

**SUMMARY OF CHANGES MADE BY
STOCK EXCHANGE NOTICE N05/11**

London Stock Exchange

Admission and Disclosure Standards

3 March 2011

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Glossary

<p>central counterparty transactions</p>	<p>an electronically matched order on the trading system in a central counterparty security.</p>	<p>Deleted: TradElect</p>
<p>Main Market</p>	<p>the Exchange's principal market for companies from the UK and overseas. The Main Market is part of the Exchange's regulated market, and companies must meet the associated requirements set by EU Directives and Listing Rules as applicable.</p>	<p>Deleted: Free Float</p> <p>Deleted: The number of shares not held by corporate insiders that are freely tradable in the public market or markets on which a company's securities are admitted to trading.¶</p> <p>Deleted: UK-domiciled companies listing equity must meet additional listing and disclosure standards as set by the FSA.</p>
<p>RNS</p>	<p>the Regulated Information Service (as defined in the Handbook issued by the FSA) of the London Stock Exchange.</p>	<p>Deleted: company news service</p>
<p>schemes of arrangement</p>	<p>a scheme of arrangement requiring shareholder approval under Part 26 of the Companies Act 2006.</p>	<p>Deleted: mandatory merger</p> <p>Deleted: section 425</p>
<p>scheme of reconstruction</p>	<p>a reconstruction under section 110 of the Insolvency Act 1986.</p>	<p>Deleted: , whereby holders are normally given the option to receive cash or roll over their holding into another investment</p>
<p>trading system</p>	<p>the trading system operated by the Exchange.</p>	<p>Deleted: TradElect™</p> <p>Deleted: A</p> <p>Deleted: which supports the trading services, facilitates quote and order entry, automatic execution of orders, receipts and publication of trade reports, and which is a reporting system</p>

Introduction

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Admission to our markets

The route to admission

- *New applicants*

To join our markets (other than **AIM**), most companies need to show that they have met the minimum requirements of an **EEA competent authority**¹. Companies must also commit to comply with our **Standards**. However, we retain discretion and flexibility so that, in appropriate circumstances, some areas of the **Standards** can be tailored to reflect an individual company's needs. Derogation requests from these **Standards** should be made in writing and give sufficient time for the **Exchange** to consider the request.

Companies applying for **admission** to our markets for the first time are encouraged to approach us at the earliest possible stage and, in any event, no later than the timetable outlined in the **Standards**. Initial contact should be made with the **Equity Primary Markets Team**.

Where a **prospectus** is required to be published prior to **admission to trading** by the **Exchange**, the rules governing the publication of a **prospectus** are those of the home **EEA competent authority** of the **issuer / applicant**. In the UK, the **competent authority** is the **UKLA**. ~~A prospectus may also be required where a company is making an offer of its transferable securities to the public.~~

Deleted: For a UK company seeking to issue shares, or debt whose denomination per unit is less than EUR 1 000 (or equivalent)

Companies applying to **admit to trading depositary receipts ('DR')** may wish to consider admitting the maximum number of **securities** which the **prospectus** or **listing particulars** allow, in order to prevent having to produce a **prospectus** whenever new **DRs** are created as part of the normal course of a **DR** programme.

Deleted: ² the home **competent authority** will be the **UKLA**.

Issuers seeking **admission** to the **Specialist Fund Market** should have regard to the document "Specialist Fund Market: Guidance for Admission to Trading for New Applicants" which is available on the **Exchange's** website. UK and non-UK domiciled **investment entities** are eligible to seek **admission** to this market.

¹ This requirement does not apply to companies that are **listed** on an exchange outside the **EEA** that are seeking 'Admission to Trading Only'. For our 'Admission to Trading Only' policy, please consult our website at: www.londonstockexchange.com/atonly

³ ¹ Council Directives 85/611/EEC and 85/611/EEC, as amended.

Prior to **admission**, **new applicants** who are applying for **admission to trading** must submit the appropriate forms within the timeframe set out in the **Standards**. The **application** includes the company's agreement to be bound by the **Standards**, and all fields must be completed, including the proposed **settlement** solution for trading in the company's **securities**. The **Exchange** considers **applications** on each **business day**.

