5.4 Aggregation of managed holdings

5.4.1

FCA

R

- (1) The *parent undertaking* of a *management company* shall not be required to aggregate its holdings with the holdings managed by the *management company* under the conditions laid down in the *UCITS Directive*, provided such *management company* exercises its voting rights independently from the *parent undertaking*.
- (2) But the requirements for the aggregation of holdings applies if the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, has invested in holdings managed by such *management company* and the *management company* has no discretion to exercise the voting rights attached to such holdings and may only exercise such voting rights under direct or indirect instructions from the *parent* or another *controlled undertaking* of the *parent undertaking*.

[Note: articles 12(4) of the TD]

5.4.2

FCA

R

- (1) The *parent undertaking* of an *investment firm* authorised under *MiFID* shall not be required to aggregate its holdings with the holdings which such *investment firm* manages on a client-by-client basis within the meaning of Article 4(1), point 9, of *MiFID*, provided that:
 - (a) the *investment firm* is authorised to provide such portfolio management;
 - (b) it may only exercise the voting rights attached to such *shares* under instructions given in writing or by *electronic means* or it ensures that individual portfolio management services are conducted independently of any other services under conditions equivalent to those provided for under the *UCITS Directive* by putting into place appropriate mechanisms; and
 - (c) the *investment firm* exercises its voting rights independently from the *parent undertaking*.
- (2) But the requirements for the aggregation of holdings applies if the *parent undertaking*, or another *controlled undertaking* of the

parent undertaking, has invested in holdings managed by such *investment firm* and the *investment firm* has no discretion to exercise the voting rights attached to such holdings and may only exercise such voting rights under direct or indirect instructions from the parent or another *controlled undertaking* of the *parent undertaking*.

[Note: article 12(5) of the *TD*]

5.4.3

FCA

R

For the purposes of the exemption to the aggregation of holdings provided in ■ DTR 5.4.1 R or ■ DTR 5.4.2 R, a *parent undertaking* of a *management company* or of an *investment firm* shall comply with the following conditions:

- (1) it must not interfere by giving direct or indirect instructions or in any other way in the exercise of the voting rights held by the *management company* or *investment firm*; and
- (2) that *management company* or *investment firm* must be free to exercise, independently of the *parent undertaking*, the voting rights attached to the assets it manages.

[Note: article 10(1) of the *TD implementing Directive*]

5.4.4

FCA

R

A *parent undertaking* which wishes to make use of the exemption in relation to *issuers* subject to this chapter whose *shares* are admitted to trading on a *regulated market* must without delay, notify the following to the *FCA* :

- (1) a list of the names of those *management companies*, *investment firms* or other entities, indicating the *competent authorities* that supervise them, but with no reference to the *issuers* concerned; and
- (2) a statement that, in the case of each such *management company* or *investment firm*, the *parent undertaking* complies with the conditions laid down in ■ DTR 5.4.3 R.

The *parent undertaking* shall update the list referred to in paragraph (1) on an ongoing basis.

[Note: article 10(2) of the *TD implementing Directive*]

5.4.5

FCA

R

Where the *parent undertaking* intends to benefit from the exemptions only in relation to the *financial instruments* referred to in Article 13 of the *TD*, it shall (in relation to *financial instruments* giving an entitlement to acquire *shares* which are admitted to trading on a *regulated market*) notify to the *FCA* only the list referred to in paragraph (1) of

■ DTR 5.4.4 R.

[Note: article 10(3) of the *TD implementing Directive*]

5.4.6

FCA

R

A *parent undertaking* of a *management company* or of an *investment firm* must in relation to *issuers* subject to this chapter whose *shares* are admitted to trading on a *regulated market* be able to demonstrate to the *FCA* on request that:

- (1) the organisational structures of the *parent undertaking* and the *management company* or *investment firm* are such that the voting rights are exercised independently of the *parent undertaking*;
- (2) the persons who decide how the voting rights are exercised act independently;
- (3) if the *parent undertaking* is a client of its *management company* or *investment firm* or has a holding in the assets managed by the *management company* or *investment firm*, there is a clear written mandate for an arms-length customer relationship between the *parent undertaking* and the *management company* or *investment firm*.

The requirement in (1) shall imply as a minimum that the *parent undertaking* and the *management company* or *investment firm* must have established written policies and procedures reasonably designed to prevent the distribution of information between the *parent undertaking* and the *management company* or *investment firm* in relation to the exercise of voting rights.

[Note: article 10(4) of the *TD implementing Directive*]

5.4.7

FCA

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For the purposes of paragraph (1) of ■ DTR 5.4.3 R direct instruction means any instruction given by the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, specifying how the voting rights are to exercised by the *management company* or *investment firm* in particular cases.

5.4.8

FCA

R

Indirect instruction means any general or particular instruction, regardless of the form, given by the *parent undertaking*, or another *controlled undertaking* of the *parent undertaking*, that limits the discretion of the *management company* or *investment firm* in relation to the exercise of voting rights in order to serve specific business interests of the *parent undertaking* or another *controlled undertaking* of the *parent undertaking*.

[Note: article 10(5) of the *TD implementing Directive*]

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5.4.9

FCA

R

Undertakings whose registered office is in a third country which would have required authorisation in accordance with Article 6 (1) of the *UCITS directive* or with regard to portfolio management under point 4 of section A of Annex 1 to *MiFID* if it had its registered office or, only in the case of an *investment firm*, its head office within the *EEA*, shall be exempted from

aggregating holdings with the holdings of its *parent undertaking* under this *rule* provided that they comply with equivalent conditions of independence as *management companies* or *investment firms*.

[Article 23(6) TD]

5.4.10

FCA

R

A third country shall be deemed to set conditions of independence equivalent to those set out in this *rule* where under the law of that country, a *management company* or *investment firm* is required to meet the following conditions:

- (1) the *management company* or *investment firm* must be free in all situations to exercise, independently of its *parent undertaking*, the voting rights attached to the assets it manages;
- (2) the *management company* or *investment firm* must disregard the interests of the *parent undertaking* or of any other *controlled undertaking* of the *parent undertaking* whenever conflicts of interest arise.

5.4.11

FCA

R

A *parent undertaking* of a third country undertaking must comply with the notification requirements in ■ DTR 5.4.4 R (1) and ■ DTR 5.4.5 R and in addition:

- (1) must make a statement that in respect of each *management company* or *investment firm* concerned, the *parent undertaking* complies with the conditions of independence set down in ■ DTR 5.4.10 R; and
- (2) must be able to demonstrate to the FCA on request that the requirements of ■ DTR 5.4.6 R are respected.

[Note: article 23 of the TD implementing Directive]



5.5 Acquisition or disposal by issuer of shares

5.5.1

FCA

R

An *issuer of shares* must, if it acquires or disposes of its own *shares*, either itself or through a *person* acting in his own name but on the *issuer's* behalf, make public the percentage of voting rights attributable to those *shares* it holds as a result of the transaction as a whole, as soon as possible, but not later than four *trading days* following such acquisition or disposal where that percentage reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights.

5.5.2

FCA

R

The percentage shall be calculated on the basis of the total number of *shares* to which voting rights are attached.

[Note: article 14 of the *TD*].

5.5.3

FCA

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Additional requirements in relation to a *listed company* which purchases its own *equity shares* are contained in ■ LR 12.4.6 R.



