

## WHEN ISSUED DEALING

When Issued Dealing – guide to the requirements, timetable and criteria in connection with rules 1530-1532 of the Rules of the London Stock Exchange.

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### 1. Overview of When Issued dealing

Often called 'conditional' dealing or 'grey market' dealing, When Issued dealing is a period of conditional dealing with deferred settlement. When Issued dealing typically takes place in securities which are due to be listed or admitted to trading on one of the Exchange's markets.

Trades during the When Issued period, are conditional on the security being listed or admitted to trading and can only settle once trading has become unconditional. Where the security is not listed or admitted to trading, all transactions effected during the period of When Issued dealing are void.

When Issued dealing will only be permitted where the Exchange is satisfied that:

- there will be a fair and orderly market;
- the security is sufficiently liquid, taking into account the size of the issue;
- the security can be settled in electronic form; and
- there is sufficient demand for When Issued dealing in the security.

This guide outlines the process and timetable for the submission of documentation to support an application for When Issued dealing and should be read in accordance with the Exchange's Admission and Disclosure Standards.

Applicants should note that the Exchange may refuse an application for When Issued Dealing where the documentation is received late or is incomplete.

If you would like to discuss this further please contact the Issuer Implementation team on 0207 797 4310 or email [issuerimplementation@londonstockexchange.com](mailto:issuerimplementation@londonstockexchange.com).

### 2. Application Documentation and Timetable

An application for When Issued dealing will ordinarily have the support of the issuer and will usually be submitted from the sponsoring broker to the issuer. However, the Exchange will consider applications for When Issued dealing from member firms not associated with the issuer on a case by case basis. An application for When Issued dealing must include the name of an individual who can deal with any issues regarding the application.

At least **ten business days prior** to the day on which the applicant wishes When Issued dealing to commence, the Exchange must receive:

- A draft When Issued dealing application form;  
<http://www.londonstockexchange.com/en-gb/products/companyservices/ourmarkets/mainmarket/usefuldocs/applicationforms.htm>

- A draft Form 1 (For the Main, PSM & SFM markets); or  
an AIM application Form as appropriate;

[http://www.londonstockexchange.com/en-gb/products/companyservices/ourmarkets/aim\\_new/Publications/](http://www.londonstockexchange.com/en-gb/products/companyservices/ourmarkets/aim_new/Publications/)

- A copy of a draft prospectus or AIM admission document;
- Details of the likely offer price; and
- A draft stabilisation notice, if applicable.

At least **two business days prior** to the day on which the applicant wishes When Issued dealing to commence, the Exchange must receive:

- The final When Issued dealing application form.

On the **business day prior** to the start of When Issued dealing the Exchange must receive:

- Confirmation that the listing or admission documents have been approved by the relevant competent authority;
- Confirmation that allocation and pricing have taken place; and
- The final stabilisation notice, if applicable.

On this day, the Exchange will notify market participants of the proposed timetable for both when issued and the commencement of unconditional dealing via its Reference Data Service.

It is essential that the Exchange is immediately informed of any potential problems that may cause When Issued dealing to be postponed or cancelled. In particular, if an applicant becomes aware that When Issue dealing is to be postponed or cancelled prior to the start of trading, it must contact Issuer Implementation on 0207 797 4310 no later than 07:30 on the morning trading is due to start.

### **3. Approval and Commencement of Trading on a When Issued Basis**

When issued dealing will be considered for initial public offers (including GDR's or ADR's) and for securities created via a corporate action but only where there is no other suitable Exchange market for the securities created by the corporate action. When Issued dealing will only be permitted where the Exchange is satisfied that:

- there will be a fair and orderly market in the trading of the securities;
- the security will be sufficiently liquid, taking into account the size of the issue;
- the security can be settled in electronic form; and
- there is sufficient demand for When Issued dealing in the security.

In determining if the security is sufficiently liquid, the Exchange will normally only permit When Issued dealing in securities which are due to be traded on an order book platform (e.g. SETS, IOB or ITBB).

When Issued trading will only commence once:

- the offer price and allocation details have been publicly announced;

- the listing and/or admission documents have been approved by the relevant competent authority; and
- the Exchange has obtained all relevant regulatory and operational approvals. This includes acceptance of the security by the venue in which it is due to settle and, if applicable, the relevant Central Counterparty.

In addition, When Issued dealing in Gilts will only take place once the UK Debt Management Office has announced that such trades are permitted.

When Issued dealing will normally last for a period of three business days. The Exchange will consider other trading periods, either shorter or longer, on a case by case basis.

#### **4. Settlement of When Issued Dealing Trades**

The earliest settlement date for When Issued trades is the first day of unconditional dealing.

For the purpose of matching settlement instructions in CREST, the intended settlement date for Central Counterparty trades during the When Issued period must be calculated on the standard T+3 basis.