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Fees

The **admission** fee is calculated in accordance with the **Exchange's** scale of fees as set out in the document "Fees for issuers". This publication, as updated from time to time, can be found on our website at www.londonstockexchange.com/feescalculator,

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Admission and Disclosure Standards

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Settlement

- 1.7 To be **admitted to trading**, **securities** must be eligible for electronic **settlement**. The **issuer** must inform the **Exchange** at the time of **application** of the chosen **settlement** mechanism and if **settlement** restrictions will apply to any **securities** to be considered for **admission**.

Guidance to Rule:

The **Exchange** requires that an appropriate **settlement** solution is in place, dependent upon the trading platform on which the **securities** are to be traded. Accepted **central security depositaries** include Euroclear UK & Ireland, Euroclear Bank, ~~Depository Trust Clearing Corporation (DTCC)~~ [or Monte Titoli S.p.A.](#) Other **central securities depositaries** will be considered on a case-by-case basis.

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Issuers should note that certain of the **Exchange's** trading platforms have trades cleared by **central counterparties**. In these cases, the **securities** have to be eligible for the **central counterparty** as well as the central **securities** depositary. In addition, the **central counterparties** may restrict where **settlement** can occur.

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Timetable for open offer

3.9 The timetable for an **open offer** must ensure that valid claims through the market can be promptly satisfied and must comply with the following:

- there must be a minimum period of at least ten **business days** from the date of posting of the **application** forms to shareholders (or from the date on which the existing **securities** were made 'ex' if that is earlier) until the close of the offer. The **business days** must exclude the '**ex**' date but may include the **application** closing date where the time for closing is no earlier than 11:00. Where the '**ex**' date is earlier than the date of posting, **application** forms must be posted no less than eight **business days** before the close of the offer;

- where possible, the **open offer record date** should be the **business day** before the expected '**ex**' date. A **record date** preceding the '**ex**' date by more than three **business days** will only be approved in exceptional circumstances; and

- the announcement by an issuer of an open offer should take place by 07:15 on the proposed 'ex' date.

As per 3.5 and 3.6, an **issuer** must contact the **Stock Situation Analysis Team** in advance of any announcement of the timetable for any **open offer**. The reference to 'in advance' means that the **Exchange** should receive the proposed timetable by no later than 09:00 on the day before the proposed announcement. The **Exchange** may require amendments to the timetable, as and when considered necessary. The **Stock Situation Analysis Team** will liaise with the **issuer** and its advisors as appropriate.

A timetable which has not been cleared in advance with the **Stock Situation Analysis Team** but which has been announced to the market, may be subject to change if required by the **Stock Situation Analysis Team**. If this situation occurs a further correcting announcement must be made to the market.

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ETFs

3.12 **Issuers** of **ETFs** for whom the **UKLA** is not the **listing** authority:

(i) must comply with the **listing** rules of the **EEA** state in which they are **listed**;

(ii) must notify a **Regulated Information Service** as soon as possible of all circulars, notices, reports (as required by the **listing** rules of the **EEA** state in which they are **listed**), at the same time as any such documents are issued;

Unless the full text of the document is provided to the **Regulated Information**

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Service, the notification must set out where copies of the relevant document can be obtained.

(iii) must appoint a registrar in the UK if: (a) there are 200 or more holders resident in the UK; or (b) 10% or more of the equity securities are held by persons resident in the UK.

(iv) must notify a **Regulated Information Service** on a daily basis of the number of outstanding shares and the Net Asset Value per share.

In relation to sub-paragraph (iii) above, an issuer should also consider the requirements of any settlement venue for a UK registrar.

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Guidance to Rule for issuers of ETFs for whom the UKLA is not the listing authority:

*An issuer must consider its obligations under the **Disclosure and Transparency Rules**. For example, the **Market Abuse Directive** will apply to **ETFs** traded on a **regulated market** and **FSA DTR 1** and **DTR 2** will apply to **ETFs admitted to trading** on a **regulated market** in the UK, even if **UKLA** is not the **listing** authority.*

*An **issuer** must also obtain fund recognition from the **FSA** and adhere to the continuing obligations contained within the **UCITS Directives**³.*

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