5.6 Disclosures by issuers

5.6.1
FCA

R An *issuer* must, at the end of each calendar month during which an increase or decrease has occurred, disclose to the public:

- (1) the total number of voting rights and capital in respect of each class of *share* which it issues.

[Note: article 15 of the *TD*]; and

- (2) the total number of voting rights attaching to *shares* of the *issuer* which are held by it in treasury.

5.6.1A
FCA

R (1) Notwithstanding **■** DTR 5.6.1 R, if a relevant increase or decrease in the total number of voting rights of the kind described in (2) occurs, an *issuer* must disclose to the public the information in **■** DTR 5.6.1R (1) and (2) as soon as possible and in any event no later than the end of the *business day* following the *day* on which the increase or decrease occurs.

- (2) For the purpose of (1), a relevant increase or decrease is any increase or decrease in the total number of voting rights produced when an *issuer* completes a transaction unless its effect on the total number of voting rights is immaterial when compared with the position before completion.

5.6.1B
FCA

G In relation to the obligation in **■** DTR 5.6.1A R, it is for an *issuer* to assess whether the effect on the total number of voting rights is immaterial. In the *FCA*'s view an increase or decrease of 1% or more is likely to be material, both to the *issuer* and to the public.

5.6.2
FCA

G The disclosure of the total number of voting rights should be in respect of each class of *share* which is admitted to trading on a *regulated* or *prescribed market*.

5.6.3
FCA

R Responsibility for all information drawn up and made public in accordance with **■** DTR 5.6.1 R and **■** DTR 5.6.1AR lies with the *issuer*.

5.7 Notification of combined holdings

5.7.1
FCA

R A *person* making a notification in accordance with ■ DTR 5.1.2 R must do so by reference to each of the following:

- (1) the aggregate of all voting rights which the *person* holds as *shareholder* and as the direct or indirect holder of qualifying *financial instruments* and *financial instruments* with similar economic effects;
- (2) the aggregate of all voting rights held as direct or indirect *shareholder* (disregarding for this purpose holdings of *financial instruments*);
- (3) the aggregate of all voting rights held as a result of direct and indirect holdings of qualifying *financial instruments*; and
- (4) the aggregate of all voting rights deemed to be held as a result of direct and indirect holdings of *financial instruments* having similar economic effects to (but not including) qualifying *financial instruments* in (3).

5.7.2
FCA

G The effect of ■ DTR 5.7.1 R is that a *person* may have to make a notification if the overall percentage level of his voting rights remains same but there is notifiable change in the percentage level of one or more of the categories of voting rights held.



5.8 Procedures for the notification and disclosure of major holdings

5.8.1
FCA

R

A notification given in accordance with ■ DTR 5.1.2 R shall include the following information:

- (1) the resulting situation in terms of voting rights;
- (2) the chain of *controlled undertakings* through which voting rights are effectively held, if applicable;
- (3) the date on which the threshold was reached or crossed; and
- (4) the identity of the *shareholder*, even if that *shareholder* is not entitled to exercise voting rights under the conditions laid down in ■ DTR 5.2.1 R and of the *person* entitled to exercise voting rights on behalf of that *shareholder*.

5.8.2
FCA

R

- (1) A notification required of voting rights arising from the holding of *financial instruments* must include the following information:
 - (a) the resulting situation in terms of voting rights;
 - (b) if applicable, the chain of *controlled undertakings* through which *financial instruments* are effectively held;
 - (c) the date on which the threshold was reached or crossed;
 - (d) for instruments with an exercise period, an indication of the date or time period where *shares* will or can be acquired, if applicable
 - (e) date of maturity or expiration of the instrument;
 - (f) identity of the holder; and
 - (g) name of the underlying *issuer*.
- (2) The notification must be made to the *issuer* of each of the underlying *shares* to which the *financial instrument* relates and, in the case of *shares* admitted to trading on a *regulated market*, to each *competent authority* of the *Home States* of such *issuers*.

- (3) If a *financial instrument* relates to more than one underlying *share*, a separate notification shall be made to each *issuer* of the underlying *shares*.
- (4) For *financial instruments* having similar economic effects to (but which are not) qualifying *financial instruments* within
 - DTR 5.3.2 R, a person making a notification in (1) must do so on a delta adjusted basis, that is, in relation to the underlying *shares* referenced, only in the proportion which is equal to the delta of the instrument at any particular point in time.

[Note: articles 11(3), (4) and (5) of the *TD implementing Directive*]

5.8.3

FCA

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The notification to the *issuer* shall be effected as soon as possible, but not later than four *trading days* in the case of a *non-UK issuer* and two *trading days* in all other cases, the first of which shall be the day after the date on which the relevant *person*:

- (1) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or
- (2) is informed about the event mentioned in ■ DTR 5.1.2 R (2).

And for the purposes of (1) above a *person* shall, in relation to a transaction to which he is a party or which he has instructed, be deemed to have knowledge of the acquisition, disposal or possibility to exercise voting rights no later than two trading days following the transaction in question and where a transaction is conditional upon the approval by public authorities of the transaction or on a future uncertain event the occurrence of which is outside the control of the parties to the agreement, the parties are deemed to have knowledge of the acquisition, disposal or possibility of exercising voting rights only when the relevant approvals are obtained or when the event happens.

[Note: articles 12(1), and 12(2) of the TD and article 9 of the *TD implementing Directive*]

5.8.4

FCA

R

- (1) The notification obligation following transactions of a kind mentioned in ■ DTR 5.2.1 R are individual obligations incumbent upon each direct *shareholder* or indirect *shareholder* mentioned in ■ DTR 5.2.1 R or both if the proportion of voting rights held by each party reaches, exceeds or falls below an applicable threshold.
- (2) In the circumstances in ■ DTR 5.2.1 R Case (h) if a *shareholder* gives the proxy in relation to one shareholder meeting, notification may be made by means of a single notification when the proxy is given provided it is made clear in the notification what the resulting

situation in terms of voting rights will be when the proxy may no longer exercise the voting rights discretion.

- (3) If in the circumstances in ■ DTR 5.2.1 R Case (h) the proxy holder receives one or several proxies in relation to one *shareholder* meeting, notification may be made by means of a single notification on or after the deadline for receiving proxies provided that it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights at its discretion.
- (4) When the duty to make notification lies with more than one *person*, notification may be made by means of a single common notification but this does not release any of those persons from their responsibilities in relation to the notification.

[Note: article 8 of the *TD implementing Directive*]

5.8.5

FCA

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It may be necessary for both the relevant *shareholder* and proxy holder to make a notification. For example, if a direct holder of shares has a notifiable holding of voting rights and gives a proxy in respect of those rights (such that the recipient has discretion as to how the votes are cast) then for the purposes of ■ DTR 5.1.2 R this is a disposal of such rights giving rise to a notification obligation. The proxy holder may also have such an obligation by virtue of his holding under ■ DTR 5.2.1 R. Separate notifications will not however be necessary provided a single notification (whether made by the direct holder of the *shares* or by the proxy holder) makes clear what the situation will be when the proxy has expired. Where a proxy holder receives several proxies then one notification may be made in respect of the aggregated voting rights held by the proxy holder on or as soon as is reasonably practicable following the proxy deadline. Unless it discloses what the position will be in respect of each proxy after the proxies have expired, such a notification will not relieve any direct holder of the *shares* of its notification obligation (if there is a notifiable disposal). A proxy which confers only minor and residual discretions (such as to vote on an adjournment) will not result in the proxy holder (or *shareholder*) having a notification obligation.

