



London
Stock Exchange

28 August 2009

10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000
www.londonstockexchange.com

**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N40/09

STOCK EXCHANGE NOTICE

Amendments to the Admission and Disclosure Standards in respect of Depositary Receipt instruments

Introduction

1. This Notice outlines changes to the Admission and Disclosure Standards (“the Standards”) that describe admission standards and continuing obligations for issuers that are seeking admission, or are already admitted, to trading on the Exchange’s markets (other than AIM).
2. In response to the recent consultation on the International Order Book trading service (N31/09), the Exchange has revised the guidance notes for notification of dividend events in Depositary Receipt instruments (“DR”).

Background

3. DR record dates are normally notified to the Exchange by the relevant depositary bank. The depositary bank will in most cases align the record date of the DR with that of the underlying instrument, even if notification is given to the Exchange after this record date. Such events mainly occur where a retroactive record date has been announced for the underlying security. Currently, if the Exchange receives late notification of the record date the DR will be marked ex dividend as soon as possible after receipt of notification – normally at the start of the next business day. This can mean that the security is marked ex dividend after the record date.

Revised policy

4. From 7 September 2009 the Exchange will no longer accept late notification of record dates for any DR admitted to trading on the London Stock Exchange.
5. DR issuers or depositary banks operating on their behalf will be required to notify the Exchange of a dividend record date by no later than 09:00 three business days prior to the record date to allow the DR to be marked ex dividend in the normal way, two business days prior to the record date.
6. If notification is not received in line with the above timetable, the depositary bank will be required to set a separate dividend record date for the DR instrument which allows appropriate notification to be given to the market. This may result in different record dates for the DR and underlying instruments, however, there will remain only one ex date and one record date for the DR instrument.
7. Where a buyer has purchased a security under the Rules of the London Stock Exchange prior to the Exchange declaring the ex dividend date, the buyer will have a valid claim to the dividend even if this trade is settled after the record date, unless both parties specifically agree otherwise. For centrally cleared DR order book executions, LCH will automatically process the dividend. In all other cases the buyer is required to claim the dividend back bilaterally from their seller. This entitlement remains unchanged as a result of the change to the dividend procedure timetable, however, it is anticipated that the number of claims going forward should be reduced as a result of the new procedure.
8. Attachment 1 to this Notice highlights the changes that are being made to the Standards. Such changes will be effective from 7 September 2009. A brochure containing the revised Standards will be available on the Exchange's website at:
<http://www.londonstockexchange.com/companies-and-advisors/main-market/rules/regulations.htm>
9. Comments or queries on this Notice should be addressed to Kara Hyne, telephone +44 (0)20 7797 1608 or email: khyne@londonstockexchange.com.

Nick Bayley
Head of UK Regulation

This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.