5.8.6

FCA

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An undertaking is not required to make a notification if instead it is made by its *parent undertaking* or, where the *parent undertaking* is itself a *controlled undertaking*, by its own *parent undertaking*.

[Note: article 12(3) of the *TD*]

5.8.7

FCA

R

Voting rights must be calculated on the basis of all the *shares* to which voting rights are attached even if the exercise of such rights is suspended and shall be given in respect of all *shares* to which voting rights are attached.

[Note: article 9(1) of the *TD*]

5.8.8

FCA

R

The number of voting rights to be considered when calculating whether a threshold is reached, exceeded or fallen below is the number of voting rights in existence according to the *issuer's* most recent disclosure made

in accordance with ■ DTR 5.6.1 R and ■ DTR 5.6.1A R but disregarding voting rights attached to any treasury *shares* held by the *issuer* (in accordance with the *issuer's* most recent disclosure of such holdings).

[[Note: article 9(2) of the *TD* and article 11(3) of the *TD implementing Directive*]

5.8.9

FCA

G

The *FCA* provides a link to a calendar of *trading days* through its website at <http://www.fca.org.uk> which applies in the *United Kingdom* for the purposes of this chapter.

[Note: article 7 of the *TD implementing Directive*]

5.8.10

FCA

R

A notification in relation to *shares* admitted to trading on a *regulated market*, must be made using the form TR1 available in electronic format at the *FCA's* website at <http://www.fca.org.uk> .

5.8.11

FCA

R

In determining whether a notification is required a *person's* net (direct or indirect) holding in a *share* (and of relevant *financial instruments*) may be assessed by reference to that *person's* holdings at a point in time up to midnight of the day for which the determination is made (taking account of acquisitions and disposals executed during that day).

5.8.12

FCA

R

- (1) An *issuer* not falling within (2) must, in relation to *shares* admitted to trading on a *regulated market*, on receipt of a notification as soon as possible and in any event by not later than the end of the *trading day* following receipt of the notification make public all of the information contained in the notification.
- (2) A *non-UK issuer* and any other *issuers* whose *shares* are admitted to trading on a *prescribed* (but not a *regulated*) *market* must, on receipt of a notification, as soon as possible and in any event by not later than the end of the third *trading day* following receipt of the notification, make public all of the information contained in the notification.

[Note: article 12(6) of the *TD*]

5.9.1

FCA

R



5.9

Filing of information with competent authority

- (1) A *person* making a notification to an *issuer* to which this chapter applies must, if the notification relates to *shares* admitted to trading on a *regulated market*, at the same time file a copy of such notification with the *FCA*.
- (2) The information to be filed with the *FCA* must include a contact address of the *person* making the notification (but such details must be in a separate annex and not included on the form which is sent to the *issuer*).

[Note: article 19(3) of the *TD*]



**5.10 Use of electronic means for notifications
and filing**

5.10.1

FCA

R

Information filed with the *FCA* for the purposes of the chapter must be filed using *electronic means*.

5



5.11 Non EEA State issuers

5.11.1

FCA

R

An *issuer* whose registered office is in a *non-EEA State* will be treated as meeting equivalent requirements to those set out in ■ DTR 5.8.12 R (2) (*issuer* to make public notifications of major shareholdings by close of third day following receipt) provided that the period of time within which the notification of the major holdings is to be effected to the *issuer* and is to be made public by the *issuer* is in total equal to or shorter than seven *trading days*.

[Note: article 19 of the *TD implementing Directive*]

5.11.2

FCA

R

An *issuer* whose registered office is in a *non-EEA State* will be treated as meeting equivalent requirements in respect of treasury *shares* to those set out in ■ DTR 5.5.1 R provided that:

- (1) if the *issuer* is only allowed to hold up a maximum of 5% of its own *shares* to which voting rights are attached, a notification requirement is triggered under the law of the third country whenever this the maximum threshold of 5% of the voting rights is reached or crossed;
- (2) if the *issuer* is allowed to hold up to maximum of between 5% and 10% of its own *shares* to which voting rights are attached, a notification requirement is triggered under the law of the *non-EEA state* whenever this maximum threshold and or the 5% threshold of the voting rights are reached or crossed;
- (3) if the *issuer* is allowed to hold more than 10% of its own *shares* to which voting rights are attached, a notification requirement is triggered under the law of the *non-EEA state* whenever the 5% or 10% thresholds of the voting rights are reached or crossed. Notification above the 10% threshold is not required for this purpose.

[Note: article 20 of the *TD implementing Directive*]

5.11.3

FCA

R

An *issuer* whose registered office is in a *non-EEA State* will be treated as meeting equivalent requirements to those set out in ■ DTR 5.6.1 R

(Disclosure by *issuers* of total voting rights) provided that the *issuer* is required under the law of the *non-EEA State* to disclose to the public the total number of voting rights and capital within 30 calendar days after an increase or decrease of such total number has occurred.

[Note: article 21 of the *TD implementing Directive*]

5.11.4

FCA

R

An *issuer* whose registered office is in a *non-EEA State* whose relevant laws are considered equivalent by the *FCA* is exempted from the corresponding obligation in this chapter.

5.11.5

FCA

G

The *FCA* maintains a published list of *non-EEA States* which, for the purpose of article 23.1 of the *TD*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this chapter. Such *issuers* remain subject to the following requirements of ■ DTR 6:

- (1) the filing of information with the *FCA*;
- (2) the language provisions; and
- (3) the dissemination of information provisions.

5.11.6

FCA

R

The notification requirements in ■ DTR 5.1.2 R do not apply to a person in respect of the *shares* of an *issuer* which has its registered office in a *non-EEA State* whose laws have been considered equivalent for the purposes of article 23 of the *TD*.

Chapter 6

Continuing obligations and access to information



6.1 Information requirements for issuers of shares and debt securities

Application

6.1.1
FCA

R

- (1) Subject to the exemptions set out in ■ DTR 6.1.16 R - ■ DTR 6.1.19 R this section applies in relation to an *issuer* whose *Home State* is the *United Kingdom*.
- (2) References to *transferable securities, shares and debt securities* are to such instruments as are *admitted to trading*.

Amendments to constitution

6.1.2
FCA

R

- (1) If an *issuer of transferable securities* proposes to amend its *constitution* it must communicate the draft amendment to:
 - (a) the *FCA*; and
 - (b) the *regulated market* on which its *securities* have been admitted to trading.
- (2) The communication referred to in paragraph (1) must be effected without delay but at the latest on the date of calling the general meeting which is to vote on, or be informed of, the amendment.

[Note: article 19(1) of the *TD*]

Equality of treatment

6.1.3
FCA

R

- (1) An *issuer of shares* must ensure equal treatment for all holders of *shares* who are in the same position. [Note: article 17(1) of the *TD*]
- (2) An *issuer of debt securities* must ensure that all holders of *debt securities* ranking *pari passu* are given equal treatment in respect of all the rights attaching to those *debt securities*. [Note: article 18(1) of the *TD*]

Exercise of rights by holders

6.1.4
FCA

R

An issuer of shares or debt securities must ensure that all the facilities and information necessary to enable holders of shares or debt securities to exercise their rights are available in the Home State and that the integrity of data is preserved. [Note: articles 17(2) and 18(2) of the TD]

Exercise of rights by proxy

6.1.5
FCA

R

- (1) Shareholders and debt securities holders must not be prevented from exercising their rights by proxy, subject to the law of the country in which the issuer is incorporated. [Note: articles 17(2) and 18(2) of the TD]
- (2) An issuer of shares or debt securities must make available a proxy form, on paper or, where applicable, by electronic means to each person entitled to vote at a meeting of shareholders or a meeting of debt securities holders. [Note: articles 17(2)(b) and 18(2)(b) of the TD]
- (3) The proxy form must be made available either:
 - (a) together with the notice concerning the meeting; or
 - (b) after the announcement of the meeting.

[Note: articles 17(2)(b) and 18(2)(b) of the TD]

Appointment of a financial agent

6.1.6
FCA

R

An issuer of shares or debt securities must designate, as its agent, a financial institution through which shareholders or debt securities holders may exercise their financial rights. [Note: articles 17(2)(c) and 18(2)(c) of the TD]

Electronic Communications

6.1.7
FCA

G

An issuer of shares or debt securities may use electronic means to convey information to shareholders or debt securities holders. [Note: articles 17(3) and 18(4) of the TD]

6.1.8
FCA

R

To use electronic means to convey information to holders, an issuer must comply with the following:

- (1) a decision to use electronic means to convey information to shareholders or debt securities holders must be taken in a general meeting;
- (2) the use of electronic means must not depend upon the location of the seat or residence of:
 - (a) the shareholder; or

- (b) *persons* referred to in rows (a) to (h) of the table set out in ■ DTR 5.2.1 R; or
 - (c) the *debt security* holder; or
 - (d) a proxy representing a *debt security* holder.
- (3) identification arrangements must be put in place so that the *shareholders*, *debt security* holders or other *persons* entitled to exercise or to direct the exercise of voting rights are effectively informed;
- (4) *shareholders*, *debt security* holders or *persons* referred to in rows (a) to (e) of the table set out in ■ DTR 5.2.1 R who are entitled to acquire, dispose of or exercise voting rights must be:
- (a) contacted in writing to request their consent for the use of *electronic means* for conveying information and if they do not object within a reasonable period of time, their consent can be considered to have been given; and
 - (b) able to request at any time in the future that information be conveyed in writing; and
- (5) any apportionment of the costs entailed in the conveyance of information by *electronic means* must be determined by the issuer in compliance with the principle of equal treatment set out in ■ DTR 6.1.3 R.

But paragraph (4) above does not apply in any case where schedule 5 to the Companies Act 2006 applies.

[Note: articles 17(3) and 18(4) of the *TD*]

Information about changes in rights attaching to securities

6.1.9

FCA

R

An *issuer* of *shares* must without delay disclose to the public any change in the rights attaching to its various classes of *shares*, including changes in the rights attaching to *derivative securities* issued by the *issuer* giving access to the *shares* of that *issuer*. [Note: article 16(1) of the *TD*]

6.1.10

FCA

R

An *issuer* of *securities* other than *shares* admitted to trading on a *regulated market* must disclose to the public without delay any changes in the rights of holders of *securities* other than *shares*, including changes in the terms and conditions of such *securities* which could indirectly affect those rights, resulting in particular from a change in loan terms or in interest rates.[Note article 16(2) of the *TD*]

6.1.11

FCA

R

An *issuer* of *securities* admitted to trading on a *regulated market* (other than an *issuer* which is a public international body of which at least one *EEA State* is a member) must disclose to the public without delay any

new loan issues and in particular any guarantee or security in respect of such issues. [Note: article 16(3) of the *TD*]

Information about meetings, issue of new shares and payment of dividends share issuers

6.1.12

FCA

R

An *issuer of shares* must provide information to holders on:

- (1) the place, time and agenda of meetings;
- (2) the total number of *shares* and voting rights; and
- (3) the rights of holders to participate in meetings. [Note: article 17(2)(a) of the *TD*]

6.1.13

FCA

R

An *issuer of shares* must publish notices or distribute circulars concerning the allocation and payment of dividends and the issue of new *shares*, including information on any arrangements for allotment, subscription, cancellation or conversion. [Note: article 17(2)(d) of the *TD*]

Information about meetings and payment of interest - debt security issuers

6.1.14

FCA

R

An *issuer of debt securities* must publish notices or distribute circulars concerning:

- (1) the place, time and agenda of meetings of *debt securities* holders;
- (2) the payment of interest;
- (3) the exercise of any conversion, exchange, subscription or cancellation rights and repayment; and
- (4) the rights of holders to exercise their rights in relation to paragraphs (1) - (3).

[Note: article 18(2)(a) of the *TD*]

6.1.15

FCA

R

If only holders of *debt securities* whose denomination per unit amounts to at least 100,000 euros (or an equivalent amount) are to be invited to a meeting, the *issuer* may choose as a venue any *EEA State*, provided that all the facilities and information necessary to enable such holders to exercise their rights are made available in that *EEA State*. [Note: article 18(3) of the *TD*]

Non-EEA State exemption

PAGE
5

6.1.16

FCA

R

An *issuer* whose registered office is in a non-*EEA State* whose relevant laws are considered equivalent by the *FCA* is exempted from ■ DTR 6.1.3 R to ■ DTR 6.1.15 R.

6.1.17
FCA

G

The *FCA* maintains a published list of *non-EEA State* which, for the purpose of article 23.1 of the *TD*, are judged to have laws which lay down requirements equivalent to those imposed upon *issuers* by this chapter. Such *issuers* remain subject to the following requirements of ■ DTR 6:

- (1) the filing of information with the *FCA*;
- (2) the language provisions; and
- (3) the dissemination of information provisions.

Regional and local authority exemption

6.1.18
FCA

R

A regional or local authority with securities admitted to trading is not required to comply with the following:

- (1) ■ DTR 6.1.4 R to ■ DTR 6.1.8 R; and
- (2) ■ DTR 6.1.14 R to ■ DTR 6.1.15 R.

[Note: article 1(3) of the *TD*]

Exemption for issuers of convertible securities, preference shares and depository receipts

6.1.19
FCA

R

■ DTR 6.1.3 R to ■ DTR 6.1.8 R and ■ DTR 6.1.12 R to ■ DTR 6.1.15 R do not apply to:

- (1) an *issuer* of *transferable securities* convertible into *shares*;
- (2) an *issuer* of *preference shares*; and
- (3) an *issuer* of depository receipts.



6.2 Filing information and use of language

Application

6.2.1
FCA

R This section applies to:

- (1) an *issuer*:
 - (a) whose *transferable securities* are *admitted to trading*; and
 - (b) whose *Home State* is the *United Kingdom*; and
- (2) a *person* who has requested, without the *issuer's* consent, the admission of its *transferable securities* to trading on a *regulated market*.

Filing of information with FCA

6.2.2
FCA

R An *issuer* or *person* that discloses *regulated information* must, at the same time, file that information with the *FCA*. [Note: article 19(1) of the *TD*]

6.2.3
FCA

G An *issuer* or *person* that discloses regulated information may comply with ■ DTR 6.2.2 R by using a *RIS* to disseminate the information in accordance with ■ DTR 6.3.

Language

6.2.4
FCA

R If *transferable securities* are *admitted to trading* only in the *United Kingdom* and the *United Kingdom* is the *Home State*, *regulated information* must be disclosed in English. [Note: article 20(1) of the *TD*]

6.2.5
FCA

R If *transferable securities* are *admitted to trading* in more than one *EEA State* including the *United Kingdom* and the *United Kingdom* is the *Home State*, *regulated information* must be disclosed:

- (1) in English; and
- (2) either in a language accepted by the competent authorities of each *Host State* or in a language customary in the sphere of international finance, at the choice of the issuer.

[Note: article 20(2) of the *TD*]

6.2.6
FCA

R

- (1) If *transferable securities* are admitted to trading in one or more EEA States excluding the United Kingdom and the United Kingdom is the Home State, regulated information must be disclosed either:
- (a) in a language accepted by the competent authorities of those Host States; or
 - (b) in a language customary in the sphere of international finance,
- at the choice of the issuer.
- (2) Where the United Kingdom is the Home State, regulated information must be disclosed either in English or in another language customary in the sphere of international finance, at the choice of the issuer.

[Note: article 20(3) of theTD]

6.2.7
FCA

R

If *transferable securities* are admitted to trading without the issuer's consent:

- (1) ■ DTR 6.2.4 R to ■ DTR 6.2.6 R do not apply to the issuer; and
- (2) ■ DTR 6.2.4 R to ■ DTR 6.2.6 R apply to the person who has requested such admission without the issuer's consent.

[Note: article 20(4) of theTD]

6.2.8
FCA

R

If *transferable securities* whose denomination per unit amounts to at least 100,000 euros (or an equivalent amount) are admitted to trading in the United Kingdom or in one or more EEA States, regulated information must be disclosed to the public in either a language accepted by the competent authorities of the Home State and Host States or in a language customary in the sphere of international finance, at the choice of the issuer or of the person who, without the issuer's consent, has requested such admission.

[Note: article 20(6) of theTD]

English language

6.2.9
FCA

G

English is a language accepted by the FCA where the United Kingdom is a Home State or Host State.



6.3 Dissemination of information

Application

6.3.1

FCA

R

This section applies to:

- (1) an issuer:
 - (a) whose *transferable securities* are admitted to trading; and
 - (b) whose *Home State* is the *United Kingdom*; [Note: article 21(1) of the *TD*]
- (2) a *person* who has applied, without the *issuer's* consent, for the admission of its *transferable securities* to trading on a *regulated market*; and [Note: article 21(1) of the *TD*]
- (3) *transferable securities* that are *admitted to trading* only in the *United Kingdom* which is the *Host State* and not in the *Home State*. [Note: article 21(3) of the *TD*]

6.3.2

FCA

R

An *issuer* or *person* must disclose regulated information in the manner set out in ■ DTR 6.3.3 R to ■ DTR 6.3.8 R. [Note: article 21(1) of the *TD*]

6.3.3

FCA

R

- (1) When disseminating *regulated information* an *issuer* or other *person* must ensure that the minimum standards contained in ■ DTR 6.3.4 R to ■ DTR 6.3.8 R are met.
- (2) An *issuer* or *person* must entrust a *RIS* with the disclosure of *regulated information* to the public and must ensure that the *RIS* complies with the minimum standards contained in ■ DTR 6.3.4 R to ■ DTR 6.3.8 R.

[Note: article 12(1) of the *TD implementing directive*]

6.3.4

FCA

R

Regulated information must be disseminated in a manner ensuring that it is capable of being disseminated to as wide a public as possible, and as close to simultaneously as possible in the *Home Member State* and in other *EEA States*.

[Note: article 12(2) of the *TD implementing directive*]

6.3.5

FCA

R

- (1) *Regulated information*, other than regulated information described in paragraph (2), must be communicated to the media in unedited full text.

[Note: article 12(3) of the *TD implementing directive*]

- (2) (a) An annual financial report that is required by ■ DTR 4.1 to be made public is not required to be communicated to the media in unedited full text except for the information described in paragraph (b).
 - (b) If information is of a type that would be required to be disseminated in a half-yearly financial report then information of such a type that is contained in an annual financial report must be communicated to the media in unedited full text.
- (3) The announcement relating to the publication of the following *regulated information* must include an indication of which website the relevant documents are available:
 - (a) an annual financial report that is required by ■ DTR 4.1 to be made public;
 - (b) a half-yearly financial report that is required by ■ DTR 4.2 to be made public; and
 - (c) an interim management statement that is required by ■ DTR 4.3 to be made public or an equivalent quarterly financial report.

[Note: article 12(3) of the *TD implementing directive*]

6.3.6

FCA

R

Regulated information must be communicated to the media in a manner which ensures the security of the communication, minimises the risk of data corruption and unauthorised access, and provides certainty as to the source of the *regulated information*. Security of receipt must be ensured by remedying as soon as possible any failure or disruption in the communication of *regulated information*. An issuer or person is not responsible for systemic errors or shortcomings at the media to which the *regulated information* has been communicated. [Note: article 12(4) of the *TD implementing directive*]

6.3.7

FCA

R

Regulated information must be communicated to a RIS in a way which:

- (1) makes clear that the information is *regulated information*;
- (2) identifies clearly:

- (a) the *issuer* concerned;
- (b) the subject matter of the *regulated information*; and
- (c) the time and date of the communication of the *regulated information* by the *issuer* or the *person*.

[Note: article 12(5) of the *TD implementing directive*]

6.3.8
FCA

R Upon request, an *issuer* or other *person* must be able to communicate to the *FCA* , in relation to any disclosure of *regulated information*:

- (1) the name of the *person* who communicated the *regulated information* to the *RIS*;
- (2) the security validation details;
- (3) the time and date on which the *regulated information* was communicated to the *RIS*;
- (4) the medium in which the *regulated information* was communicated; and
- (5) details of any embargo placed by the *issuer* on the *regulated information*, if applicable.

[Note: article 12(5) of the *TD implementing directive*]

6.3.9
FCA

R An *issuer* or *person* must not charge investors any specific cost for providing *regulated information*. [Note: article 21(1) of the *TD*]

Disclosure of information in a non-EEA State

6.3.10
FCA

- R**
- (1) Information that is disclosed in a *non-EEA State* which may be of importance to the public in the *EEA* must be disclosed in accordance with the provisions set out in ■ DTR 6.2 and ■ DTR 6.3.
 - (2) Paragraph (1) applies additionally to information that is not *regulated information*.

[Note: article 23(3) of the *TD*]



6.4 Choice of Home State and notifications by third country issuers

Application

6.4.1
FCA

R

In respect of *transferable securities* which are *admitted to trading* on a *regulated market*, this section applies to:

- (1) an *issuer* whose *Home State* is the *United Kingdom* in accordance with article 2.1(i)(i) of the *TD*; and
- (2) an *issuer* who chooses the *United Kingdom* as its *Home State* in accordance with article 2.1(i)(ii) of the *TD*.

Choice of Home State

6.4.2
FCA

R

An *issuer* that chooses the *United Kingdom* as its *Home State*, pursuant to article 2.1(i)(ii), must disclose that choice in accordance with ■ DTR 6.3.

[Note: article 2 of the *TD implementing Directive*]

Chapter 7

Corporate governance

7.1 Audit committees

Audit committees and their functions

7.1.1
FCA

R

An *issuer* must have a body which is responsible for performing the functions set out in ■ DTR 7.1.3 R. At least one member of that body must be independent and at least one member must have competence in accounting and/or auditing.

7.1.2
FCA

G

The requirements for independence and competence in accounting and/or auditing may be satisfied by the same member or by different members of the relevant body.

7.1.3
FCA

R

An *issuer* must ensure that, as a minimum, the relevant body must:

- (1) monitor the financial reporting process;
- (2) monitor the effectiveness of the *issuer's* internal control, internal audit where applicable, and risk management systems;
- (3) monitor the statutory audit of the annual and consolidated accounts;
- (4) review and monitor the independence of the *statutory auditor*, and in particular the provision of additional services to the *issuer*.

7.1.4
FCA

R

An *issuer* must base any proposal to appoint a *statutory auditor* on a recommendation made by the relevant body.

[Note: Article 41.3 of the *Audit Directive*]

7.1.5
FCA

R

The *issuer* must make a statement available to the public disclosing which body carries out the functions required by ■ DTR 7.1.3 R and how it is composed.

[Note: Article 41.5 (part) of the *Audit Directive*]

7.1.6
FCA

G

An *issuer* may include the statement required by ■ DTR 7.1.5 R in any statement it is required to make under ■ DTR 7.2 (Corporate governance statements).

7.1.7

FCA

G

In the FCA's view, compliance with provisions A.1.2, C.3.1, C.3.2 and C.3.3 of the *UK Corporate Governance Code* will result in compliance with ■ DTR 7.1.1 R to ■ DTR 7.1.5 R .

7

7.2 Corporate governance statements

7.2.1

FCA

R

An *issuer* to which this section applies must include a corporate governance statement in its directors' report. That statement must be included as a specific section of the directors' report and must contain at least the information set out in ■ DTR 7.2.2 R to ■ DTR 7.2.7 R and, where applicable, ■ DTR 7.2.10 R .

7.2.2

FCA

R

The corporate governance statement must contain a reference to:

- (1) the corporate governance code to which the *issuer* is subject; and/or
- (2) the corporate governance code which the *issuer* may have voluntarily decided to apply; and/or
- (3) all relevant information about the corporate governance practices applied beyond the requirements under national law.

[Note: Article 46a(1)(a) first paragraph of the *Fourth Company Law Directive*]

7.2.3

FCA

R

- (1) An *issuer* which is complying with ■ DTR 7.2.2 R (1) or ■ DTR 7.2.2 R (2) must:
 - (a) state in its directors' report where the relevant corporate governance code is publicly available; and
 - (b) to the extent that it departs from that corporate governance code, explain which parts of the corporate governance code it departs from and the reasons for doing so.
- (2) Where ■ DTR 7.2.2 R (3) applies, the issuer must make its corporate governance practices publicly available and state in its directors' report where they can be found.
- (3) If an issuer has decided not to apply any provisions of a corporate governance code referred to under ■ DTR 7.2.2 R (1) and ■ DTR 7.2.2 R (2), it must explain its reasons for that decision.

[Note: Article 46a(1)(a) second paragraph and Article 46a(1)(b) of the *Fourth Company Law Directive*]

7.2.4

FCA

G

A *listed company* which complies with ■ LR 9.8.6 R (6) (the comply or explain rule in relation to the *UK Corporate Governance Code*) will satisfy the requirements of ■ DTR 7.2.2 R and ■ DTR 7.2.3 R .

7.2.5

FCA

R

The corporate governance statement must contain a description of the main features of the *issuer's* internal control and risk management systems in relation to the financial reporting process.

[Note: Article 46a(1)(e) of the *Fourth Company Law Directive*]

7.2.6

FCA

R

The corporate governance statement must contain the information required by paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (information about share capital required under Directive 2004/25/EC (the Takeover Directive)) where the *issuer* is subject to the requirements of that paragraph.

[Note: Article 46a(1)(d) of the *Fourth Company Law Directive*]

7.2.7

FCA

R

The corporate governance statement must contain a description of the composition and operation of the *issuer's* administrative, management and supervisory bodies and their committees.

[Note: Article 46a(1)(f) of the *Fourth Company Law Directive*]

7.2.8

FCA

G

In the *FCA's* view, the information specified in provisions A.1.1, A.1.2, B.2.4, D.2.1 and C.3.3 of the *UK Corporate Governance Code* will satisfy the requirements of ■ DTR 7.2.7 R .

7.2.9

FCA

R

An *issuer* may elect that, instead of including its corporate governance statement in its directors' report, the information required by ■ DTR 7.2.1 R to ■ DTR 7.2.7 R may be set out:

- (1) in a separate report published together with and in the same manner as its annual report. In the event of a separate report, the corporate governance statement must contain either the information required by ■ DTR 7.2.6 R or a reference to the directors' report where that information is made available; or
- (2) by means of a reference in its directors' report to where such document is publicly available on the *issuer's* website.

[Note: Article 46a(2) first and second sentence of the *Fourth Company Law Directive*]

7.2.10

FCA

R

Subject to ■ DTR 7.2.11 R, an *issuer* which is required to prepare a group directors' report within the meaning of section 415(2) of the Companies Act 2006 must include in that report a description of the main features of the group's internal control and risk management systems in relation to

the process for preparing consolidated accounts. In the event that the *issuer* presents its own annual report and its consolidated annual report as a single report, this information must be included in the corporate governance statement required by ■ DTR 7.2.1 R .

[Note: Article 36(2)(f) of the *Seventh Company Law Directive*]

7.2.11

FCA

R

An *issuer* that elects to include its corporate governance statement in a separate report as permitted by ■ DTR 7.2.9 R (1) must provide the information required by ■ DTR 7.2.10 R in that report.

Disclosure Rules and Transparency Rules

DTR TP 1 Disclosure and transparency rules

DTR Sourcebook - Transitional Provisions

FCA

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
1	All of <i>DTR</i> chapter 4	R	DTR 4 shall have effect as follows: <ul style="list-style-type: none"> (a) an <i>issuer</i> whose financial year begins on or after 20 January 2007 must comply with <i>DTR</i> 4 as of 20 January 2007; and (b) an <i>issuer</i> whose financial year starts before 20 January 2007 must comply with <i>DTR</i> 4 as of the beginning of its next financial year. 	From 20 January 2007	
2	<i>DTR</i> 4.2	R	<ul style="list-style-type: none"> (1) This provision applies to an <i>issuer</i> of <i>debt securities</i> which were admitted to the <i>official list</i> before 1 January 2005 pursuant to Chapter 23 of the Listing Rules (2) An <i>issuer</i> need not disclose its half-yearly financial report in accordance with <i>DTR</i> 4.2. (3) This provision has effect for 10 years following 1 January 2005 	From 20 January 2007 till 10 years following 1 January 2005	

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
3	4.1.6 and 4.2.4	R	<p>[Note: article 30.4 <i>TD</i>]</p> <p>An <i>issuer</i> need not prepare its financial statement in accordance with DTR 4.1.6 R or DTR 4.2.4 R for any financial year beginning before 1 January 2007 if:</p> <p>(a) the <i>issuer's</i> registered office is in a <i>non-EEA State</i>; and</p> <p>(b) the <i>issuer</i> prepares its financial statements in accordance with internationally accepted standards.</p>	From 20 January 2007	
3A	4.1.6 and 4.2.4	R	<p>[Note: article 23.2 <i>TD</i>]</p> <p>An <i>issuer</i> whose registered office is in a third country is exempt from the requirement to prepare its consolidated accounts in accordance with <i>IFRS</i> or <i>IAS</i> prior to financial years starting on or after 1 January 2009, provided that it prepares its annual consolidated financial statements and half yearly consolidated financial statements in accordance the accounting standards of a third country and provided that one of the following conditions is met:</p> <p>(a) the notes to the financial statements contain an explicit and unreserved statement that they comply with International Financial Reporting Standards in accordance with IAS 1 Presentation</p>	6 April 2007 - <i>issuer's</i> financial year starting on or after 1 January 2009	20 January 2007

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
			<p>of Financial Statements;</p> <p>(b) the financial statements are prepared in accordance with the Generally Accepted Accounting Principles of either Canada, Japan or the United States of America;</p> <p>(c) the financial statements are prepared in accordance with the Generally Accepted Accounting Principles of a third country other than Canada, Japan or the United States and the following conditions are satisfied;</p> <p>(i) the third country authority responsible for the national accounting standards in question has made a public commitment, before the start of the financial year to which the financial statements relate, to converge those standards with International Financial Reporting Standards;</p> <p>(ii) that authority has established a work programme which</p>		

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
			<p>demonstrates the intention to progress towards convergence before 31 December 2008; and</p> <p>(iii) the issuer provides evidence that satisfies the competent authority that the conditions in (i) and (ii) and met.</p> <p>[Note: article 1 of Commission Decision of 4 December 2006 (2006/891/EC)]</p>		
4	4.2.4	R	<p>(1) This provision applies to an <i>issuer</i>:</p> <p>(a) whose <i>debt securities</i> only are <i>admitted to trading</i>; and</p> <p>(b) whose <i>Home State</i> is the <i>United Kingdom</i></p> <p>(2) An <i>issuer</i> is not required to disclose financial statements in accordance with DTR 4.2.4 R (1) for the financial year beginning on or after 1 January 2006.</p> <p>[Note: article 30.1 TD]</p>	From 20 January 2007	
5	4.1.6 and 4.1.8 to 4.1.11	R	<p>(1) This provision applies to an <i>issuer of debt securities</i>:</p> <p>(a) that is incorporated in a <i>non-EEA State</i>;</p>	From 20 January 2007	

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
			<ul style="list-style-type: none"> (b) whose <i>Home State</i> is the <i>United Kingdom</i>; and (c) whose <i>debt securities</i> were admitted to trading in the <i>EEA</i> prior to 1 January 2005 		
		(2)	<p>An <i>issuer</i> need not draw up its financial statements in accordance with DTR 4.1.6 R or its management report in accordance with DTR 4.1.8 R to DTR 4.1.11 R provided:</p> <ul style="list-style-type: none"> (a) the annual financial statements prepared by <i>issuers</i> from that <i>non-EEA State</i> give a true and fair view of the <i>issuer's</i> assets and liabilities, financial position and results; (b) the <i>non-EEA State</i> where the <i>issuer</i> is incorporated has not made mandatory the application of <i>IAS</i> or <i>IFRS</i>; and (c) the Commission has not taken any decision, in accordance with article 23.4(ii) of the <i>TD</i>, as to whether there is an equivalence between <i>IAS</i> and <i>IFRS</i> and: 		

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
			<p>(i) the accounting standards laid down in the law, regulations or administrative provisions of the <i>non-EEA State</i> where the <i>issuer</i> is incorporated; or</p> <p>(ii) the accounting standards of the <i>non-EEA State</i> such an <i>issuer</i> has elected to comply with.</p> <p>[Note: article 30.3 <i>TD</i>]</p>		
5A	DTR 4.1.7R (4)	R	DTR 4.1.7R (4) shall have effect as follows:	From 29 June 2008	29 June 2008
			An <i>issuer</i> whose financial year begins before 29 June 2008 must comply with DTR 4.1.7R (4) as of the beginning of its next financial year.		
6	5.6.1	R	DTR 5.6.1 R has effect as if it required, additionally, each <i>issuer</i> to make public (in the case of a <i>regulated market issuer</i> by publication to a <i>RIS</i>):	16 December 2006	
			(i) by not later than 31 December 2006 the total number of voting rights in respect of each class of <i>share</i> which it issues and which is admitted to trading on a <i>regulated market</i> or <i>UK prescribed market</i> and distinguishing the number of voting rights attaching to any shares held by the <i>issuer</i> in treasury;		

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
			(ii) any subsequent alteration of that total number of voting rights and of voting rights attaching to treasury shares occurring between the date on which the disclosure in (i) is made and 20 January 2007.		
7	5.8.3	R	Notwithstanding DTR 5.8.3 R a <i>person</i> who, holds a notifiable percentage of voting rights, must notify the <i>issuer</i> by not later than 20 March 2007 of the percentage of voting rights he holds unless it has already made a notification in accordance with DTR 5.1.2 R before that date.	From 20 January 2007	
			[TD article 30(2)]		
8	5.8.12	R	Notwithstanding DTR 5.8.12 R, an issuer must disclose the information received under TP 7 by not later than 20 April 2007 [TD article 30(2)]	From 20 January 2007	
9	TP 7 and TP 8	G	TP 7 and TP 8 are default provisions which will ensure that a <i>person</i> with a substantial proportion of voting rights which is at or above a threshold makes a notification to the <i>issuer</i> of those voting rights by not later than 20 March 2007 if such a <i>person</i> has not otherwise since 20 January 2006 made a notification at an earlier date (because for example of an acquisition or disposal of voting rights or because of a change in the total of voting rights in issue). Where such a notification is made the <i>issuer</i> must publish the information by not later than 20 April 2007.		

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
10	All of <i>DTR</i> chapter 5	R	<p>(1) References to a <i>person</i> who is authorised under <i>MIFID</i> shall be taken as references to a <i>person</i> who is authorised under the <i>ISD</i>.</p> <p>(2) The reference in <i>DTR</i> 5.4.9 R to portfolio management under point 4 of Section A of Annex 1 to <i>MiFID</i> shall be read as referring to the service of portfolio management under point 3 of Annex A of the <i>ISD</i>.</p>	From 20 January 2007 to 31 October 2007	
11	All of <i>DTR</i> chapter 5	R	References to a <i>regulated market</i> shall be taken as references to a market as defined by point 13 of article 1 of the <i>ISD</i> .	From 20 January 2007 to 31 October 2007	
12	6.1.8(1)	R	In the case of an <i>issuer</i> which is a company within the meaning of the Companies Act 2006, nothing in <i>DTR</i> 6.1.8 R (1) requires a decision to use electronic means to convey information to holders to be taken in a general meeting to the extent to which the <i>issuer</i> could lawfully use such means before 20 January 2007.	From 20 January 2007	
13	<i>DTR</i> provisions referring to Companies Acts 1985, 2006 or related provisions.	R	(1) To the extent that the whole or part of a provision of the Companies Act 2006 is yet to come into force, any reference to that provision or part of it should be read as a reference to the corresponding provision of the Companies Act 1985 currently in force (subject to the application of any relevant transitional provisions in the Companies Act 2006 or the <i>rules</i>).	6 October 2007	20 January 2007

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
14	All of <i>DTR</i> chapter 7	R	(2) To the extent that the whole or part of a provision of the Companies Act 1985 is no longer in force it shall be read as a reference to the corresponding provision of the Companies Act 2006 or relevant <i>DTR rule</i> that has superseded it (subject to the application of any relevant transitional provisions). <i>DTR 7</i> shall have effect as follows: An <i>issuer</i> whose financial year begins before 29 June 2008 must comply with <i>DTR 7</i> as of the beginning of its next financial year.	From 29 June 2008	29 June 2008
15	DTR 5.1.2 R, DTR 5.3.1 R, DTR 5.8.2R (1) and DTR 5.8.2 R (4), DTR 5.8.10 R	R	For <i>financial instruments</i> having similar economic effects to (but which are not) qualifying <i>financial instruments</i> within DTR 5.3.2 R, but which do not have a linear, symmetric pay-off (that is, a 'delta 1) profile for the purposes of DTR 5.3.3 G (2)(b), a <i>person</i> making a notification under DTR 5.1.2 R and DTR 5.8.2R (1) may, at their option, treat each <i>financial instrument</i> in question as having a delta 1 profile, but only if the <i>person</i> also makes a notification to the <i>issuer</i> of the total number voting rights relating to <i>shares</i> referenced by, and the strike, or execution, price of, each such <i>financial instrument</i> .	1 June 2009 to 31 December 2009	1 June 2009
16	TP 15	G	The effect of TP 15 is that <i>persons</i> holding <i>financial instruments</i> falling within DTR 5.3.3 G (2)(b) have a choice as to how they notify their deemed holding of voting rights in the underlying <i>shares</i> , either on a delta adjusted or nominal basis. Where notification is made on a nominal basis, extra information is required so that the delta	1 June 2009 to 31 December 2009	1 June 2009

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
			adjusted position is capable of being calculated (when used in conjunction with information about the maturity or expiry date (notifiable under DTR 5.8.2 R) and other information derivable from publicly available sources, for example, relating to volatility).		
17	DTR 5.1.2 R, DTR 5.3.1 R, 5.8, 5.9	R	A notification of the strike, or execution, price of, and the total number of voting rights relating to <i>shares</i> referenced by, each <i>financial instrument</i> for the purposes of TP 15 is to be treated as part of the notification to the <i>issuer</i> and references to 'notification' shall be construed accordingly.	1 June 2009 to 31 December 2009	1 June 2009
18	DTR 7.1.7 G DTR 7.2.4 G DTR 7.2.8 G	R	References to provisions in the <i>UK Corporate Governance Code</i> are to be read as references to the equivalent provisions in the <i>Combined Code</i> for accounting periods beginning before 29 June 2010. For the avoidance of doubt, in DTR 7.2.8 G, <i>Combined Code</i> provision A.4.6 and B2.1 became <i>UK Corporate Governance Code</i> provisions B.2.4 and D.2.1 respectively.	From 29 June 2010 to 28 December 2011	6 August 2010
19	DTR 4.1, DTR 4.2 and DTR 4.3	R	The <i>rules</i> on annual financial reports (DTR 4.1), half-yearly financial reports (DTR 4.2) and interim management statements (DTR 4.3) do not apply to <i>issuers</i> of exclusively <i>debt securities</i> the denomination per unit of which is at least 50,000 euros or in the case of <i>debt securities</i> denominated in a currency other than euro, the value of such denomination per unit is at the date of the issue equivalent to at least 50,000 euros which have already been <i>admitted to trading</i> on	From 1 July 2012 for as long as the <i>debt securities</i> (19) applies	1 July 2012

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
20	DTR 6.1.15 R	R	<p>a <i>regulated market</i> in the EU before 31 December 2010.</p> <p>[Note: article 8.1 <i>TD</i>]</p> <p>Where only holders of <i>debt securities</i> whose denomination per unit amount to at least 50,000 euros or for <i>debt securities</i> denominated in a currency other than euro, the value of such denomination per unit is equivalent to 50,000 euros at the date of issue, are to be invited to a meeting, the <i>issuer</i> may choose as a venue any <i>EEA State</i>, provided that all the facilities and information necessary to enable such holders to exercise their rights are made available in that <i>EEA State</i>, and only where those <i>debt securities</i> have already been admitted to trading on a regulated market in the EU before 31 December 2010.</p>	From 1 July 2012 for as long as the <i>debt securities</i> to which (20) applies are outstanding.	1 July 2012
21	DTR 6.2.8 R	R	<p>[Note: article 18 <i>TD</i>]</p> <p>Where <i>debt securities</i> whose denomination per unit amount to at least 50,000 euro, or for <i>debt securities</i> denominated in a currency other than euro, the value of such denomination per unit is equivalent to 50,000 euros at the date of issue, and such <i>debt securities</i> are <i>admitted to trading</i> in one or more <i>EEA States</i>, <i>regulated information</i> must be disclosed to the public in either a language accepted by the competent authorities of the <i>Home State</i> and <i>Host States</i> or in a language customary in the sphere of international finance, at the choice of the <i>issuer</i> or of the <i>person</i> who, without the <i>issuer's</i> consent, has requested such admission.</p>	From 1 July 2012 for as long as the <i>debt securities</i> to which (21) applies are outstanding.	1 July 2012

(1)	(2) Material to which the Transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional Provision: dates in force	(6) Handbook Provision: coming into force
[Note: article 20 <i>TD</i>]					

Disclosure Rules and Transparency Rules

Schedule 1 [to follow]

[to follow]

Disclosure Rules and Transparency Rules

Schedule 2 [to follow]

[to follow]

Disclosure Rules and Transparency Rules

Schedule 3 [to follow]

[to follow]

Disclosure Rules and Transparency Rules

Schedule 4 Powers Exercised

G

The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the *rules* in *DTR*:

Section 73A (Part 6 Rules)
Section 89A (Transparency rules)
Section 89B (Provision of voteholder information)
Section 89C (Provision of information by issuers of transferable securities)
Section 89D (Notification of voting rights held by issuer)
Section 89E (Notification of proposed amendment of issuer's constitution)
Section 89F (Transparency rules: interpretation etc)
Section 89G (Transparency rules: other supplementary provisions)
Section 89O (Corporate governance rules)
Section 96 (Obligations of issuers of listed securities)
Section 96A (Disclosure of information requirements)
Section 96C (Suspension of trading)
Section 99 (Fees)
Section 101 (Part 6 rules: general provisions)
Section 138 (General rule-making power)
Section 156 (General supplementary powers)
Schedule 7 (The Authority as Competent Authority for Part VI)

G

The following power in the *Act* has been exercised by the *FSA* to give the *guidance* in *DTR*:

Section 157(1) (Guidance)

Disclosure Rules and Transparency Rules

Schedule 5 [to follow]

[to follow]

Disclosure Rules and Transparency Rules

Schedule 6 Rules that can be waived

FCA

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) or section 248 (Scheme particulars rules) of the *Act*. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the *FCA* to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.